Resource Development Group Limited

ABN 33 149 028 142

Annual Financial Report
30 June 2015

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Contents

CORPORATE INFORMATION

ABN 33 149 028 142

Directors

Mr. Andrew Ellison, Chairman
Mr. Richard Eden, Executive Director
Mr. Gary Reid, Executive Director

Company secretary

Mr. Michael Kenyon

Registered office

Level 1, 46 Edward Street
OSBORNE PARK WA 6017
Telephone: +61 8 9443 2928
Facsimile: +61 8 9443 2926

Principal place of business

Level 1, 46 Edward Street
OSBORNE PARK WA 6017
Telephone: +61 8 9443 2928
Facsimile: +61 8 9443 2926
Website: www.resdevgroup.com.au

Share registry

Security Transfer Registrars Pty Ltd
770 Canning Highway, APPLECROSS WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Solicitors

Hilary Macdonald
Corporate & Resources Lawyer
Suite 23, 18 Stirling Highway, NEDLANDS WA 6009

Bankers

ANZ Banking Group Limited
Level 10, 77 St Georges Terrace PERTH WA 6000

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street, PERTH WA 6000

Stock exchange listing

Resource Development Group Limited shares are listed on the Australian Securities Exchange (ASX: RDG)

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (or "Group") consisting of Resource Development Group Limited ("Company" or "RDG") and the entities it controlled during the period for the year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office throughout the period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Andrew Ellison (Chairman) *Appointed 18 September 2014*

Mr Ellison is a highly experienced contractor with a successful track record in delivering business growth. Mr Ellison is responsible for strategic business development, development of new capabilities and services, identification of new territories and markets and key client relationship management. He has over 30 years' experience in maintenance and construction contracting across Australia and West Africa including civil and concrete, commercial building, structural mechanical and piping, tanks and electrical services.

In the three years immediately before the end of the financial year, Mr Ellison served as a director of Forge Group Ltd and no other public companies.

Mr Richard Eden (Executive Director) *Appointed 18 September 2014*

Mr Eden has an extensive track record in managing business growth with a strong focus on solid contract and financial management. Mr Eden is a Director at Centrals responsible for corporate and commercial functions. For over 24 years he has worked in the maintenance and construction contracting arenas across Australia and has held senior management and directorship roles in private companies.

In the three years immediately before the end of the financial year, Mr Eden has not served as a director of any other listed companies.

Mr Gary Reid (Executive Director) *Appointed 30 April 2015*

Mr Reid has over 25 years' experience in civil and concrete projects for the infrastructure, commercial building, mining and oil & gas sectors in Queensland, Northern Territory & Western Australia. Having worked his way up from the tools, he is intimately experienced in every aspect of civil & concrete construction which underpins more than 15 years of experience as a Site/Project Manager on packages up to A$250M.

In the three years immediately before the end of the financial year, Mr Reid has not served as a director of any other listed companies.

Mr Mel Ashton (Non-Executive Chairman) *Resigned 30 April 2015*

Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors.

Mr Ashton also currently holds a number of board appointments, including a directorship of The Hawaiian Group of Companies and is a past President of Chartered Accountants Australia and New Zealand.

In the three years immediately before the end of the financial year, Mr Ashton also served as a director of the following listed companies:

- Empired Limited since 2005*
- Gryphon Minerals Limited since 2004*
- Venture Minerals Limited since 2006*
- Barra Resources Limited from 2011 to January 2013
- Renaissance Minerals Limited from 2010 to March 2014

* denotes current directorships

Mr Jeff Brill (Managing Director) Resigned 10 March 2015

Mr Brill holds a Bachelor of Engineering degree (First Class Honours) from the University of Western Australia and is a member of the Australian Institute of Company Directors. Mr Brill has over 20 years' experience in project management and engineering and was a founding director of Engenium Pty Ltd.

Between 1998 and 2003, Mr Brill was employed as a senior project engineer for a number of companies including Rio Tinto and the Clough Group. Mr Brill was Engenium Pty Ltd's ("Engenium") managing director from inception in July 2003 until June 2010.

DIRECTORS' REPORT (continued)

In the three years immediately before the end of the financial year, Mr Brill has not served as a director of any other listed companies.

Mr Damir Panzich (Executive Director) *Resigned 18 September 2014*

Mr Panzich holds a Bachelor of Engineering degree from the University of Western Australia and is a member of the Australian Institute of Company Directors. Mr Panzich has over 20 years' experience in project management and engineering including various project and construction management roles and senior project engineering roles between 1992 and 2009 for companies such as Rio Tinto and BHP Billiton particularly in relation to feasibility studies and construction projects including new railway infrastructure in Western Australia. Mr Panzich was a founding shareholder of Engenium.

Mr Panzich was also an executive director of Calibre Engenium Joint Venture Pty Ltd.

In the three years immediately before the end of the financial year, Mr Panzich has not served as a director of any other listed companies.

Mr Chris Ryan (Non-Executive Director) *Resigned 18 September 2014*

Mr Ryan holds a Bachelor of Business degree, is a fellow of the Australian Human Resources Institute, a fellow of the Australian Institute of Management and a graduate member of the Australian Institute of Company Directors.

Mr Ryan has over 20 years' experience in senior Human Resources (HR) roles, including General Manager of Human Resources for Wesfarmers Limited between 1999 and 2008 where he was responsible for the HR aspects of acquisitions. He currently provides corporate advisory services, is a member of Curtin University's School of Management Advisory Board (since 2008), and serves as an Adjunct Professor to the Curtin Business School.

In the three years immediately before the end of the financial year, Mr Ryan has not served as a director of any other listed companies.

Company Secretary

Mr Michael Kenyon (Chief Financial Officer/Company Secretary) *Appointed 3 June 2015*

Michael holds a Bachelor of Business degree from the Edith Cowan University, is an associate member of Chartered Accountants Australia and New Zealand, and a graduate member of the Australian Institute of Company Directors. Mr Kenyon has held Chief Financial Officer roles in a number of public companies over the past 15 years and is also a director of several not-for-profit organisations.

Mr Mark Pugsley (Chief Financial Officer/Company Secretary) *Resigned 3 June 2015*

Mr Pugsley holds a Bachelor of Commerce degree, is an associate member of Chartered Accountants Australia and New Zealandand a graduate member of the Australian Institute of Company Directors. Mark has held Chief Financial Officer or General Manager roles in a number of financial services organisations and was Director of Finance and Company Secretary from 2004 to 2011 with RBS Morgans Limited and WA state director for RBS Morgans Limited from July 2011 to July 2012.

DIRECTORS' REPORT (continued)

Interests in the shares, options and incentives of the Company and related bodies corporate
The following relevant interests in shares, options and incentives of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Fully paid ordinary shares Number	Share options Number	Incentives Number
Andrew Ellison	105,649,724	-	-
Gary Reid	105,649,724	-	-
Richard Eden	60,220,343	-	-

Shares under option or issued on exercise of options
At the date of this report unissued ordinary shares or interests of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
3 October 2014	6,000,000	$0.04	28 July 2017

Incentives granted and subject to vesting
At the date of this report unissued ordinary shares or interests of the Company in relation to unvested incentives are:

Date incentives granted	Number of incentives subject to vesting	Exercise price of incentive	Expiry date of incentives
16 January 2015	8,500,000	$Nil	16 January 2019

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of an option or vesting of an incentive are:

Number of shares issued	Amount paid for the shares
1,810,000	$Nil

Share options/incentives granted to directors and senior management
During and since the financial year, there were no share options/incentives granted to any key management personnel of the Company and the entities it controlled as part of their remuneration.

Principal Activities

The principal activities of the entities within the consolidated entity during the year were the provision of consulting, and contracting and construction services to the mining sector within Australia. As a result of the sale of its consulting businesses during June 2015, the consolidated entity's principal activities now consist of contracting and construction services.

Review of operations

Resource Development Group Ltd ("RDG" or "Company") reported a net profit after tax of $9.9 million on revenues of $232.3 million for the year ended 30 June 2015. Earnings before interest, depreciation, amortisation and taxation (EBITDA) of $22.4 million were down 18% from the prior year. A $2.6 million loss from discontinued operations was also included in these figures. Cash inflows from operating activities remained strong and virtually unchanged from last financial year at just over $27 million.

The last 12 months has been one of significant change for RDG, caused by declining construction activity in the Resources Industry. The acquisition of Central Systems Pty Ltd ("Centrals") saw the introduction of a much larger contracting and construction focus within the Group which has resulted in a cultural change more aligned with contracting risk and opportunity that a down turn in the construction market brings.

There have been some significant highlights, including successfully completing the Company's largest ever project (circa AUD$100 million) on the Roy Hill project. Eleven rail bridges were constructed for Samsung C&T which were completed in approximately 15 months and were on schedule. The Company further strengthened its experience and profile in the oil and gas sector following the acquisition of the Killarnee Civil & Concrete business with ongoing contracts on the Gorgon project. The Company also consolidated its position on the BHP Billiton Iron Ore contractor panel as part of its

DIRECTORS' REPORT (continued)

ongoing framework agreement. The Company also successfully completed its largest structural, mechanical and piping construction project for FMG's Northstar project under the joint venture entity Iron Bridge Operations Pty Ltd. The Company purchased a large yard in Newman and opened a regional branch office to service its existing clients in the Newman region, allowing equipment to be mobilised to surrounding sites with minimal notice.

Whilst the financial performance for FY15 was broadly in line with the approved budget it was evident during the second half that a reducing market in terms of available opportunities coupled with increasing competitiveness for these opportunities would have an earnings impact on the Group.

The increasingly competitive market conditions led to a Board decision to subsequently dispose of the consulting subsidiaries of long term brands Engenium, Intellect Systems and Ecologia. The Board was pleased to be able to successfully work with and complete management buyouts of the three consulting subsidiaries to the respective existing senior management teams and wishes the new owners every success operating in the privately owned consultancy space. This now leaves Centrals as the sole operating subsidiary of RDG.

The second half of FY15 has been a period of extensive overhead review and consolidation with significant cost reduction measures implemented including reduction in property, staff, plant & equipment and other operating costs. The RDG head office has now been co-located with Centrals at the Osborne Park premises and the CBD leases have all been terminated and paid out by RDG. The Lightshare shareholders have agreed to a two year extension to their existing loan repayment and a two-year interest-free period which the Centrals shareholders have also agreed to. The Board has subsequently resolved to recommence interest payments subject to receiving the September management accounts and determining the interest rate. RDG has therefore maintained a profitable position based on the reduced turnover during this period. As a result, RDG now has a significantly lower overhead structure business with a smaller, but dedicated and hardworking team of professionals. The Company also has cash in the bank and is well placed for the future.

Significant Events

During the year ended 30 June 2015 the directors negotiated to acquire all the shares in Central Systems Pty Ltd ("Centrals"), a multi-disciplined, self-performing construction contractor and provider of remedial and maintenance services to the mining, energy and defence sectors in Australia.

The acquisition was in line with RDG's stated strategy of acquisitive growth and based on the impressive operational and financial performance of Central Systems Pty Ltd and its ability to secure and complete work in a highly competitive environment, despite the negative sentiment in the industry.

RDG and Centrals have come together in a proactive and productive manner to satisfy all the conditions precedent to completing the acquisition process, which commenced early July 2014 and was completed on 31 August 2014 with legal ownership of Central Systems Pty Ltd being transferred to Resource Development Group Limited on 3 October 2014.

The legal structure of the Group subsequent to the completion of the acquisition process remained unchanged with Resource Development Group Limited as the parent entity. However, the principles of reverse acquisition accounting applied where the owners of the acquired entity (in this case, Central Systems Pty Ltd) obtained control of the acquiring entity (in this case, Resource Development Group Limited) as a result of the businesses' combination.

On 10 December 2014 RDG announced that Centrals had successfully negotiated the assignment of two contracts from Killarnee Civil & Concrete Contractors Pty Ltd (Killarnee) for construction works on Barrow Island for Chevron's Gorgon LNG project. Prior to Killarnee placing themselves into voluntary administration on 1st September 2014 an agreement was signed between Centrals and Killarnee for the purchase/sale of assets and assignment of construction contracts.

The contracts included LNG tank construction for CB&I Constructors Pty Ltd (CB&I) and a minor civil works contract for Leighton Holdings. Both contracts are reimbursable on a rates and materials basis. In addition 72 personnel including supervision and workforce together with assorted plant and equipment on the island were transferred to Centrals. Mr Paul Thompson, the owner of Killarnee, also joined Centrals to lead the newly formed oil & gas division however he has subsequently left Centrals to pursue other interests.

On 3 June 2015, RDG announced that it had entered into Share Sale Agreements with the respective management teams and associates of its wholly owned subsidiaries, Ecologia Environmental Consultants Pty Ltd (Ecologia) and Intellect Systems Pty Ltd (Intellect). Both of these companies provide specialist services to the mining, energy and infrastructure sectors and have been part of the RDG Group since 2011. Completion of each of these sales was achieved effective from close of business on 3 June 2015.

DIRECTORS' REPORT (continued)

On 23 June the Company announced that it had entered into a Share Sale Agreement with the current management team and associates of its other wholly owned subsidiary, Engenium Pty Ltd (Engenium). Engenium provides services to the mining, energy and infrastructure sectors and had been part of the Group since listing on the ASX in 2011. Completion of that sale was achieved effective at the close of business on 22 June 2015.

Employee Long Term Incentive Plan

On 8 August 2014, an agreement was reached between the Company and the employees who had incentives under the Employee Incentive Plan. The incentive plan originally set up in February 2011 was dissolved prior to the acquisition of Centrals with the view of a post-acquisition incentive plan being established. Of the remaining 3,275,000 incentives on issue, 1,185,000 incentives vested on 8 August 2014 with the balance of the incentives (2,090,000) being cancelled.

On 16 January 2015 the Employee Long Term Incentive Plan 2014 was introduced with 11,500,000 incentives being granted at nil cents per incentive and progressive vesting dates through to 16 January 2019. A total of 3,000,000 were subsequently forfeited on termination of employment. The incentive plan is based on the same structure as its predecessor which had been cancelled prior to the acquisition of Centrals. A total of 8,500,000 incentives remained on hand at 30 June 2015.

Key Information

- Revenues from continuing operations of $232.4m, up 21.4% on the previous period
- Profit before tax from continuing operations of $16.0m
- Divestment of three wholly-owned subsidiaries operating in the consultancy space
- Relocation and downsizing to one single office at Osborne Park
- Continuing focus on overhead and cost reduction

Operations

Headquartered in Perth, RDG provides diversified services to the resource, infrastructure, energy, government, utilities and defence sectors within Australia. RDG has offices in Perth, Karratha, Newman, Brisbane and Townsville.

RDG has one wholly owned operating subsidiary as at 30 June 2015:

- Central Systems Pty Ltd ("Centrals"), which provides multi-discipline construction, remedial and maintenance services to the resources, energy, infrastructure and defence sectors in Australia and internationally

RDG, through its wholly-owned subsidiary Centrals, provides a 'whole of project' life-cycle service offering, including:

- Multi-disciplinary engineering design services (process, civil, structural, mechanical, electrical and PLC)
- Multi-disciplinary construction services (civil, SMPT, E&I)
- Ancillary, remedial and protective maintenance services
- EPCM, PMC or integrated team project delivery solutions
- EPC project delivery solutions
- Design and construct (D&C) package delivery solutions
- Optimising services including debottlenecking existing operations

Centrals delivered two major packages being the Roy Hill rail bridges contract for Samsung C&T in addition to circa 80% of the SMP package for Ironbridge's (FMG's) Northstar magnetite plant. In addition Centrals delivered multiple sustaining works projects for BHP Billiton Iron Ore, including several D&C contracts in partnership with Engenium, remediation works for CBH Group and defence related works.

Workforce Capacity and Capability

Staff numbers increased over the past year as construction projects were delivered and diminished towards the end of the financial year as projects were demobilised. At the time of this report RDG employed approximately 250 people.

Strategy and Outlook

It has been a year for new business direction, diversification and setting targets on new directions and business growth areas away from our traditional construction market, with the entry of Centrals into the residential construction market. Ongoing contracts from former home builder Free Life Homes were acquired subsequent to 30 June 2015 and an increased focus was put into new markets such as recently prequalifying to Main Roads WA, Department of Housing, Water Corporation and Department of Defence to name a few examples. Whilst this is a relatively new direction for RDG, the Company remains confident they will provide opportunities whilst still leveraging off our existing proven capability and skill base. The management team have a mature and developed plan in regard to the longer term diversification away from the construction industry that is not showing any near term signs of early recovery, in fact our research is showing

DIRECTORS' REPORT (continued)

that it will remain depressed for a number of years ahead. The Company intends to continue to work in the mining industry and diversify into other business areas that are able to provide longer term sustainable revenue.

We have identified a number of potential acquisition targets that are currently being explored by the Board that will reduce the dependency of the Group on the construction sector and move away into a new direction. We are excited and confident this will provide increased diversification for the Group to allow the future to provide a more improved and positive outlook. The Board will keep shareholders informed of these opportunities as they materialise in the future.

Operating results for the year

The Group reported a net profit before income tax from continuing operations for the reporting year ended 30 June 2015 of $16,048,964 (2014: profit before tax of $21,915,471). Revenues from continuing operations were $232,353,041, up 21.4% on the previous year of $191,411,117.

Risk management

Senior management have made decisions on how we should manage the various categories of risk exposure and this includes the imposition of Standard Operating Procedures (SOP's) for routine business transactions; and mitigation initiatives such as insurance policies to lessen or obviate risks.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity to the date of this report.

Significant events after balance date

There are no significant events to report after balance date.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Therefore, this information has not been presented in this report.

Environmental legislation

The consolidated entity is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

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

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Remuneration report

This report outlines the remuneration arrangements in place for the key management personnel of Resource Development Group Limited for the financial year ended 30 June 2015. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

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

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Key management personnel

(i) Directors

Mr Andrew Ellison	(Chairman) Appointed 18 September 2014
Mr Richard Eden	(Executive Director) Appointed 18 September 2014
Mr Gary Reid	(Executive Director) Appointed 30 April 2015
Mr Mel Ashton	(Non-Executive Chairman) Resigned 30 April 2015
Mr Jeff Brill	(Managing Director) Resigned 10 March 2015
Mr Damir Panzich	(Executive Director) Resigned 18 September 2014
Mr Chris Ryan	(Non-Executive Director) Resigned 18 September 2014

(ii) Executives

Mr Mark Pugsley (Chief Financial Officer) Resigned 3 June 2015

Mr Michael Kenyon (Chief Financial Officer) Appointed 3 June 2015

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at a General Meeting held on 3 February 2011 when shareholders approved an aggregate remuneration of $500,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company, and includes any committee on which a director sits.

The remuneration of directors for the year ended 30 June 2015 is detailed in Table 1 of this report.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Fixed remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee and/or the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component of the key management personnel is detailed in Table 1 of this report.

Variable remuneration

The objective of the short term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Actual payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the financial year are met.

The aggregate of annual payments available for executives across the Group is subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus in the following reporting period.

The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

No bonus payments were made during the year (2014: $Nil).

Service/Employment contracts

Mr Andrew Ellison (Chairman)

Mr Ellison has a Contract Services Agreement dated 10 September 2014 with the Company, engaging him as Chairman for an indefinite term commencing 19 September 2014, for Total Fixed Remuneration (TFR) of $300,000 per annum.

The agreement may be terminated by either party giving four weeks written notice, or terminated immediately with cause. Restraint and non-solicitation provisions will apply for six months following termination of the contract, and other usual and appropriate commercial conditions of employment are included to protect the interests of the Company during and following his term of engagement.

Mr Richard Eden (Executive Director)

Mr Eden has an Executive Service Agreement (ESA) dated 10 September 2014 with the Company, employing him as Executive Director for an indefinite term commencing on 19 September 2014, for TFR of $416,000 per annum, and an annual incentive capped at 20% of TFR.

On 6 January 2015, Mr Eden agreed to a variation to the above-mentioned ESA, which included the following changes:

- A 20% reduction in the base salary cash component of $386,000 to a new base salary of $308,800 with effect from 1 January 2015. The reduction in remuneration is implemented for 12 months only and will be reviewed at that time;
- The introduction of an Short Term Incentive (STI) scheme being 20% of the new base salary amount linked to mutually agreed KPI's from 1 January 2015; and
- A review and payment of the STI scheme on a six monthly basis.

Subsequent to the above, Mr Eden agreed to a further change of employment conditions on 25 May 2015 whereby his normal working days were reduced from five days per week to four days per week. His TFR was accordingly also reduced to $272,040 per annum.

The agreement may be terminated by either party giving three months' written notice, or terminated immediately with cause. Restraint and non-solicitation provisions will apply for six months following termination of the contract, and other usual and appropriate commercial conditions of employment are included to protect the interests of the Company during and following his term of employment.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Mr Gary Reid (Executive Director)

Mr Reid has an Executive Service Agreement (ESA) dated 10 September 2014 with the Company, employing him as Executive Director for an indefinite term commencing on 19 September 2014, for TFR of $463,085 per annum, and an annual incentive capped at 20% of TFR.

On 6 January 2015, Mr Reid agreed to a variation to the above-mentioned ESA, which included the following changes:

- A 20% reduction in the base salary cash component of $433,085 to a new base salary of $346,468 with effect from 1 January 2015. The reduction in remuneration is implemented for 12 months only and will be reviewed at that time;
- The introduction of an Short Term Incentive (STI) scheme being 20% of the new base salary amount linked to mutually agreed KPI's from 1 January 2015; and
- A review and payment of the STI scheme on a six monthly basis.

The agreement may be terminated by either party giving three months' written notice, or terminated immediately with cause. Restraint and non-solicitation provisions will apply for six months following termination of the contract, and other usual and appropriate commercial conditions of employment are included to protect the interests of the Company during and following his term of employment.

Mr Michael Kenyon (Chief Financial Officer/Company Secretary)

The Company has entered into a Contract Services Agreement effective 19 May 2015 with Mr Kenyon, engaging him as Chief Financial Officer / Company Secretary for a 6 month term ending on 26 November 2015 for a TFR of $10,000 per calendar month for a two day working week.

The agreement may be terminated by either party giving four weeks written notice, or terminated immediately with cause. Other usual and appropriate commercial conditions of employment are included to protect the interests of the Company during and following his term of engagement.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Remuneration of directors and named executives

Table 1: Key Management Personnel remuneration for the years ended 30 June 2015 and 30 June 2014

		Short-term employee benefits				Post-employment benefits	Other long-term benefits	Equity		
		Salary & fees $	Bonuses $	Non-monetary benefits $	Other $	Super-annuation $	Long-service leave $	Incentives $	Total $	Performance related %
Mr Andrew Ellison[1]	2015	225,000	-	-	-	-	-	-	225,000	-
	2014	316,763	-	-	-	-	-	-	316,763	-
Mr Richard Eden[2]	2015	238,591	-	3,789	-	22,500	-	-	264,880	-
	2014	391,000	-	9,914	-	25,000	-	-	425,914	-
Mr Gary Reid[3]	2015	62,628	-	5,550	-	5,000	-	-	73,178	-
	2014	397,077	-	14,162	-	22,411	-	-	433,650	-
Mr Michael Kenyon[4]	2015	10,000	-	-	-	-	-	-	10,000	-
	2014	-	-	-	-	-	-	-	-	-
Mr Mel Ashton[5]	2015	48,753	-	-	-	-	-	-	48,753	-
	2014	65,004	-	-	-	-	-	-	65,004	-
Mr Jeff Brill[6]	2015	288,130	-	-	-	19,756	-	-	307,886	-
	2014	257,432	-	-	-	23,798	-	-	281,230	-
Mr Damir Panzich[7]	2015	29,803	-	-	-	2,822	-	-	32,625	-
	2014	151,390	-	-	-	14,323	-	-	165,713	-
Mr Chris Ryan[8]	2015	11,250	-	-	-	-	-	-	11,250	-
	2014	45,000	-	-	-	-	-	-	45,000	-
Mr Mark Pugsley[9]	2015	197,662	-	-	-	13,563	-	7,200	218,425	-
	2014	177,442	-	-	-	16,413	-	9,000	202,855	-
Totals	**2015**	**1,111,817**	**-**	**9,339**	**-**	**63,641**	**-**	**7,200**	**1,191,997**	**-**
	2014	**1,801,108**	**-**	**24,076**	**-**	**101,945**	**-**	**9,000**	**1,936,129**	**-**

No options were granted during the year

DIRECTORS' REPORT (continued)

[1] Mr Ellison was appointed as a director on 18 September 2014

[2] Mr Eden was appointed as a director on 18 September 2014

[3] Mr Reid was appointed as a director on 30 April 2015

[4] Mr Kenyon was appointed as Chief Financial Officer and Company Secretary on 3 June 2015

[5] Mr Ashton resigned as Non-Executive Chairman on 30 April 2015

[6] Mr Brill resigned as Managing Director on 10 March 2015

[7] Mr Panzich resigned as Executive Director on 18 September 2014

[8] Mr Ryan resigned as Non-Executive Director on 18 September 2014

[9] Mr Pugsley resigned as Chief Financial Officer and Company Secretary on 3 June 2015

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Key Management Personnel equity holdings

	Ordinary shares held in Resource Development Group Limited (number)						
30 June 2015	Balance at beginning of period	Granted as remuner-ation	Purchased	On exercise of incentives	Net change other[6]	Balance on resignation	Balance at end of period
Directors							
Mr Andrew Ellison	-	-	-	-	105,649,724	-	105,649,724
Mr Richard Eden	-	-	-	-	60,220,343	-	60,220,343
Mr Gary Reid	-	-	-	-	105,649,724	-	105,649,724
Mr Mel Ashton[1]	250,000	-	-	-	-	250,000	-
Mr Jeff Brill[2]	75,889,606	-	-	-	-	75,889,606	-
Mr Damir Panzich[3]	76,014,606	-	-	-	-	76,014,606	-
Mr Chris Ryan[4]	125,000	-	-	-	-	125,000	-
Executives							
Mr Mark Pugsley[5]	300,000	-	500,000	200,000	-	1,000,000	-
Mr Michael Kenyon	-	-	600,000	-	-	-	600,000
30 June 2014							
Directors							
Mr Mel Ashton	187,500	-	-	62,500	-	-	250,000
Mr Jeff Brill	75,889,606	-	-	-	-	-	75,889,606
Mr Damir Panzich	75,889,606	-	125,000	-	-	-	76,014,606
Mr Chris Ryan	62,500	-	-	62,500	-	-	125,000
Executives							
Mr Mark Pugsley	-	-	300,000	-	-	-	300,000

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

[1] Mr Ashton resigned as Non-Executive Chairman on 30 April 2015

[2] Mr Brill resigned as Managing Director on 10 March 2015

[3] Mr Panzich resigned as Executive Director on 18 September 2014

[4] Mr Ryan resigned as Non-Executive Director on 18 September 2014

[5] Mr Pugsley resigned as Chief Financial Officer and Company Secretary on 3 June 2015

[6] Shares acquired as proceeds for sale of Central Systems Pty Ltd to Resource Development Group Ltd

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Key Management Personnel equity holdings (continued)

Incentives held in Resource Development Group Limited (number)

30 June 2015	Balance at beginning of period	Granted as remuneration	On exercise of incentives	Net change other	Balance at end of period
Directors					
Mr Andrew Ellison	-	-	-	-	-
Mr Richard Eden	-	-	-	-	-
Mr Gary Reid	-	-	-	-	-
Mr Mel Ashton	-	-	-	-	-
Mr Jeff Brill	-	-	-	-	-
Mr Damir Panzich	-	-	-	-	-
Mr Chris Ryan	-	-	-	-	-
Executives					
Mr Mark Pugsley[1]	500,000	-	(200,000)	(300,000)	-
Mr Michael Kenyon	-	-	-	-	-

[1] Mr Pugsley resigned on 3 June 2015

30 June 2014	Balance at beginning of period	Granted as remuneration	On exercise of incentives	Net change other	Balance at end of period
Directors					
Mr Mel Ashton	-	-	-	-	-
Mr Jeff Brill	-	-	-	-	-
Mr Damir Panzich	-	-	-	-	-
Mr Chris Ryan	-	-	-	-	-
Executives					
Mr Mark Pugsley	-	500,000	-	-	500,000

Details of employee share option plans

Under the terms of the plan, the Board may offer free options to persons ("Eligible Persons") who are full-time or part-time employees (including a person engaged by the Company under a consultancy agreement); or Directors of the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant. Upon receipt of such an offer, the Eligible Person may nominate an associate to be issued with the options. The maximum number of options issued under the Plan at any one time is 5% of the total number of Shares on issue in the Company provided that the Board may increase this percentage, subject to the Corporations Act and the Listing Rules.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options will be such price as determined by the Board (in its discretion) on or before the date of issue provided that in no event shall the exercise price be less than 80% of the weighted average sale price of Shares sold on ASX during the five Business Days prior to the date of issue.

Shares issued on exercise of options will rank equally with other ordinary shares of the Company.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Details of employee share option plans (continued)

Options may not be transferred other than to a nominee of the holder. Quotation of options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of options.

An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period (if any). An option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, the employee ceasing to be employed by the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

If, in the opinion of the Board any of the following has occurred or is likely to occur, the Company entering into a scheme of arrangement, the commencement of a takeover bid for the Company's Shares, or a party acquiring a sufficient interest in the Company to enable them to replace the Board, the Board may declare an option to be free of any conditions of exercise. Options which are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.

There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least six Business Days after the issue is announced. Option holders shall be afforded the opportunity to exercise all options which they are entitled to exercise pursuant to the Plan prior to the date for determining entitlements to participate in any such issue.

If the Company makes an issue of shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each option holder holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to participate in the Bonus Issue by exercising their options before the record date determining entitlements under the Bonus Issue. They will then be issued the shares under the Bonus Issue in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise.

The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank pari passu in all respects with the other Shares issued upon exercise of the options. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each option holder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

Under current taxation laws any taxation liability in relation to the options, or the Shares issued on exercise of the options, will fall on the participants. The Company will not be liable to fringe benefits tax in relation to options or Shares issued under the Plan.

Although Directors are eligible to be offered options under the Plan, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act 2001.

Details of Employee Incentive Plan

The Group continued the Employee Incentive Plan which was first adopted in February 2011, which allowed the Board to invite employees to apply for incentives. The incentives may be exercised for nil consideration when certain vesting conditions occur, at which point one share will be issued for each incentive exercised.

On 1 July 2014 625,000 incentives vested in accordance with the Employee Incentive Plan. On 8 August 2014, an agreement was reached between Resource Development Group Limited and the employees who had incentives under the Employee Incentive Plan. The incentive plan originally set up in February 2011 was dissolved prior to the legal acquisition of Central Systems Pty Ltd by Resource Development Group Limited with the view of a post-acquisition incentive plan being established. Of the remaining 3,275,000 incentives on issue at the time agreement was reached, 1,185,000 incentives were vested on 8 August 2014 with the balance of incentives (2,090,000) being cancelled.

On 16 January 2015 the Employee Long Term Incentive Plan 2014 was introduced with 11,500,000 incentives being granted at nil cents per incentive and progressive vesting dates through to 16 January 2019. A total of 3,000,000 incentives were forfeited on termination of employment. The incentive plan is based on the same structure as its predecessor which had been cancelled prior to the acquisition of Central Systems Pty Ltd. The fair value of the incentives issued was valued at $0.059 per incentive based on the share price at grant date. A vesting expense of $78,359 was recorded at 30 June 2015 with the remainder of the expense of $423,141 vesting in future periods.

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings	Eligible to attend	Audit Committee	Remuneration Committee
Number of meetings including meetings held via circular resolution:	15	15	2	-
Number of meetings attended:				
Mr Andrew Ellison	10	11	1*	-
Mr Richard Eden	10	11	1*	-
Mr Gary Reid	3	3	-	-
Mr Mel Ashton	11	12	2	-
Mr Jeff Brill	10	10	2*	-
Mr Damir Panzich	3	3	-	-
Mr Chris Ryan	3	3	-	-

*** indicates attendance by invitation**

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 26 and forms part of this directors' report for the year ended 30 June 2015.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 25 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110: *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the directors.

Mr Andrew Ellison
Chairman
Perth, Western Australia
30 September 2015

CORPORATE GOVERNANCE STATEMENT

Resource Development Group Limited has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4[3]	n/a	n/a
Recommendation 1.3[3]	n/a		Recommendation 5.1	✓	
Recommendation 2.1	-	✓	Recommendation 5.2[3]	n/a	n/a
Recommendation 2.2		✓	Recommendation 6.1	✓	
Recommendation 2.3		✓	Recommendation 6.2[3]	n/a	n/a
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6[3]	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4[3]	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1	✓	
Recommendation 3.3	✓		Recommendation 8.2	-	✓
Recommendation 3.4	✓		Recommendation 8.3	✓	
Recommendation 3.5[3]	n/a	n/a	Recommendation 8.4[3]	n/a	n/a
Recommendation 4.1	✓				
Recommendation 4.2		✓			

[1] Indicates where the Company has followed the Principles & Recommendations.

[2] Indicates where the Company has provided "if not, why not" disclosure.

[3] Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

CORPORATE GOVERNANCE STATEMENT (continued)

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.resdevgroup.com.au, under the section marked Corporate Governance. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the Recommendations to which they relate, are set out below.

Charters	**Recommendation(s)**
Board	1.3
Audit Committee	4.4
Nomination Committee	2.6
Remuneration Committee	8.3
Policies and Procedures	
Selection and Appointment of New Directors	2.6
Performance Evaluation of the Board, Board Committees and Individual Directors	1.2, 2.5
Diversity Policy (summary)	3.2, 3.3, 3.4
Code of Conduct	3.1, 3.3
Compliance Procedures for ASX Listing Rule Disclosure Requirements (summary)	5.1, 5.2
Selection, Appointment and Rotation of External Auditor	4.4
Shareholder Communication Strategy	6.1, 6.2
Risk Management Policy (summary)	7.1, 7.4

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles and Recommendations during the 2014/2015 financial year ("**Reporting Period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Group has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Group through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Directors and assisting the Directors in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Directors, if the matter concerns the Directors, then directly to the independent director or fellow directors or independent director, as appropriate.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The Directors are responsible for evaluating the senior executives by holding formal and informal discussions with the senior executives on an ongoing basis, as required. Once an independent Chair is appointed to the Board he or she will review and evaluate the Directors’ performance.

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 1.3: Companies should provide the information indicated in the *Guide to reporting on Principle 1.*

Disclosure:

During the Reporting Period a review of senior executives occurred with the Directors reporting to the board via informal evaluations.

Principle 2 – Structure the board to add value

Recommendation 2.1: A majority of the Board should be independent directors. As at 30 June 2015 the following directors were appointed to the Board of the Group:

Name	Position	Independent
Mr Andrew Ellison	Chairman	No
Mr Richard Eden	Executive Director	No
Mr Gary Reid	Executive Director	No

An independent director is defined as a non-executive director and;

- Is not a substantial shareholder of the Company or an officer of or directly or indirectly associated with a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company, or been a director after ceasing to hold any such employment;
- Within the past three years has not been a principal of a material professional advisor or a material consultant to the Company or an employee associated with a such a material service provider or advisor; and,
- Does not have a material contractual relationship with the Company other than as a director of the Company.

Disclosure:

The Board does not currently comprise any independent directors, although it did have two during the financial year. The current directors are not independent because they are all employed in an executive capacity and are substantial shareholders in the Company. The Board is currently working through its strategic options and does not consider that the merits of appointing additional directors at this time in order to achieve majority independent status are outweighed by the Board's wish to maintain a relatively small board of directors, which the Board believes is adequate having regard to the scale and nature of the operations of the Company.

Recommendation 2.2: The Chair should be an independent director.

Disclosure:

Mr Mel Ashton was the independent Chair of the Board until 30 April 2015. The Board is currently reviewing various strategic opportunities which in time will see an independent director appointed to the role of Chair.

Recommendation 2.3: The roles of the Chair and Chief Executive Officer (or equivalent) should not be exercised by the same individual.

Disclosure:

During the Reporting Period, Mr Jeff Brill was Managing Director and Mr Mel Ashton was Chairman. At 30 June 2015, Mr Andrew Ellison held the role whilst the Board considers the strategic opportunities available to the Company. The Board believes when more clarity is available in this regard and business conditions are conducive, then we will further consider the structure of the Company. The Board has also drastically scaled back overheads in the business and is cognisant of potential additional cost at this time.

Recommendation 2.4: The Board should establish a Nomination Committee.

Disclosure:

The Nomination Committee previously consisted of three members including two independent directors. The role of the Nomination Committee is currently carried out by the full Board, whilst it considers all of its strategic opportunities. The Committee has a charter setting out the criteria and responsibilities for the selection of new directors.

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

The Chair evaluates the Board, individual directors and any applicable committees by holding informal discussions with these parties on an ongoing basis, as required. During the year a formal feedback process was conducted. Each new director is required to complete an induction process.

Recommendation 2.6: Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:

Skills, Experience, Expertise and term of office of each Director

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of Independent Directors

The former independent directors of the Company were Mr Mel Ashton and Mr Chris Ryan. These directors were independent as they were non-executive directors who were not members of management and who were free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. There were no independent directors as at 30 June 2015 as a result of the Board considering its options in relation to future strategic opportunities.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Group's materiality thresholds. The materiality thresholds are set out below.

Group's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Consolidated Statement of Financial Position items are material if they have a value of more than 10% of net assets.
- Consolidated Statement of Comprehensive Income items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company’s rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

The Nomination Committee did not meet during the Reporting Period.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1: Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.

Disclosure:

The Company has established a diversity policy, which encourages and fosters an environment where individual differences of employees are recognised. The Company's policy recognises the need for women to be employed in the business and actively sets targets for the number of women employed in different roles, the comparative remuneration and seeks to establish a workforce free of harassment arising out of gender, race or age.

The Board is looking to implement KPI's as an incentive for achieving these targets.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

As above.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

Disclosure:

The Company employs the following ratio of women and men throughout the organisation and its subsidiaries:

Women – 6%

Men – 94%

There are currently no women holding senior executive roles or board positions.

Recommendation 3.5: Companies should provide the information indicated in the *Guide to reporting on Principle 3.*

Disclosure:

Please refer to the section above marked Website Disclosures.

The Company has also established a policy concerning trading in the Company's securities by directors, senior executives and employees.

The policy includes blackout periods where no trading in Group securities shall take place between:

- up to and including six weeks prior to the announcement of the annual results, due to be lodged by no later than 31 August of each calendar year;
- up to and including six weeks prior to the announcement of the half year results, due to be lodged by no later than 28 February of each calendar year; and
- as directed in writing by the Company's Board at any time in its sole discretion.

If directors wish to trade securities outside the blackout period, they must obtain approval from the Chairman or his fellow directors. Employees must obtain the approval of the Chairman.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1 and Recommendation 4.2:

The Board should establish an Audit Committee and the Audit Committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent Chair, who is not Chair of the Board; and
- has at least three members.

Disclosure:

The Board has established an Audit committee as recommended by Recommendation 4.1. The Committee previously consisted of a majority of independent directors, however as a result of the Board considering its future strategic opportunities, the role of the Committee is currently undertaken by the full Board.

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 4.3: The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter which sets out the responsibilities and role of the Committee and how it reports to the Board.

Recommendation 4.4: Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure:

The Audit Committee met twice during the Reporting Period in accordance with the Audit Committee Charter.

Details of each of the director's qualifications are set out in the Directors' Report and all directors consider themselves to be financially literate. Further, the Company's Audit Committee Charter provides that the Board meet with the external auditor without management present, as required.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance. The policies also include examples of disclosure requirements and who can communicate with media outlets.

Recommendation 5.2: Companies should provide the information indicated in the *Guide to reporting on Principle 5.*

Disclosure:

Please refer to the section marked Website Disclosures.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. This includes all relevant information being disclosed on the Company's website and a regular email mail out of announcements.

Recommendation 6.2: Companies should provide the information indicated in the *Guide to reporting on Principle 6.*

Disclosure:

Please refer to the section marked Website Disclosures.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 7 – Recognise and manage risk

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director and the Chief Financial Officer are responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company’s material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

Management report to the Board as to the effectiveness of the Company's management of its material business risks via the Audit Committee meetings. In addition at every board meeting, the Board is provided with an update to ensure all relevant risks and systems are in place and working effectively.

Recommendation 7.3: The Board should disclose whether it has received assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4: Companies should provide the information indicated in the *Guide to reporting on Principle 7.*

Disclosure:

The Board has received an informal report from management under Recommendation 7.2.

The Board has received the assurance from the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1 and 8.2: The Board should establish a Remuneration Committee, which consists of mainly independent directors.

Disclosure:

The Company has established a Remuneration Committee which has adopted a formal charter setting out the responsibilities and considerations in determining remuneration of executives and non-executives. The Committee did consist of two independent directors until their resignation during the year. The role of the Committee now falls under the Board whilst it considers its future strategic opportunities.

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at a fixed fee for their time and their responsibilities to various committees. There were no non-executive directors in the Group as at 30 June 2015.

Non-executive directors are eligible to participate in the Company's incentive plan and two of the previous non-executive directors, Mel Ashton and Chris Ryan, have previously received a grant of incentives under that plan which are convertible into shares in the Company. The Board considers that this is a necessary motivation to attract the highest calibre candidates to the Board.

Recommendation 8.4: Companies should provide the information indicated in the *Guide to reporting on Principle 8.*

Disclosure:

Details of remuneration, including the Group's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The Remuneration Committee met once during the Reporting Period. The committee reviewed the Group's Remuneration Guidelines during the meeting.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Resource Development Group Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2015

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 $	Restated 2014 $
Continuing operations			
Revenue	3(a)	232,353,041	191,411,117
Interest income		537,127	471,461
Cost of sales		(101,508,168)	(63,454,314)
Employee benefits expense		(103,058,588)	(93,097,363)
Depreciation and amortisation	3(b)	(4,970,794)	(4,171,002)
Finance costs		(1,413,088)	(1,126,101)
Share based payments	3(b)	(179,380)	-
Other expenses		(5,711,186)	(8,118,326)
Profit before income tax		16,048,964	21,915,472
Income tax expense	4	(3,525,249)	(6,450,843)
Profit after income tax from continuing operations		12,523,715	15,464,629
Discontinued operations			
Loss after tax from discontinued operations	22	(2,648,034)	-
Net profit for the year		9,875,681	15,464,629
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income		**9,875,681**	**15,464,629**
Basic earnings per share (cents per share)	6	1.66	3.11
Basic earnings per share from continuing operations (cents per share)	6	2.10	3.11
Diluted earnings per share (cents per share)	6	1.65	3.11
Diluted earnings per share from continuing operations (cents per share)	6	2.09	3.11

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Consolidated	
			Restated
		2015	2014
Assets	Notes	$	$
Current assets			
Cash and cash equivalents	7	34,317,752	15,675,752
Trade and other receivables	8	10,109,747	32,081,348
Inventories	9	3,168,333	11,213,567
Financial assets	10	400,000	3,343,191
Total current assets		47,995,832	62,313,858
Non-current assets			
Property, plant and equipment	11	21,407,226	25,852,587
Deferred tax assets	4	3,209,626	2,124,574
Total non-current assets		24,616,852	27,977,161
Total assets		72,612,684	90,291,019
Liabilities			
Current liabilities			
Trade and other payables	13	18,101,308	36,587,347
Borrowings	14	7,211,953	6,229,984
Current tax provisions	4	1,976,513	1,054,142
Provisions	15	1,574,025	4,933,196
Total current liabilities		28,863,799	48,804,669
Non-current liabilities			
Borrowings	14	30,033,098	4,485,994
Provisions	15	64,731	828,119
Deferred tax liabilities	4	204,169	2,121,460
Total non-current liabilities		30,301,998	7,435,573
Total liabilities		59,165,797	56,240,242
Net assets		13,446,887	34,050,777
Equity			
Issued capital	16	7,836,308	1,800,100
Share-based payments reserves	17	179,380	-
Retained earnings		5,431,199	32,250,677
Total equity		13,446,887	34,050,777

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Issued capital	Retained earnings	Share-based payments reserve	Total
30 June 2014 (restated)	$	$	$	$
Restated Balance as at 1 July 2013	1,800,100	17,186,048	-	18,986,148
Total comprehensive income for the period	-	15,464,629	-	15,464,629
Dividends paid or provided for	-	(400,000)	-	(400,000)
Balance at 30 June 2014	1,800,100	32,250,677	-	34,050,777
30 June 2015				
Balance as at 1 July 2014	1,800,100	32,250,677	-	34,050,777
Total comprehensive income for the period	-	9,875,681	-	9,875,681
Dividends paid or provided for	-	(36,695,159)	-	(36,695,159)
Vesting of incentives	-	-	78,360	78,360
Issue of shares to acquire Resource Development Group Limited due to reverse acquisition	6,036,208	-	-	6,036,208
Issue of options	-	-	101,020	101,020
Balance at 30 June 2015	7,836,308	5,431,199	179,380	13,446,887

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Receipts from customers		304,773,425	187,246,215
Payments to suppliers and employees		(272,326,419)	(153,627,360)
Interest received		565,563	326,872
Finance costs paid		(1,493,026)	(1,062,329)
Income tax paid		(4,210,232)	(5,411,687)
Net cash provided by operating activities	7(ii)	27,309,311	27,471,711
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,005,528)	(8,680,500)
Proceeds from sale of property, plant and equipment		1,307,993	1,165,138
Proceeds from sale of subsidiaries, net of cash disposed		11,142	-
Payment for subsidiaries, net of cash acquired	20	3,218,183	-
Loan advanced to third party		-	(514,300)
Loan advanced to related party		-	(2,374,629)
Proceeds from repayment of loans to related and other parties		3,343,191	-
Loan advanced to former subsidiary		(400,000)	-
Net cash provided by/(used in) investing activities		5,474,981	(10,404,291)
Cash flows from financing activities			
Repayment of borrowings		(5,283,435)	(2,000,000)
Dividends paid		(4,747,136)	(400,000)
Repayments of finance lease and hire purchase liabilities		(6,763,985)	(7,874,821)
Proceeds from finance lease and hire purchase liabilities		2,652,264	8,592,147
Net cash used in financing activities		(14,142,292)	(1,682,674)
Net increase in cash and cash equivalents		18,642,000	15,384,746
Cash and cash equivalents at the beginning of the period		15,675,752	291,006
Cash and cash equivalents at the end of the period	7(i)	34,317,752	15,675,752

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Resource Development Group Limited ("RDG" or "Company") is a company domiciled in Australia. The consolidated balances of the Company for the year ended 30 June 2015 include the Company and its subsidiaries, including Central Systems Pty Limited ("CS"). Resource Development Group Limited acquired Central Systems Pty Ltd on 31 August 2014 (the agreed purchase date); however transfer of legal ownership was completed on 3 October 2014. In accordance with AASB 3 *Business Combinations,* this acquisition was determined to be a "reverse acquisition" as described in Note 2.

As a result of this accounting treatment, the consolidated financial statements presented in this report represent a continuation of the financial statements of Central Systems Pty Ltd and comprise the following:

(i) Statement of Financial Position:
- Comparative Statement of Financial Position – Central Systems Pty Ltd as at 30 June 2014.
- Current Statement of Financial Position – Central Systems Pty Ltd and Resource Development Group Limited (and their controlled entities) as at 30 June 2015. In accordance with AASB 3 *Business Combinations,* whilst Resource Development Group Limited was the "legal acquirer" of Central Systems Pty Ltd, Central Systems Pty Ltd is treated as the parent for accounting purposes and therefore the balances as presented in the Statement of Financial Position are based on:
  1) the historical balances of Central Systems Pty Ltd; and
  2) the balances of Resource Development Group Limited based on fair values at the acquisition date of 31 August 2014.

(ii) Statement of Comprehensive Income and Statement of Cash Flows:
- Comparative financial information – Central Systems Pty Ltd and its controlled entities for the period ended 30 June 2014.
- Current period financial information – Central Systems Pty Ltd (and its controlled entities) for the period ended 30 June 2015 and Resource Development Group Limited (and its controlled entities) from 1 September 2014 to 30 June 2015.

(iii) Statements of Changes in Equity
- Comparative financial information – Central Systems Pty Ltd and its controlled entities for the period ended 30 June 2014.
- Current period financial information – Central Systems Pty Ltd (and its controlled entities) for the period ended 30 June 2015 and Resource Development Group Limited (and its controlled entities) from 1 September 2014 to 30 June 2015.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2015, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 30 September 2015.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Development Group Ltd ('Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Resource Development Group Ltd and its subsidiaries are referred to in this financial report as the Group or the consolidated entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations are accounted for using the acquisition method of accounting (refer note 1(l)).

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Impairment of goodwill and intangibles with indefinite useful lives:

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Going concern

The financial statements are prepared on a going concern basis.

At balance date, the Group had a working capital surplus of $19,132,033.

The Board of the Group considers that based on its assessment of operating cash flows, that it is appropriate to the Group's current circumstances, to prepare its financial statements on a going concern basis.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of Resource Development Group Limited.

(h) Foreign currency translation

Both the functional and presentation currency of Resource Development Group Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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 balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

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.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign subsidiary, Engenium Projects Limited is British Pound (£).

As at the balance date the assets and liabilities of the foreign subsidiary is translated into the presentation currency of Resource Development Group Limited at the rate of exchange ruling at the balance date and its statement of profit or loss and other comprehensive income is translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(i) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Revenue recognition (continued)

(ii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(j) Income tax

The income tax expense or benefit 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 difference and to unused tax losses.

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity or entities within a tax consolidated group and the same taxation authority.

Tax consolidation legislation

Resource Development Group Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. See Note 4 for further information on how the Group accounts for income tax consolidation.

(k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Refer to Note 21.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(p) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

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

(q) Inventories

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

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials – purchase cost on a first-in, first-out basis; and

Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

(r) Work in Progress

Work in progress is measured at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

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

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

(s) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Property, plant and equipment (continued)

Depreciation is calculated on a reducing balance basis over the estimated useful life of the assets as follows:

Plant and equipment – over 2 to 20 years

Motor Vehicle – over 4 to 6 years

Leasehold improvements – over 10 to 13 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(t) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Provisions (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(v) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities accruing to employees in respect of wages and salaries, annual leave and long service leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

(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 balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(w) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(x) 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.

(y) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Parent entity financial information

The financial information for the parent entity, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Central Systems Pty Ltd. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(aa) Leases

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

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(aa) Leases (continued)

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

(ab) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(ac) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ac) Share-based payment transactions (continued)

- the Employee Share Option Plan (ESOP), which provides benefits to directors, senior executives and other parties.

The cost of these equity-settled transactions with the grantees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Resource Development Group Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 6).

(ad) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ae) Investments in associates and join ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ae) Investments in associates and join ventures (continued)

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position and adjusted thereafter to recognise the Group's share of the profit or loss in other comprehensive income of the associate if joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of ASSB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the a group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gains or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and loss resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(af) 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 profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

NOTE 2: REVERSE ACQUISITION ACCOUNTING

The transaction involving Resource Development Group Limited acquiring all the issued shares of Central Systems Pty Ltd has been accounted for under the principles of Reverse Acquisitions included in Australian Accounting Standard AASB 3 *Business Combinations*.

The legal structure of the Resource Development Group Limited subsequent to the acquisition of Central Systems Pty Ltd will be that Resource Development Group Limited will remain as the parent entity. However, the principles of reverse acquisition accounting apply where the owners of the acquired entity (in this case, Central Systems Pty Ltd) obtain control of the acquiring entity (in this case, Resource Development Group Limited) as a result of the businesses' combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (Resource Development Group Limited) but are a continuation of the financial statements of the legal subsidiary (Central Systems Pty Ltd), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: REVENUE AND EXPENSES

	Consolidated	
	2015 $	2014 $
(a) Revenue		
Sales revenue		
Rendering of services	231,911,084	191,411,117
Bargain purchase – Killarnee contracts	441,957	-
	232,353,041	191,411,117
(b) Expenses		
Depreciation of non-current assets	(4,970,794)	(4,171,002)
Operating lease rental expense	(2,210,935)	(741,631)
Share based payments expense	(179,380)	-

NOTE 4: INCOME TAX

	Consolidated	
	2015 $	Restated 2014 $
Income tax recognised in profit or loss:		
The major components of tax expense are:		
Current tax expense	6,088,052	6,961,389
Deferred tax (income) relating to the origination and reversal of temporary differences	(2,809,928)	(5,641)
Under/(Over) provision of income tax in respect to prior years	(127,560)	(504,905)
Total tax expense	3,150,564	6,450,843
Income tax expense is attributable to:		
Profit from continuing operations	3,525,249	6,450,843
Profit/(loss) from discontinued operations (Note 22)	(374,685)	-
	3,150,564	6,450,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX (continued)

	Consolidated 2015 $	Consolidated Restated 2014 $
The prima facie income tax expense on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit/(loss) from continuing operations before income tax	16,048,964	21,915,473
Accounting profit/(loss) from discontinued operations before income tax	(3,022,719)	-
Income tax (benefit)/expense calculated at 30%	3,907,873	6,574,641
Add:		
Tax effect of:		
Entertainment	29,274	18,511
Loss on sale of subsidiary	795,824	-
Share based payments	27,490	-
Less:		
Tax effect of:		
R&D tax incentive	-	(470,905)
Allocable cost amount adjustments on tax consolidation (i)	(1,409,635)	867,117
Other non-deductible expenses	(26,720)	(33,617)
Non assessable non-exempt income	(45,982)	-
Over-provision of income tax in respect of prior years	(127,560)	(504,904)
Income tax expense reported in the statement of profit or loss and other comprehensive income	3,150,564	6,450,843

	Consolidated 2015 $	Consolidated Restated 2014 $
Income tax expense is attributable to:		
Profit from continuing operations	3,525,249	6,450,583
Profit/(loss) from discontinued operations (Note 22)	(374,685)	-
	3,150,564	6,450,843

Central Systems Pty Ltd and CS Civil Pty Ltd joined the Resources Development Group Ltd tax consolidated group on 3 October 2014, in accordance with the taxation consolidation regime. The tax cost base of depreciating assets was increased as a result of the allocable cost amount adjustments, resulting in an income tax benefit of $1,263,979 being recognised in the year ended 30 June 2015.

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX (continued)

	Consolidated	
		Restated
	2015	2014
	$	$
Current tax liabilities comprise:		
Income tax payable	1,976,513	1,054,142
	1,976,513	1,054,142
Deferred tax assets comprise:		
Superannuation payable	244	44,826
Provisions – employee benefits	495,491	1,728,395
Accrued expenses	101,824	341,653
Work in progress	97,574	-
Intangibles	18,403	-
Blackhole expenditure and borrowing costs	342,055	9,700
Carried forward tax losses	2,154,035	-
	3,209,626	2,124,574
Deferred tax liabilities comprise:		
Prepayments	19,545	102,518
Other debtors	-	27,998
Stock on hand	13,746	14,254
Other	3,000	-
Depreciable property, plant and equipment	167,878	1,976,690
	204,169	2,121,460
Net	3,005,457	3,114

The Group has tax losses of approximately $7,180,119 arising in Australia (2014: $Nil) that are available indefinitely for offset against future taxable profits of the tax consolidated group, subject to satisfying the relevant company loss provisions. These losses have been recognised as a deferred tax asset on the basis that it is probable that future taxable profits will be available against which the tax losses can be utilised.

The Group has capital losses of approximately $9,726,155 arising in Australia (2014: $Nil) that are available indefinitely for offset against future capital gains of the tax consolidated group, subject to satisfying the relevant company loss provisions. Capital losses incurred during the year ended 30 June 2015 relate to the sale of the subsidiaries Engenium Pty Ltd, Intellect Systems Pty Ltd and Ecologia Environmental Consultants Pty Ltd. No deferred tax asset has been recognised for capital losses as it is not probable that capital gains will be available against which the carried forward capital losses can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX (continued)

Reconciliation of deferred tax assets/(liabilities):

	Consolidated				
2015	Opening balance $	Charged to income $	Charged to equity $	Acquisitions/ disposals $	Closing balance $
Temporary differences	251,409	95,037	-	177,363	523,809
Property, plant and equipment	(1,976,690)	1,966,466	-	(157,654)	(167,878)
Provisions	1,728,395	(1,405,610)	-	172,706	495,491
Tax losses carried forward	-	2,154,035	-	-	2,154,035
	3,114	2,809,928	-	192,415	3,005,457

	Consolidated				
2014	Opening balance $	Charged to income $	Charged to equity $	Acquisitions/ disposals $	Closing balance $
Temporary differences	280,095	(28,686)	-	-	251,409
Property, plant and equipment	(935,408)	(1,041,282)	-	-	(1,976,690)
Provisions	652,786	1,075,609	-	-	1,728,395
	(2,527)	5,641	-	-	3,114

Tax consolidation

Effective 1 July 2011, for the purposes of income taxation, Resources Development Group Ltd and its 100% owned Australian resident subsidiaries formed a tax consolidated group. Central Systems Pty Ltd and CS Civil Pty Ltd joined the tax consolidated group as subsidiary members on 3 October 2014. Prior to joining, Central Systems Pty Ltd and CS Civil Pty Ltd had formed a tax consolidated group, effective from 1 July 2013.

The members of the Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The head entity of the tax consolidated group is Resources Development Group Ltd. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

In addition to its own current and deferred tax amounts, the head entity also recognises 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX (continued)

Nature of the tax funding agreement

Members of the Group have entered into a tax funding agreement. Under the funding agreement the allocation of tax within the Group is based on a group allocation. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call.

The allocation of taxes under the tax funding agreement is recognised as an increase or decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Resource Development Group Ltd. The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practical after the end of each financial year

Resource Development Group Ltd has recognised a tax consolidation payment to the wholly-owned tax group of $531,741 (2014: contribution of $959,541). The payment arose predominately as the result of tax losses generated by the subsidiary members and was recognised as a debit to income tax expense.

Franking credits

The Group has franking credits of $5,274,085 as at 30 June 2015 (2014: $11,435,428) to attach to future dividends declared by the Company. The franking credits of the subsidiaries are assumed by Resource Development Group Ltd as the head company of the tax consolidated group. Franking credits of $2,834,611 were transferred from Central Systems Pty Ltd to Resource Development Group Ltd on joining the tax consolidated group on 3 October 2014.

NOTE 5: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating decision maker in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Executive Committee for the year ended 30 June 2015 and 30 June 2014.

30 June 2015	Construction $	Services $	Oil & Gas[1] $	Discontinued Operations $	Corporate $	Consolidated Total $
Revenue	180,840,814	33,704,321	17,862,207	12,392,982	(54,301)	244,746,023
Profit before income tax	30,109,206	(3,418,822)	2,314,414	(3,022,719)	(12,955,834)	13,026,245
Income tax benefit/(expense)	-	-	-	374,685	(3,525,249)	(3,150,564)
Profit before income tax	30,109,206	(3,418,822)	2,314,414	(2,648,034)	(16,481,083)	9,875,681
Interest revenue	-	-	-	28,436	537,127	565,563
Interest expense	-	-	-	(79,938)	(1,413,088)	(1,493,026)
Depreciation and amortisation	-	-	-	(109,459)	(4,970,794)	(5,080,253)

[1] New segment with effect from 10 December 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5: SEGMENT REPORTING (continued)

30 June 2014	Construction $	Services $	Oil & Gas $	Discontinued Operations $	Corporate $	Consolidated Total $
Revenue	159,323,946	29,515,332	-	-	3,043,300	191,882,578
Profit before income tax	33,852,272	3,640,121	-	-	(15,576,921)	21,915,472
Income tax benefit/(expense)	-	-	-	-	(6,450,843)	(6,450,843)
Profit before income tax	33,852,272	3,640,121	-	-	(22,027,764)	15,464,629
Interest revenue	-	-	-	-	471,461	471,461
Interest expense	-	-	-	-	(1,126,101)	(1,126,101)
Depreciation and amortisation	-	-	-	-	(4,171,002)	(4,171,002)

Major Customers

The Group has a number of customers to whom it provides services where the revenue from each customer was in excess of 10% of the Group's revenue. These customers generated 31% (2014: 2%), 22% (2014: 23%), 11% (2014: 9%) and 10% (2014: 17%) of the Group's revenue for the period.

NOTE 6: EARNINGS PER SHARE

	Consolidated	
	2015	2014
	Cents per share	Cents per share
Basic earnings per share	1.66	3.11
Basic earnings per share from continuing operations	2.10	3.11

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	$	$
Earnings (refer (i) a)	9,875,681	15,464,629
Earnings (refer (i) b)	12,523,715	15,464,629

(i) The earnings used in the calculation of total basic earnings per share reconciles to net earnings in the statement of profit or loss and other comprehensive income as follows:	$	$
a) Profit after income tax used to calculate basic earnings per share	9,875,681	15,464,629
b) Profit after income tax from continuing operations used to calculate basic earnings per share	12,523,715	15,464,629

	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	596,467,779	497,175,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6: EARNINGS PER SHARE (continued)

	Consolidated	
	2015	2014
	Cents per share	Cents per share
Diluted earnings per share	1.65	3.11
Diluted earnings per share from continuing operations	2.09	3.11

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share is as follows:

	$	$
Earnings (refer (i) a)	9,875,681	15,464,629
Earnings (refer (i) b)	12,523,715	15,464,629

(i) The earnings used in the calculation of total basic earnings per share reconciles to net earnings in the statement of profit or loss and other comprehensive income as follows:	$	$
a) Profit after income tax used to calculate basic earnings per share	9,875,681	15,464,629
b) Profit after income tax from continuing operations year used to calculate basic earnings per share	12,523,715	15,464,629

	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	596,467,779	497,175,172
Shares deemed to be issued for no consideration in respect of:		
• Employee options	2,923,985	-
• Incentives	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share:	599,391,764	497,175,172

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	$	$
Cash at bank and on hand	34,317,752	15,675,752

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

Security deposits are restricted cash used as collateral to obtain bank guarantee facilities. These deposits are interest bearing and the interest is compounded and added to operating cash reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 7: CASH AND CASH EQUIVALENTS (continued)

(i) Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2015	2014
	$	$
Cash and cash equivalents	34,317,752	15,675,752

(ii) Reconciliation of net profit for the year to net cash flows from operating activities

Net profit for the year	9,875,681	15,464,629
Impairment of goodwill	2,451,534	-
Loss on sale or disposal of assets	250,555	183,248
Depreciation	4,970,794	4,171,002
Equity settled share based payment	179,380	-
Provision for employee leave benefits	(4,122,559)	3,585,362
(Increase)/decrease in operating assets:		
Trade and other receivables	21,571,601	(12,657,201)
Other assets	11,388,425	1,639,668
Deferred tax assets	(1,662,091)	867,116
Increase/(decrease) in operating liabilities:		
Trade and other payables	(18,546,721)	13,377,782
Other liabilities	952,712	840,105
Net cash provided by operating activities	27,309,311	27,471,711

(iii) Non-cash Financing and Investing Activities

(a) During the year, the Group acquired plant and equipment with an aggregate value of $5,249,760 (2014: $2,474,676) by means of hire purchase. These acquisitions are not reflected in the statement of cash flows.

(b) During the year, the legal parent issued 497,175,172 ordinary shares as consideration for the purchase of Central Systems Pty Ltd. This transaction is not reflected in the statement of cash flows.

(c) During the year, the Group declared dividends for the 2014 year of $36,695,159. Of these dividends, $31,948,023 were not paid and were converted into loans (Note 14).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 8: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated 2015 $	Consolidated 2014 $
Trade receivables	7,180,941	30,998,282
Allowance for doubtful debts	(12,875)	-
	7,168,066	30,998,282
Other receivables	2,176,448	164,526
Prepayments	765,233	918,540
	10,109,747	32,081,348

(i) The average credit period on sales of goods and rendering of services is 46 days. Interest is not charged. An allowance has been made for estimated irrecoverable trade receivable amounts and related party loans arising from the past sale of goods and rendering of services, determined by reference to past default experience.

(ii) For details of the terms and conditions of related party receivables refer to Note 21.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Aging of past due but not impaired	Consolidated 2015 $	Consolidated 2014 $
< 30 days	4,453,725	28,541,566
30 – 60 days	1,233,956	2,492,250
60 – 90 days	423,626	8,893
90+ days	1,069,634	120,099
Total	7,180,941	31,162,808

Movement in the allowance for doubtful debts

	Consolidated 2015 $	Consolidated 2014 $
Balance at the beginning of the year	-	-
Impairment losses recognised on receivables	(12,875)	-
Balance at the end of the year	(12,875)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9: INVENTORIES

	Consolidated 2015 $	Consolidated 2014 $
At cost:		
Raw materials and stores	45,819	47,513
Work in progress (i)	3,122,514	11,166,054
	3,168,333	11,213,567

(i) Work in progress	Consolidated 2015 $	Consolidated 2014 $
Contract costs incurred	341,868,136	167,314,627
Recognised profits	57,124,768	26,620,940
	398,992,904	193,935,567
Progress billings	(404,749,146)	(200,905,676)
Work in progress	(5,756,242)	(6,970,109)
Income in advance	8,878,756	18,136,163
	3,122,514	11,166,054

NOTE 10: FINANCIAL ASSETS

	Consolidated 2015 $	Consolidated 2014 $
Loan – Grisam Unit Trust	-	173,873
Loan – RIGA WA Pty Ltd	-	2,175,018
Loan – Directors and shareholders	-	480,000
Loan - Other	400,000	514,300
	400,000	3,343,191

Refer to note 21 for further details in respect to related party loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Consolidated			
	Motor vehicles	Plant and equipment	Leasehold Improvements	Total
	$	$	$	$
Year ended 30 June 2015				
At 1 July 2014, net of accumulated depreciation and impairment	5,206,186	20,501,125	145,276	25,852,587
Additions	25,533	5,289,016	-	5,314,549
Disposals	(899,470)	(3,780,187)	-	(4,679,657)
Depreciation charge for the year	(477,812)	(4,588,080)	(14,361)	(5,080,253)
At 30 June 2015, net of accumulated depreciation and impairment	3,854,437	17,421,874	130,915	21,407,226
At 1 July 2014				
Cost or fair value	7,686,057	29,406,494	199,271	37,291,822
Accumulated depreciation and impairment	(2,479,871)	(8,905,369)	(53,995)	(11,439,235)
Net carrying amount	5,206,186	20,501,125	145,276	25,852,587
At 30 June 2015				
Cost or fair value	6,807,233	29,859,717	199,271	36,866,221
Accumulated depreciation and impairment	(2,952,796)	(12,437,843)	(68,356)	(15,458,995)
Net carrying amount	3,854,437	17,421,874	130,915	21,407,226

Depreciation reconciles to the amount stated in the current year's statement of profit or loss and other comprehensive income as follows:

	2015
	$
Depreciation per statement of profit or loss and other comprehensive income	4,970,794
Depreciation expense included in discontinued operations	109,459
Amount per reconciliation (above)	5,080,253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated			
	Motor vehicle	Plant and equipment	Leasehold Improvement	Total
	$	$	$	$
Year ended 30 June 2014				
At 1 July 2013, net of accumulated depreciation and impairment	752,260	21,777,880	161,218	22,691,358
Additions	1,542,490	7,165,695	-	8,708,185
Transfer	4,541,879	(4,541,879)	-	-
Disposals	(640,460)	(735,494)	-	(1,375,954)
Depreciation charge for the year	(989,983)	(3,165,077)	(15,942)	(4,171,002)
At 30 June 2014, net of accumulated depreciation and impairment	5,206,186	20,501,125	145,276	25,852,587
At 1 July 2013				
Cost or fair value	1,412,526	28,634,884	199,271	30,246,681
Accumulated depreciation and impairment	(660,266)	(6,857,004)	(38,053)	(7555,323)
Net carrying amount	752,260	21,777,880	161,218	22,691,358
At 30 June 2014				
Cost or fair value	7,686,057	29,406,494	199,271	37,291,822
Accumulated depreciation and impairment	(2,479,871)	(8,905,369)	(53,995)	(11,439,235)
Net carrying amount	5,206,186	20,501,125	145,276	25,852,587

The useful life of the assets was estimated as follows for both 2014 and 2015

- Plant and equipment 2 to 20 years
- Motor vehicles 4 to 6 years
- Leasehold improvements 10 to 13 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: INTANGIBLES

	Consolidated	
Goodwill	2015 $	2014 $
Opening balance	-	-
Resource Development Group Limited acquisition	2,451,534	-
Amount written off as a result of disposal of Engenium Pty Ltd, Intellect Systems Pty Ltd and Ecologia Environmental Consultants Pty Ltd (Note 22)	(2,451,534)	-
Closing balance	-	-

Goodwill Allocation
Goodwill acquired through the business combination was allocated to the specific cash generating units for impairment testing as follows:

	Consolidated	
	2015 $	2014 $
Engenium Pty Ltd	517,556	-
Intellect Systems Pty Ltd	915,008	-
Ecologia Environmental Consultants Pty	1,018,970	-
	2,451,434	-

The amount was subsequently written off before 30 June 2015 as a result of the sale of the above mentioned subsidiaries.

Impairment
As there was no goodwill recorded as at 30 June 2015, there was no impairment testing required to be done.

NOTE 13: TRADE AND OTHER PAYABLES

	Consolidated	
Current	2015 $	2014 $
Trade payables	3,548,000	8,924,682
Other payables	5,674,552	10,672,024
Income received in advance	8,878,756	16,990,641
	18,101,308	36,587,347

Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 14: BORROWINGS

	Consolidated	
Current	2015 $	2014 $
Commercial bill	-	1,500,000
Vendors/Shareholders loans	4,291,693	-
Hire purchase liabilities	2,920,260	4,729,984
	7,211,953	6,229,984

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14: BORROWINGS (continued)

		Consolidated	
		2015	2014
Non-current		$	$
Vendors/Shareholders loans		27,759,100	-
Hire purchase liabilities		2,273,998	4,485,994
		30,033,098	4,485,994
Total borrowings		37,245,051	10,715,978
Secured	Maturity		
Commercial bill	2015	-	1,500,000
Hire purchase liabilities (1)	2016	5,194,258	9,215,978
Vendors/Shareholders loans (2)	2016	30,150,793	-
Total secured borrowings		35,345,051	10,715,978
Unsecured			
Vendors/Shareholders loans (Lightshare) (3)	2017	1,900,000	-
Total unsecured borrowings		1,900,000	-
Total borrowings		37,245,051	10,715,978

(1) Hire Purchase liabilities

Assets under hire purchase contracts are pledged as security for the related hire purchase liabilities.

(2) Vendors/Shareholders loans

On 31 August 2014 a dividend of $31,948,023 was declared as payable to the shareholders of Central Systems Pty Ltd in accordance with the agreement for the legal acquisition of Central Systems Pty Ltd. Resource Development Group Limited entered into an agreement with the shareholders of Central Systems Pty Ltd whereby the dividend payable to the shareholders was converted into an interest bearing loan for a minimum period of 5 years. Under the terms of the loan agreement, interest of 7% is payable annually on 30 June each financial year. The agreement also ensures that the shareholders of Central Systems Pty Ltd, at the time, cannot request repayment of the loan amount other than in accordance with the terms of the Share Sale Agreement entered into by the company to acquire 100% of the issued capital of Central Systems Pty Ltd. The balance of this loan at 30 June 2015 was $30,150,793. Interest on the Centrals founding shareholders loan has been waived from 1 January 2015 and is also subject to quarterly review. The principal repayment date for the Centrals founding shareholders loan is unchanged at 3 October 2019. The loan will be reviewed on a quarterly basis and additional principal repayments made only if deemed to be commercially responsible. The directors of Resource Development Group Ltd have resolved that interest payable on the vendors/shareholders loans will be introduced effective 1 July 2015 subject to receiving and reviewing the 30 September 2015 management accounts. The interest rate applicable to these loans is still being determined.

These vendor/shareholders loans are secured by way of a registered General Security Agreement over the assets of Central Systems Pty Ltd on a subordinated basis behind Central Systems Pty Ltd existing financiers.

(3) Vendors/Shareholders loans (Lightshare)

Resource Development Group Limited had also entered into an agreement with the ultimate parent entity at the time, Lightshare Investments Pty Ltd (Lightshare) on 28 June 2013, whereby $2,000,000 of the outstanding deferred acquisition consideration had been converted into an interest bearing loan for a minimum period of two years. Under the terms of the loan facility, interest of 7% was payable annually on 30 June 2014 and 30 June 2015. The balance of this loan at 30 June 2015 is $1,900,000. Interest on the Lightshare loan has since been waived from 1 January 2015 and is subject to quarterly review. The principal repayment date for the Lightshare loan has been extended from 30 June 2015 until 30 June 2017, with a minimum of $400,000 to be repaid prior to 30 June 2016. The loan will be reviewed on a quarterly basis and additional principal repayments made only if deemed to be commercially responsible. The directors of Resource Development Group Ltd have resolved that interest payable on the vendors/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14: BORROWINGS (continued)

shareholders loans will be introduced effective 1 July 2015 subject to receiving and reviewing the 30 September 2015 management accounts. The interest rate applicable to these loans is still being determined.

Other borrowing facilities

Bank facilities

On 29 July 2015, the ANZ Bank provided a Letter of Offer to the Company which included the following continuing facilities that the Company has agreed to:

- Performance guarantee facility of $10,000,000 (at 30 June 2015, amount used: $1,922,518; amount unused $8,077,482).
- Asset finance facility (amount used $510,000; amount unused at 30 June 2015: $Nil, this facility is a reducing balance facility);
- Electronic Payaway Facility limit at 30 June 2015: $250,000; and
- Commercial card facility limit at 30 June 2015: $150,000.

The existing/proposed bank facilities are/will be secured by way of a General Security Agreement over all of the assets of the Group. A Deed of Priority and Subordination between ANZ Bank, performance bond provider Assetinsure Pty Ltd, vendors/shareholders of Central Systems Pty Ltd and Central Systems Pty Ltd is also in place. Individual guarantees and indemnities have also been provided by the directors of Central Systems Pty Ltd.

Performance bond facilities

At the date of this report, the Company had also reached an agreement to reduce its existing performance bond facility with Assetinsure Pty Ltd by 31 December 2015. A separate new performance bond facility has also been put in place with CGU Insurance Ltd for $20,000,000 and at the date of this report is still subject to final documentation.

The Company has these arrangements in place:

- Performance bond facility with Asset Insure Ltd of $20,000,000 (at 30 June 2015, amount used $10,238,723; amount unused $Nil as a result of run-off to 31 December 2015).

- Performance bond facility with CGU Insurance Ltd of $20,000,000 (at 30 June 2015, amount used $369,708; amount unused $19,630,292 (the facility is already being used however is subject to final documentation to the satisfaction of the provider and the Company).

The existing/ proposed performance bond facilities are/will be secured by way of a General Security Agreement over all of the assets of the Group. A new Deed of Priority and Subordination between ANZ Bank, Assetinsure Pty Ltd, CGU Insurance Ltd, vendors/shareholders of Central Systems Pty Ltd and Central Systems Pty Ltd will also be documented and put in place.

NOTE 15: PROVISIONS

	Other	Employee benefits	Total
Consolidated	$	$	$
At 1 July 2014	-	5,761,315	5,761,315
Net movements	-	(4,122,559)	(4,122,559)
At 30 June 2015	-	1,638,756	1,638,756

2015	Other	Employee benefits	Total
Consolidated	$	$	$
Current	-	1,574,025	1,574,025
Non-current	-	64,731	64,731
At 30 June 2015	-	1,638,756	1,638,756

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 15: PROVISIONS (continued)

2014	Other	Employee benefits	Total
Consolidated	$	$	$
Current	-	4,933,196	4,933,196
Non-current	-	828,119	828,119
At 30 June 2014	-	5,761,315	5,761,315

NOTE 16: ISSUED CAPITAL

	30 June 2015		30 June 2014	
	Number of shares	$	Number of shares	$
(a) Paid up capital:	631,404,067	7,836,308	5,882,353	1,800,100

(b) Movements in ordinary share capital:

	Year to 30 June 2015		Year to 30 June 2014	
	Number of shares	$	Number of shares	$
Balance at beginning of financial period	5,882,353	1,800,100	5,882,353	1,800,100
Elimination of Central Systems Pty Ltd shares at the date of legal acquisition by Resource Development Group Limited	(5,882,353)	-	-	-
Resource Development Group Limited shares issued for the legal acquisition of Central Systems Pty Ltd (i)	497,175,172	-	-	-
Shares on issue in Resource Development Group Limited at date of legal acquisition of Central Systems Pty Ltd (ii)	134,228,895	6,036,208	-	-
Balance at end of financial period	631,404,067	7,836,308	5,882,353	1,800,100

(i) On 4 August 2014 RDG entered into a conditional Share Sale Agreement to acquire 100% of the issued capital of Central Systems Pty Ltd. This transaction was completed on 3 October 2014. Under the terms of the Share Sale Agreement, RDG issued Central Systems Limited shareholders a total of 497,175,172 RDG shares for 100% of the issued capital of Centrals. The founding shareholders of Centrals each received a dividend from Centrals before Completion. The dividend of $31.9m was calculated based on the unaudited net tangible assets (NTA) of Centrals and RDG as at 31 August 2014, and was funded by way of loans from the Central Systems Pty Ltd founding shareholders to Central Systems Pty Ltd. The net effect was that no cash was paid out by Central Systems Pty Ltd to the founding shareholders before completion; however Central Systems has a liability to repay loans to each relevant Central Systems Pty Ltd shareholder reflecting their respective proportion of the dividend. Formal loan agreements and a security deed in respect of these loans have been entered into between Central Systems Pty Ltd and the Central Systems Pty Ltd shareholders. These loan agreements are on commercial terms and are secured over the assets of Central Systems Pty Ltd on a subordinated basis behind Central Systems Pty Ltd existing financiers. These loans have been on an interest-free basis since 31 December 2014, however this is subject to ongoing reviews on a quarterly basis. Any principal payments will only be repaid where the Board is satisfied that the Company has sufficient working capital and cash flow. Refer to Note 14 for further details on these loans.

		Number
(ii)	Shares on issue by Resource Development Group Limited as at 30 June 2014	132,418,895
	Issue of shares under Employee Long Term Incentive Plan	1,810,000
	Shares on issue at date of legal acquisition of Centrals Systems Pty Ltd	134,228,895

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16: ISSUED CAPITAL (continued)

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

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

Options

On 3 October 2014 the Company issued 6,000,000 Options exercisable at 4 cents on or before 28 July 2017. The Options were issued to an adviser in relation to the Company's acquisition of 100% of the share capital in Central Systems Pty Ltd, and were issued under the Company's 15% placement capacity. To date no options have been exercised.

The fair value of the options issued was assessed at $101,020 determined using a Black & Scholes pricing model. The following table lists the inputs to the model for options issued during the year ended 30 June 2015:

Dividend yield	Nil	Expected life of options (years)	3 years
Expected volatility	60%	Exercise price	4.0 cents
Risk free interest rate	3.0%	Unit price	4.0 cents
		Fair value	$101,020

Incentives

On 1 July 2014 625,000 incentives vested in accordance with the Employee Incentive Plan. On 8 August 2014, an agreement was reached between Resource Development Group Limited and the employees who had incentives under the Employee Incentive Plan. The incentive plan originally set up in February 2011 was dissolved prior to the legal acquisition of Central Systems Pty Ltd by Resource Development Group Limited with the view of a post acquisition incentive plan being established. Of the remaining 3,275,000 incentives on issue at the time the agreement was reached, 1,185,000 incentives were vested on 8 August 2014 with the balance of incentives (2,090,000) being cancelled.

	Consolidated	
Movement in employee incentives	Year ended 30 June 2015 Number	Year ended 30 June 2014 Number
Balance at beginning of financial period	-	-
Held in Resource Development Group Limited prior to acquisition	3,900,000	-
Granted during the year	11,500,000	-
Vested during period	(1,810,000)	-
Cancelled during the year	(2,090,000)	-
Forfeited on termination of employment	(3,000,000)	
Balance at end of financial period	8,500,000	-

On 16 January 2015 the Employee Long Term Incentive Plan 2014 was introduced with 11,500,000 incentives being granted at nil cents per incentive and progressive vesting dates through to 16 January 2019. The incentive plan is based on the same structure as its predecessor which had been cancelled prior to the acquisition of Central Systems Pty Ltd. The fair value of the incentives issued was valued at $0.059 per incentive based on the share price at grant date. A vesting expense of $78,359 was recorded at 30 June 2015 with the remainder of the expense of $423,141 vesting in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: RETAINED EARNINGS AND RESERVES

Reserves	Consolidated	
	Share based payments reserve	Total
	$	$
At 1 July 2014	-	-
Recognition of share based payments	179,380	179,380
At 30 June 2015	179,380	179,380

Nature and purpose of reserves

Share based payment reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

NOTE 18: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of debt (in the form of loans with vendors/shareholders and hire purchase or lease liabilities), cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings/(accumulated losses).

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

	Consolidated	
	2015	2014
	$	$
(b) Categories of financial instruments		
Financial assets		
Cash and cash equivalents	34,317,752	15,675,752
Trade and other receivables	10,109,747	32,081,348
Financial assets	400,000	3,343,191
Financial liabilities		
Trade payables	18,101,308	36,587,347
Borrowings	37,245,051	10,715,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 18: FINANCIAL INSTRUMENTS (continued)

(c) Financial risk management objectives

The Group is exposed to market risk including currency risk, fair value interest rate risk and price risk, credit risk, liquidity risk and cash flow interest rate risk.

(d) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

The Group does not have sufficient investments that would expose it to unmanageable market risks.

(e) Interest rate risk management

The Company and the Group are exposed to interest rate risk as entities in the Group borrow funds at variable interest rates. The Group's policy is to manage its exposure to movements in interest rates by fixing the interest rate on financial instruments, including bank loans, finance leases and hire purchase liabilities, wherever possible. In addition, the Group utilises a number of financial institutions to obtain the best interest rate possible and to manage its risk. The Group does not enter into interest rate hedges.

Interest rate risk sensitivity analysis

As the Company only had fixed rate borrowings at 30 June 2015, interest rate sensitivity analysis is not required to be undertaken for the purpose of this report.

(f) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group currently utilises financing facilities in the form of loans with vendors/shareholders and hire purchase liabilities.

The following table details the Company's and the Group's expected contractual maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 18: FINANCIAL INSTRUMENTS (continued)

	Weighted average effective interest rate %	Total $	1 year or less $	1 – 5 years $	5+ years $
2015					
Non-interest bearing		32,050,793	4,291,693	27,759,100	-
Fixed interest rate instruments	5.35%	5,194,258	2,920,260	2,273,998	-
Variable interest rate instruments		-	-	-	-
		37,245,051	7,211,953	30,033,098	-
2014					
Non-interest bearing		-	-	-	-
Finance lease liabilities	5.97%	9,215,978	4,729,984	4,485,994	-
Fixed interest rate instruments	4.82%	1,500,000	1,500,000	-	-
		10,715,978	6,229,984	4,485,994	-

(h) Fair value of financial instruments

The directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

NOTE 19: COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on premises. These leases are of varying periods up to 5 years with renewal options included in some of the contracts. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated	
	30 June 2015 $	30 June 2014 $
Within one year	845,689	1,156,312
After one year but not more than five years	3,650,295	3,666,305
Greater than 5 years	802,138	3,872,071
	5,298,122	8,694,688

Hire purchase commitments

The Group has hire purchase contracts for various items of plant and machinery. These contracts have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the contract.

Future minimum payments under hire purchase contracts together with the present value of the net minimum payments are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: COMMITMENTS AND CONTINGENCIES (continued)

Consolidated	30 June 2015 Minimum payments $	30 June 2015 Present value of payments $	30 June 2014 Minimum payments $	30 June 2014 Present value of payments $
Within one year	3,121,607	3,121,607	4,975,726	4,975,726
After one year but not more than five years	2,384,662	2,384,662	4,894,554	4,894,554
Total minimum payments	5,506,269	5,506,269	9,870,280	9,870,280
Less amounts representing finance charges	-	(312,011)	-	(654,302)
Present value of minimum payments	-	5,194,258	-	9,215,978

Capital commitments

No capital expenditure commitments have been made for items of plant and machinery for the year ended 30 June 2015.

Capital expenditure commitments contracted for are as follows:

	Consolidated 30 June 2015 $	Consolidated 30 June 2014 $	Parent 30 June 2015 $	Parent 30 June 2014 $
Within one year	-	155,286	-	-
After one year but not more than five years	-	-	-	-
Greater than 5 years	-	-	-	-
	-	155,286	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: BUSINESS COMBINATIONS

Acquisition of Central Systems Pty Limited

During the year, the shareholders of Resource Development Group Limited approved the acquisition of all the issued share capital of Central Systems Pty Ltd for the consideration of 497,175,172 Resource Development Group Limited shares. The transaction was completed on 3 October 2014, effective from 31 August 2014.

Due to the nature of the acquisition, the acquisition of Central Systems Pty Ltd was considered a reverse acquisition for accounting purposes. Therefore the following represents the net assets and consideration paid by Central Systems Pty Ltd for Resource Development Group Limited.

The assets and liabilities comprising the acquisition as at the date of acquisition are as follows:

	$
Cash and cash equivalents	3,218,183
Trade and other receivables	5,555,762
Other financial assets	1
Property, plant and equipment	1,086,578
Deferred tax assets	453,667
Trade and other payables	(2,289,206)
Borrowings	(3,976,204)
Current tax liabilities	173,633
Current provisions	(288,409)
Deferred tax liabilities	(133,070)
Non-current provisions	(216,260)
Net tangible assets acquired	3,584,675
Goodwill	2,451,534
Total consideration	6,036,209
Consideration paid	
134,228,895 ordinary shares (Note 16)	6,036,209

Assignment of Barrow Island Contracts

During the reporting period Central Systems Pty Ltd successfully negotiated the assignment of two contracts from Killarnee Civil & Concrete Contractors Pty Ltd for construction works on Barrow Island for Chevron's Gorgon LNG Project.

The assets and liabilities comprising the assignment as at the date of the assignment were as follows:

	$
Employee entitlements and associated costs liability taken over	(2,552,612)
Future tax benefit relating to employee entitlements	765,783
Cash retentions and payments received	1,614,141
Cash retentions payable	614,645
Killarnee plant	369,154
Killarnee hire purchase	(369,154)
Bargain purchase	441,957

The bargain realised on the assignment of the contracts has been taken to account in the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21: RELATED PARTY DISCLOSURE

Resource Development Group Limited is the legal Australian parent entity. The legal subsidiaries are as follows:

Name	Country of Incorporation	% Equity Interest 30 June 2015	% Equity Interest 30 June 2014	Investment ($) 30 June 2015	Investment ($) 30 June 2014
Central Systems Pty Ltd	Australia	100	-	1,800,100	-
Engenium Projects Ltd	UK	100	100	2	2
Pacer Corporation Pty Ltd	Australia	100	100	1	3,000,000
Australian Quarries Pty Ltd	Australia	100	100	100	100
Engenium Pty Ltd	Australia	-	100	-	13,791,427
Intellect Systems Pty Ltd	Australia	-	100	-	4,517,962
Ecologia Environmental Consultants Pty Ltd	Australia	-	100	-	6,252,159

Central Systems Pty Ltd is the accounting parent under the principles of reverse acquisition in AASB 3 *Business Combinations*; hence the consolidated financial statements are a continuation of the financial statements of Central Systems Pty Ltd.

As at 30 June 2015, RDG held as a receivable a loan from a previously owned subsidiary, Intellect Systems Pty Ltd in the sum of $400,000. This amount is interest-free and will be used for working capital purposes by Intellect. The amount is due to be repaid by 3 June 2016.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at the year are unsecured, interest free and settlement occurs in cash. No guarantees were provided or received for any related party receivables or payables.

An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

(a) Key management personnel compensation

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	1,121,156	1,825,184
Post-employment benefits	63,641	101,945
Share-based payments	7,200	9,000
Total key management compensation	1,191,997	1,936,129

The comparative key management personnel compensation includes key management of both Resource Development Group Ltd and Central Systems Pty Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21: RELATED PARTY DISCLOSURE (continued)

(b) Operating lease agreements

The company has entered into operating lease agreements for rental premises with the following shareholder related entities:

Slipstream Property Partnership
Amphora Pty Ltd as trustee for the Purple Trust (Ivan Ruefli);
Allmont Pty Ltd as trustee for the Allmont Trust (Andrew Ellison);
Matthew Reid Project Management Pty Ltd (Gary Reid); and
Richard James Eden as trustee for the Eden Family Trust.
This lease commenced on the 1 May 2011 with a termination date of 30 April 2016.
Rental payments made for the year 1 July 2014 to 30 June 2015 were $331,519 (2014: $346,112). At balance date, 15,000 (2014: $Nil) was payable to the Slipstream Property Trust.

Grisam Investments Pty Ltd as trustee for the Grisam Property Trust
Amphora Pty Ltd as trustee for the Purple Trust;
Allmont Pty Ltd as trustee for the Allmont Trust (Andrew Ellison);
Gary Reid as trustee for the Gary Reid Family Trust; and
Richard James Eden as trustee for the Eden Family Trust
This lease commenced on the 1 July 2013 with a termination date of 30 June 2020.
Rental payments made for the year 1 July 2014 to 30 June 2015 were $81,594 (2014: $25,750). At balance date, $21,023 (2014: $Nil) was payable to Grisam Investments Pty Ltd.

Riga WA Pty Ltd as trustee for the Riga Unit Trust
4ZA Investments Pty Ltd as trustee for the Super Superannuation Fund (Ivan Ruefli);
Andrew Blair Ellison & Serena Maxine Ellison as trustee for the AB & SM Ellison Superannuation Fund (Andrew Ellison);
Deeper Water Super Pty Ltd as trustee for the Deeper Water Super Fund (Gary Reid); and
Richard James Eden & Karen Maree Eden as trustee for the Eden Superannuation Fund
This lease commenced on the 31 March 2014 with a termination date of 30 March 2021.

Rental payments made for the year 1 July 2014 to 30 June 2015 were $502,140 (2014: $125,535). At balance date, $48,771 (2014: $Nil) was payable to Riga WA Pty Ltd.

(c) Related Party Loans

Andrew Ellison has a loan with the Company through a related entity, Seafire Holdings Pty Ltd. The balance payable on the loan at 30 June 2015 is $7,567,181 (2014: $Nil). The interest charged on the loan in the current year was $136,326 (2014: $Nil). From 31 December 2014, interest is not being charged on the loan. Subsequent to balance date, the directors have resolved that interest payments will be introduced from 1 July 2015 subject to receiving and reviewing the 30 September 2015 management accounts. The interest rate applicable to this loan is still being determined.

Gary Reid has a loan with the Company through a related entity, GM Reid Investments Pty Ltd. The balance payable on the loan at 30 June 2015 is $7,567,181 (2014: $Nil). The interest charged on the loan in the current year was $136,326 (2014: $Nil). From 31 December 2014, interest is not being charged on the loan. Subsequent to balance date, the directors have resolved that interest payments will be introduced from 1 July 2015 subject to receiving and reviewing the 30 September 2015 management accounts. The interest rate applicable to this loan is still being determined.

Richard Eden has a loan with the Company through a related entity, Management & Project Solutions (MPS) Pty Ltd. The balance payable on the loan at 30 June 2015 is $4,256,398 (2014: $Nil). The interest charged on the loan in the current year was $77,690 (2014: $Nil). From 31 December 2014, interest is not being charged on the loan. Subsequent to balance date, the directors have resolved that interest payments will be introduced from 1 July 2015 subject to receiving and reviewing the 30 September 2015 management accounts. The interest rate applicable to this loan is still being determined.

Jeff Brill and Damir Panzich have a loan with the Company through a related entity, Lightshare Investments Pty Ltd. The balance payable on the loan at 30 June 2015 is $1,900,000 (2014: $2,000,000). The interest charged on the loan in the current year was $70,000 (2014: $140,000). From 31 December 2014, interest is not being charged on the loan. Subsequent to balance date, the directors have resolved that interest payments will be introduced from 1 July 2015 subject to receiving and reviewing the 30 September 2015 management accounts. The interest rate applicable to this loan is still being determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22: DISCONTINUED OPERATIONS

On 3 June and 23 June 2015, the Company made announcements in relation to the sales of its wholly owned subsidiaries, Ecologia Environmental Consultants Pty Ltd (Ecologia), Intellect Systems Pty Ltd (Intellect) and Engenium Pty Ltd (Engenium) to each of their respective management teams. The effective dates of those sales were 30 April 2015 for both Intellect and Ecologia and 31 may 2015 for Engenium. Each of the divisions disposed of has been reported in the financial statements for the year ended 30 June 2015 as discontinued operations.

Consideration received or receivable

	Engenium $	Ecologia $	Intellect $	Total $
Disposal consideration	1	22,277	2	22,280
Less: net assets disposed of	(718,768)	(1,036,793)	(928,283)	(2,683,844)
Loss on disposal before income tax	(718,767)	(1,014,516)	(928,281)	(2,661,564)
Income tax benefit/(expense)	-	-	-	-
Loss on disposal after income tax	(718,767)	(1,014,516)	(928,281)	(2,661,564)

Financial performance

The financial performance presented is for the period from the date of the reverse acquisition, 1 September 2014 until the effective date of disposal as noted above. No comparatives are shown for the previous 12 month period given that these financial statements are a continuation of those of Central Systems Pty Ltd as a result of the reverse acquisition of the Company as described in Note 2.

Financial performance from discontinued operations

	Engenium $	Ecologia $	Intellect $	Total $
Revenue	6,670,544	1,190,619	4,531,819	12,392,982
Expenses	(8,021,162)	(1,336,369)	(3,396,606)	(12,754,137)
Profit/(loss) before tax	(1,350,618)	(145,750)	1,135,213	(361,155)
Income tax benefit/(expense)	488,886	99,052	(213,253)	374,685
Profit/(loss) from discontinued operations	(861,732)	(46,698)	921,960	13,530
Loss on disposal after tax (above)	(718,767)	(1,014,516)	(928,281)	(2,661,564)
Total Loss from discontinued operations	**(1,580,499)**	**(1,061,214)**	**(6,321)**	**(2,648,034)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22: DISCONTINUED OPERATIONS (continued)

Net assets at date of sale

The carrying amount of assets and liabilities disposed of were:

	Engenium	Ecologia	Intellect	Total
	$	$	$	$
Current assets	62,381	4,649	10,735	77,765
Plant & equipment	155,000	84,320	33,515	272,835
Deferred tax asset	84,222	30,492	13,275	127,989
Goodwill	517,556	1,018,970	915,008	2,451,534
	819,159	1,138,431	972,533	2,930,123
Current liabilities	(100,391)	(76,041)	(44,250)	(220,682)
Non-current liabilities	-	(25,597)	-	(25,597)
Net assets	718,768	1,036,793	928,283	2,683,844

Net cash inflow on disposal

Net cash inflow on disposal is as follows:

	$
Cash and cash equivalents consideration received	11,142
Cash and cash equivalents consideration receivable	11,138
Net cash inflow on disposal	22,280

NOTE 23: PARENT ENTITY DISCLOSURES

The transaction involving Resource Development Group Limited acquiring all the issued shares of Central Systems Pty Ltd has been accounted for under the principles of Reverse Acquisitions included in Australian Accounting Standard AASB 3 *Business Combinations*.

The legal structure of the Resource Development Group Limited subsequent to the acquisition of Central Systems Pty Ltd will be that Resource Development Group Limited will remain as the parent entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 23: PARENT ENTITY DISCLOSURES (continued)

Financial position

	30 June 2015 $	30 June 2014 $
Assets		
Current assets	3,519,409	574,122
Non-current assets	591,428	18,405,854
Total assets	4,110,837	18,979,976
Liabilities		
Current liabilities	704,432	7,123,339
Non-current liabilities	1,915,828	26,233
Total liabilities	2,620,260	7,149,572
Equity		
Issued capital	7,886,705	25,907,972
Reserves	434,990	452,560
Accumulated losses	(6,831,118)	(14,530,128)
Total equity	1,490,577	11,830,404

Financial performance

	Year ended 30 June 2015 $	Year ended 30 June 2014 $
Loss for the year	(1,496,691)	(3,322,477)
Other comprehensive income	-	-
Total comprehensive loss	(1,496,691)	(3,322,477)

Commitments

The parent entity does not have any commitments of its own.

NOTE 24: EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report after the end of the reporting period.

NOTE 25: AUDITOR'S REMUNERATION

The auditor of Resource Development Group Limited is HLB Mann Judd.

	Consolidated	
Amounts received or due and receivable by HLB Mann Judd for:	2015 $	2014 $
An audit or review of the financial report of the entity and any other entity in the Group	100,000	81,250
Accounting advice in relation to the acquisition of Central Systems Pty Ltd and reverse acquisition accounting	34,620	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 26: DIRECTORS AND EXECUTIVES DISCLOSURES

The aggregate compensation made to directors and other key management personnel of Resource Development Group Limited is set out below:

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	1,121,156	1,825,184
Post-employment benefits	63,641	101,945
Share-based payments	7,200	9,196
	1,191,997	1,936,325

The comparative for aggregate compensation made to directors and other key management personnel includes the directors and other key management personnel of both Resource Development Group Ltd and Central Systems Pty Ltd.

NOTE 27: CORRECTION OF PRIOR YEAR ERRORS

(a) On 30 July 2014, Central Systems Pty Ltd entered into a Deed of Settlement between the company and Mr Stephen Batchelor in relation to a Memorandum of Understanding entered into between shareholders of that company and Mr Batchelor on 3 September 2012. The Deed provided that 882,353 B class shares be issued to Mr Batchelor in exchange for the release of all claims Mr Batchelor had against the company in relation to the Memorandum of Understanding. As a result of the unconditional nature of the arrangements in the Memorandum of Understanding, there was a requirement pursuant to accounting standards by the company to account for the issue of shares as at 3 September 2012. The original cost should have been debited to the company's profit and loss in the 2012/13 financial year. The error has been corrected in this financial year and as a result of restating the 2013/14 financial year, has only impacted the equity section of the opening statement of financial position as at 1 July 2014.

(b) Central Systems Pty Ltd and CS Civil Pty Ltd formed a tax consolidated group on 1 July 2013, in accordance with the taxation consolidation regime. The tax cost base of depreciating assets decreased as a result of the allocable cost amount adjustments, resulting in income tax expense of $867,117 having to be recognised in the year ended 30 June 2014. Furthermore, a revaluation of assets was recognised in the CS Civil Pty Ltd profit and loss in the 2012/13 financial year. A deferred tax liability should have also been recognised on the revaluation of those assets in the sum of $794,974.

These prior year errors have been corrected by restating each of the financial statement line items for the prior period as follows:

	Prior Year before correction of error 30 June 2014 $	Correction of error $	Prior Year restated for correction of error 30 June 2014 $
<u>Statement of Financial Position</u>			
For the year ended 30 June 2014			
Consolidated statement of financial position (extract)			
Deferred tax liability	(459,369)	(1,662,091)	(2,121,460)
Total non-current liabilities	(5,773,482)	(1,662,091)	(7,435,573)
Total liabilities	**(54,578,151)**	**(1,662,091)**	**(56,240,242)**
Net assets	**35,712,868**	**(1,662,091)**	**34,050,777**
Issued capital	100	1,800,000	1,800,100
Retained earnings	35,712,768	(3,462,091)	32,250,677
Total equity	**35,712,868**	**(1,662,091)**	**34,050,777**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 27: CORRECTION OF PRIOR YEAR ERRORS (continued)

	Prior Year before correction of error 30 June 2014 $	Correction of error $	Prior Year restated for correction of error 30 June 2014 $
Statement of profit or loss and other comprehensive income			
For the year ended 30 June 2014			
Consolidated statement of profit or loss and other comprehensive income (extract)			
Profit before income tax	21,915,472	-	21,915,472
Income tax expense	(5,583,726)	(867,117)	(6,450,843)
Profit after income tax from continuing operations	**16,331,746**	**(867,117)**	**15,464,629**
Total comprehensive income	**16,331,746**	**(867,117)**	**15,464,629**

NOTE 28: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Pulse Signalling and Electrical Pty Limited Joint Venture

The Group has a 50% participating interest in Pulse Signalling and Electrical Pty Limited ("Pulse"), an incorporated jointly controlled entity with Australian Railway & Electrical Pty Limited ("ARS&E"). The joint venture is accounted for using the equity method under AASB 131 'Interests in Joint Ventures'. Pulse was established to provide turnkey rail signalling, communications and electrical services to the rail, resource and infrastructure sectors, and is incorporated in Australia.

During the year ended 30 June 2014, the joint venture parties agreed to dissolve the company. As at 30 June 2015, the total liabilities of Pulse included $305,811 owing to Resource Development Group Limited. This debt has been fully impaired in 2014.

	Consolidated	
	2015 $	2014 $
Investments in jointly controlled entities	-	-

Summarised financial information of jointly controlled entity

	2015 $	2014 $
Financial position		
Total assets	29,924	29,924
Total liabilities	324,747	324,747
Net liabilities	(294,823)	(294,823)
Financial performance		
Total revenue	-	(259,464)
Total loss for the year	-	(230,757)

Capital commitments

At 30 June 2015, Pulse Signalling and Electrical Pty Ltd had no capital commitments that have otherwise not been recorded as a liability (2014: $Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 28: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Centrals PNG Limited Joint Venture

During the year ended 30 June 2015, the group formed the Centrals PNG Limited joint venture with LCS Electrical & Mechanical Contractors Limited. The Group has a 50% participating interest in Centrals PNG Limited. Centrals PNG Limited is incorporated in PNG and has been established to initially tender on work on the Wafi-Golpu Gold and Copper mine which is a Joint Venture between Newcrest and Harmony, managed by Newcrest in Papua New Guinea. The joint venture is accounted for using the equity method under AASB 131 'Interests in Joint Ventures'.

Resource Development Group Limited's subsidiary Central Systems Pty Limited has a loan of $27,674 with the Joint Venture. Centrals PNG Limited is yet to be approved by the PNG government and as a result has not commenced operation yet. An investment in Joint Venture has not been recognised at balance date and the Joint Venture does not have any balances other than its loans with the Joint Venture Partners.

NOTE 29: DIVIDENDS

	Consolidated	
	2015	2014
Dividends declared during the year:	$	$
On fully paid ordinary shares:		
• Interim franked dividends for 2015: 7.4 cents (2014: 0.08 cents)	36,695,159	400,000
	36,695,159	400,000

	Consolidated	
	2015	2014
Franking account balance	$	$
The amount of franking credits available for subsequent financial years are:		
Franking account balance as at the end of the financial year at 30% (2014: 30%)	5,274,085	11,435,428
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	2,801,812	809,097
Franking debits that will arise from the receipt of income tax refundable as at the end of the financial year	(785,553)	-
	7,290,344	12,244,525

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

Dividends proposed will be franked at 30% (2014: 30%).

DIRECTORS' DECLARATION

1. In the opinion of the directors of Resource Development Group Limited (the 'Company'):
   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

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

Andrew Ellison
Chairman

Dated this 30th day of September 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Resource Development Group Limited

Report on the Financial Report

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

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Resource Development Group Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Report on the Remuneration Report

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

Auditor's opinion

In our opinion the remuneration report of Resource Development Group Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
30 September 2015

Additional Information for Listed Public Companies

Additional information included in accordance with the Listing Rules of the Australian Securities Exchange Limited. The information is current as at 7 September 2015.

1. Shareholdings

Substantial shareholders of Resource Development Group Limited:

Name of shareholder	Shares held
SEAFIRE HOLDINGS PTY LTD (SEAFIRE A/C)	105,649,724
MATHEW REID PROJECT MANAGEMENT PTY LTD (GM REID FAMILY A/C)	105,649,724
AMPHORA PTY LTD (PURPLE A/C)	105,649,724
	316,949,172

Distribution of equity – Listed securities:

Size of holding	Number of Shareholders
1 – 1,000	6
1,001 – 5,000	11
5,001 – 10,000	54
10,001 – 100,000	290
100,001 – and over	99
Total	460

At the date of this report there were 71 shareholders who held less than a marketable parcel of shares.

Listed securities in Resource Development Group Limited (RDG) are quoted on all member exchanges of the Australian Securities Exchange.

Additional Information for Listed Public Companies (continued)

SHAREHOLDER	SHARES	% OF ISSUED CAPITAL
SEAFIRE HOLDINGS PTY LTD (SEAFIRE A/C)	105,649,724	17.38%
MATHEW REID PROJECT MANAGEMENT PTY LTD (GM REID FAMILY A/C)	105,649,724	17.38%
AMPHORA PTY LTD (PURPLE A/C)	105,649,724	17.38%
RICHARD JAMES EDEN (EDEN FAMILY TRUST)	60,220,343	9.91%
CIVUG PTY LTD (BATCHELOR CONCRETE TRUST)	55,576,276	9.14%
STEPHEN KROLL (KROLL FAMILY TRUST)	26,412,431	4.35%
OMEGA RED PTY LTD (SOUTHPORT FAMILY A/C)	14,028,302	2.31%
CORRINE RACHEL PANZICH (C&D PANZICH FAMILY A/C)	13,653,303	2.25%
MICHAEL JOHN BEGLEY (QUARTZ A/C)	13,653,303	2.25%
JEFFREY BRILL (BRILL FAMILY A/C)	13,653,302	2.25%
BREFFNY CASTLE PTY LTD (O'ROURKE FAMILY A/C)	13,653,302	2.25%
CHRISTOPHER BENSON (BENSON FAMILY A/C)	10,429,028	1.72%
GRAEME FLOWER (FLOWER FAMILY A/C)	8,451,978	1.39%
TROY MICHAEL VENTRISS (VENTRISS FAMILY A/C)	7,623,094	1.25%
JASON CARMELO MONZU (J MONZU FAMILY A/C)	6,601,943	1.09%
CN & ND KANE (C&N KANE FAMILY A/C)	6,601,943	1.09%
AVIOR CONSULTING PTY LTD (AVIOR CONSULTING A/C)	4,961,868	0.82%
CAROL JUNE MACPHERSON	4,694,759	0.77%
JON PAUL WRIGHT (J&B WRIGHT FAMILY A/C)	3,170,880	0.52%
BRILL ENTERPRISES PTY LTD	3,000,000	0.49%
TOP 20	**583,335,227**	**95.98%**
REMAINING	**24,421,130**	**4.02%**
TOTAL SHARES ON ISSUE	**607,756,357**	**100.00%**