ASX ANNOUNCEMENT

BRIERTY

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24 February 2016

BRIERTY REPORTS H1 FY2016 RESULTS

Summary:

- Revenue of $125.2 million (H1 FY15: $135.8 million)
- EBITDA of $11.4 million (H1 FY15: $10.2 million)
- Net profit after tax of $4.2 million (H1 FY15: $4.1 million)
- Reduced gross debt by $7.1 million
- Progressed well on major projects, including strong sales at Mitchell Creek Green development
- Guidance of $250 million revenue for FY16

Diversified contractor Brierty Limited (ASX: BYL) has reported a net profit after tax of $4.2 million for the half year ended 31 December 2015.

The result was on slightly lower revenue of $125.2 million (H1 FY15: $135.8 million).

Brierty's NPAT included a $2.1 million impairment related to the carrying value of equipment. After removing this non-cash cost, Brierty reported an underlying NPAT of $5.7 million.

The growth in Brierty's underlying earnings benefited from improved cost efficiencies and a strong result in the land development at Mitchell Creek Green Northern Territory.

Brierty Managing Director Peter McBain said "We made good progress in reducing debt, driving further efficiencies across the business, and maintaining safe and efficient project delivery."

During the half year, Brierty continued to work on a diverse number of civil projects, for quality clients including Main Roads WA, The Northern Territory Government, Rio Tinto, Brookfield Multiplex, Landcorp, and Peet. Margins for civil work remained tight due to increased competition for contracts.

Brierty moved into the full operating phase under its $300 million contract at Western Turner Syncline stage two for Rio Tinto with mining and haulage operations performing as expected.

Revenue in Brierty's land development division increased through sales at the Mitchell Creek Green and Bellamack developments in the Northern Territory. During the half Brierty titled 122 lots and sold 70 lots at Mitchell Creek Green, and sold 9 lots at the Bellamack development leaving only 4 lots at Bellamack to be sold.

The Board elected not to declare an interim dividend.

Outlook

Brierty expects to deliver revenue in the order of $250 million in FY2016, of which $231 million is already secured.

"We continue to see activity in the Perth area, particularly around urban infill and renewal projects. This is a competitive market, and we remain confident our expertise, high standard of project delivery and strong customer relationships ensure we are well placed to win our share," Mr McBain said.

--- ENDS ---

CONTACT

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Adrian Watson
FTI Consulting
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ABOUT BRIERTY

Brierty provides civil construction and mining services to government and private industry through its civil and mining lines of business, which include:

Civil

- Construction of city and town infrastructure including land developments, roads and car parks.
- Highway and road construction, bulk earthworks, railways, airport runways, site-works, concrete and pavement works.

Mining

- Contract mining and mine maintenance.

For further information or news visit www.brierty.com.au where you can subscribe for news updates.

Brierty Limited ABN 65 095 459 448
Financial report and Appendix 4D - 31 December 2015

Lodged with the ASX under Listing Rule 4.2A.

Results for announcement to the market

				$
Revenue for ordinary activities	Down	8%	to	125,207,347
Profit/(loss) from ordinary activities after tax attributable to members	Up	2%	to	4,159,449
Net profit/(loss) for the period attributable to members	Up	2%	to	4,159,449

Distributions

The directors have decided not to pay a dividend for the half year ended 31 December 2015.

	Amount per security	**Franked amount per security**
Current period	**-**	**-**
Previous corresponding period	1.25	1.25

	31 December 2015	31 December 2014
Key Ratios		
Net tangible assets (per share)	**0.48**	0.47

Commentary of results for the period

Revenue for the half year ended 31 December 2015 was 8% lower than the corresponding period last year due to lower revenue from civil with fewer projects, lower revenue from mining with the Karara contract finishing in the prior year, offset by higher revenue from land development with higher sales at Mitchell Creek Green. Net profit after tax increased by 2% even though margins were tighter in civil and mining, due to higher returns in land development and additional research and development tax credits.

This information should be read in conjunction with the Financial Report.

Brierty Limited ABN 65 095 459 448
Half Year Financial report - 31 December 2015

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Brierty Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Brierty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Brierty Limited
72 Melville Parade
South Perth, Western Australia 6151

Directors	Dalton L Gooding (Chairman) *Non-Executive Chairman*
	Peter McBain *Managing Director*
	Alan R Brierty *Non-Executive Director*
	Kenneth J Hellsten *Non-Executive Director*
	Richard J O'Shannassy *Non-Executive Director*
Company Secretary	Ian W Sydney
Registered Office	72 Melville Parade South Perth, Western Australia 6151
Share and debenture register	Computershare Level 11, 172 St Georges Tce Perth, Western Australia 6000
Auditor	Ernst & Young 11 Mounts Bay Road Perth, Western Australia 6000
Bankers	Bankwest 108 St Georges Terrace Perth, Western Australia 6000
Stock exchange listings	Brierty Limited shares are listed on the Australian Securities Exchange ASX Code - BYL
Website	www.brierty.com.au

Directors' report

Your directors present their report of Brierty Limited for the half year ended 31 December 2015.

Directors

The following persons held office as directors of Brierty Limited during the whole financial period and up until the release of this report:

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

Review and results of operations

The Group (Brierty Limited, its subsidiary and interests in Joint Operations) had revenue for the half year to 31 December 2015 of **$125,207,347** (2014: $135,779,339). Revenue was lower than last year in the Civil and Mining divisions and higher in Land Development. Civil revenue was lower due to fewer projects being available. Mining revenue was lower as the Karara contract finished in November 2014 while the Western Turner Syncline Stage 2 contract had a similar turnover to the prior corresponding period. Land Development revenue increased with Mitchell Creek Green settling 70 blocks of land compared to 30 in the prior corresponding period.

Net profit after tax was **$4,159,449** (2014: $4,064,377). It was higher than the corresponding period last year even though the Group recognised an impairment expense of **$2,159,914** (2014: nil) and civil and mining margins were slightly lower, due to realising additional research and development tax credits.

Due to the slowdown in contracting in the mining and civil sector in Australia, and with the limited opportunities for contracts, the Group has critically assessed the recoverable amount of assets at 31 December 2015. The Group's accounting policy on impairment states that assets are assessed for impairment whenever events or changes in circumstance indicate the carrying amount may not be recoverable. Following the impairment test, an impairment charge of $2,159,914 has been recorded for the half year ended 31 December 2015. This impairment charge has been allocated across property, plant and equipment.

Cash flow from operations for the half was **$1,048,445** (2014: $2,631,268) and the Group finished the half year with an overdraft of **$4,794,001** (June 2015: $2,760,756 cash on hand). Hire purchase debt at the end of December was **$34,849,804** (June 2015: $41,987,957) with **$8,257,068** (2014: $6,945,574) of debt retired during the half.

CIVIL
During the half year the Civil division continued work on North West Coastal Highway for Main Roads WA, at Perth Stadium for Brookfield Multiplex, at Broome for Landcorp and at Lakelands for Peet. The division also commenced work for Main Roads WA on Kwinana Freeway and Coalfields Highway and performed construction work for Rio Tinto. The outlook for civil work remains firm with a number of opportunities being pursued around Perth and in regional Western Australia.

MINING
The Mining division continued work at Western Turner Syncline for Rio Tinto. While the resources industry overall is challenging, the outlook for contract mining, particularly in the gold mining sector, is encouraging with a number of opportunities being pursued in Western Australia, South Australia and Queensland.

LAND DEVELOPMENT
During the half year construction continued at Mitchell Creek Green, in Palmerston NT, with 122 blocks completed and 70 lots sold during the period. Construction will continue over the coming years and sales activity remains strong. Six lots were sold at Bellamack during the period with only 7 lots remaining. These are expected to be sold during calendar 2016.

Review and results of operations (continued)

JOINT OPERATIONS
During the half year Brierty worked on several construction projects for Rio Tinto in Joint operations with Karlayura and Muntulgura Guruma. Brierty's share in the joint operations is at least 70%.

Auditor's independence declaration

The auditor's independence declaration for the half year ended 31 December 2015 has been received and is included at Page 4 and forms part of the directors' report.

Signed in accordance with a resolution of the board of directors.

Dalton L Gooding (Chairman)
Director

South Perth
24 February, 2016

Building a better
working world

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Auditor's Independence Declaration to the Directors of Brierty Limited

As lead auditor for the review of Brierty Limited for the half-year ended 31 December 2015 I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brierty Limited and the entities it controlled during the financial period.

Ernst & Young

G H Meyerowitz
Partner
24 February 2016

Brierty Limited
Consolidated Statement of comprehensive income
For the half-year ended 31 December 2015

	Notes	Half year ended 2015 $	2014 $
Revenue from services and land sales	4	**125,207,347**	135,779,339
Cost of providing services and land sales	6	**(115,037,955)**	(123,767,048)
Gross margin on services and land sales		**10,169,392**	12,012,291
Other income	5	**184,023**	670,281
Finance Costs	6	**(2,485,210)**	(1,633,397)
Administration expenses		**(5,128,381)**	(6,644,100)
Impairment charges	7	**(2,159,914)**	-
Profit from continuing operations before income tax		**579,910**	4,405,075
Income tax benefit/(expense)	8	**3,579,539**	(340,698)
Profit from continuing operations after income tax		**4,159,449**	4,064,377
Other comprehensive income		**-**	-
Total comprehensive income for the period		**4,159,449**	4,064,377
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		**3.3**	3.2
Diluted earnings per share		**3.3**	3.2

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

	Notes	**31 December 2015 $**	30 June 2015 $
ASSETS			
Current assets			
Cash and cash equivalents	9	**-**	2,760,756
Trade and other receivables	10	**26,088,282**	31,053,195
Contracts in progress and inventories	11	**26,547,128**	25,704,885
Prepayments		**499,712**	1,218,881
Current tax receivables	12	**346,294**	2,389,798
Land held for development and resale	13	**15,118,855**	14,272,924
Total current assets		**68,600,271**	77,400,439
Non-current assets			
Property, plant and equipment	14	**70,376,416**	77,166,162
Deferred tax assets		**1,262,027**	-
Contracts in progress and inventories		**12,367,441**	13,246,266
Total non-current assets		**84,005,884**	90,412,428
Total assets		**152,606,155**	167,812,867
LIABILITIES			
Current liabilities			
Trade and other payables	15	**45,607,224**	62,535,515
Bank overdraft	9	**4,794,001**	-
Borrowings	16	**14,630,121**	15,584,648
Provisions		**2,276,320**	2,765,771
Contract income in advance	11	**3,915,806**	1,213,049
Total current liabilities		**71,223,472**	82,098,983
Non-current liabilities			
Borrowings	17	**20,219,683**	26,403,309
Deferred tax liabilities		**-**	2,336,632
Provisions		**247,207**	217,599
Total non-current liabilities		**20,466,890**	28,957,540
Total liabilities		**91,690,362**	111,056,523
Net assets		**60,915,793**	56,756,344
EQUITY			
Contributed equity	18	**37,148,672**	37,148,672
Other reserves	19	**500,191**	500,191
Retained earnings		**23,266,930**	19,107,481
Total equity		**60,915,793**	56,756,344

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

	Attributable to owners of Brierty Limited			
	Contributed equity $	**Other reserves $**	**Retained earnings $**	**Total equity $**
Balance at 1 July 2014	29,170,572	338,982	29,622,029	59,131,583
Profit for period	-	-	4,064,377	4,064,377
Total comprehensive income for the period	**-**	**-**	**4,064,377**	**4,064,377**
Transactions with owners in their capacity as owners:				
New capital raised	7,820,600	-	-	7,820,600
Dividends provided for or paid	-	-	(12,045,000)	(12,045,000)
	7,820,600	-	(12,045,000)	(4,224,400)
Balance at 31 December 2014	**36,991,172**	**338,982**	**21,641,406**	**58,971,560**
Balance at 1 July 2015	37,148,672	500,191	19,107,481	56,756,344
Profit for period	-	-	4,159,449	4,159,449
Total comprehensive income for the period	**-**	**-**	**4,159,449**	**4,159,449**
Balance at 31 December 2015	**37,148,672**	**500,191**	**23,266,930**	**60,915,793**

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

	Notes	Half year ended 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**124,920,148**	124,236,887
Payments to suppliers and employees (inclusive of GST)		**(128,814,725)**	(121,411,417)
Receipts from land sales		**17,812,996**	9,880,387
Payments for development of Land		**(12,502,970)**	(8,608,382)
Other revenue		**88,473**	402,619
Interest received		**5,350**	66,024
Finance costs		**(2,485,210)**	(1,633,396)
Income taxes received/(paid)		**2,024,383**	(301,454)
Net cash from operating activities		**1,048,445**	2,631,268
Cash flows from investing activities			
Payments for property, plant and equipment		**(870,854)**	(3,576,326)
Proceeds from sale of property, plant and equipment		**524,720**	923,875
Net cash from investing activities		**(346,134)**	(2,652,451)
Cash flows from financing activities			
New Capital Raised		**-**	7,820,597
Repayment of borrowings		**(8,257,068)**	(6,945,574)
Dividends paid to company's shareholders		**-**	(12,045,000)
Net cash from financing activities		**(8,257,068)**	(11,169,977)
Net change in cash and cash equivalents		**(7,554,757)**	(11,191,160)
Cash and cash equivalents at the beginning of the financial year		**2,760,756**	27,179,608
Cash and cash equivalents at end of period	9	**(4,794,001)**	15,988,448

Note: Non-cash financing and investing activities
During the half year **$1,118,915** (2014: $18,028,641) of Plant and Equipment were acquired by means of hire purchase contracts.

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

1 *Corporate Information*

The consolidated financial statements of Brierty Limited and its subsidiaries (the Group) for the half year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 22 February 2016.

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

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

2 *Basis of preparation of half-year ended 31 December 2015 financial report*

Except as disclosed below, the half year financial report has been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2015.

Going Concern
For the half year ended 31 December 2015 the Group has recorded a net profit after tax of **$4,159,448** (31 December 2014: **$4,064,377**) and received net operating cash inflows of **$1,048,445** (31 December 2014: $2,631,268). As at 31 December 2015 the Group had a net current asset deficiency of **$2,623,201** (30 June 2015 deficiency: $4,698,544) including a bank overdraft of **$4,794,001** (30 June 2015 cash on hand: $2,760,756). The Group has a working capital facility which provides the Group access to $25,000,000 in available funds. Compliance with the financial covenants attached to this facility were waived prior to the period end.

The Group prepares rolling 12 month cash flow forecasts. The 12 month cash flow forecast to 28 February 2017 indicates that the Group will not require additional funding during the period. However, the Group will require the ongoing financial support of its financiers. If the ongoing financial support is not forthcoming, the Directors have reasonable grounds to believe that they will be able to source alternative debt or raise additional equity capital to meet this requirement. At the date of this report, the Directors are therefore satisfied there are reasonable grounds to believe that the Group will be able to meet its obligations as and when they fall due.

Should the Company and the Group not achieve the matters set out above, there is uncertainty whether the Company and the Group would continue as going concerns and therefore whether they would realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability or classification of the recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Company and the Group not be able to continue as going concerns.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year. New and revised Standards and amendments thereof and Interpretations effective for the current half year that are relevant to the Group include:

· AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’

2 *Basis of preparation of half-year ended 31 December 2015 financial report (continued)*

Impact of the application of AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

There are no new and revised accounting requirements significantly affecting the half year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2015 Annual Financial Report.

3 *Segment information*

(a) Description of segments

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

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

The reportable segments are based on aggregated operating segments determined by the similarity of the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Business segments

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

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

Mining
Contract mining and mine maintenance.

Land Development
Residential lot development in the Northern Territory.

3 *Segment information (continued)*

(b) Operating Segments

Half year 2015	**Civil** $	**Mining** $	**Land Development** $	**Total Operations** $
Segment revenue				
Total segment revenue	69,878,723	37,515,627	17,812,997	**125,207,347**
Segment profit before tax				
Total profit before tax	3,640,336	2,296,943	3,109,886	**9,047,165**
Intersegment elimination	-	-	-	**-**
Administration overheads	-	-	-	**(5,128,381)**
Other Income	-	-	-	**184,023**
Unallocated (expenses) (net)	-	-	-	**(3,522,897)**
Profit before income tax	-	-	-	**579,910**
Segment assets	31,266,183	26,232,498	15,118,855	**72,617,536**
Property plant and equipment	-	-	-	**70,376,416**
Inventories of materials and spares	-	-	-	**7,141,944**
Other unallocated assets	-	-	-	**2,470,259**
Total assets	-	-	-	**152,606,155**
Other segment information				
Unallocated liabilities	-	-	-	**91,690,362**

Half year 2014	**Civil** $	**Mining** $	**Land Development** $	**Total Operations** $
Segment revenue				
Total segment revenue	79,895,964	46,667,661	9,215,714	135,779,339
Segment profit before tax				
Total profit before tax	4,119,331	5,608,996	655,185	10,383,512
Over/(under) recovery of plant expenses	-	-	-	1,518,408
Administration overheads	-	-	-	(6,644,099)
Other Income	-	-	-	670,281
Unallocated (expenses) (net)	-	-	-	(1,523,027)
Profit before income tax	-	-	-	4,405,075
Segment assets	29,979,577	13,649,906	11,325,667	54,955,150
Property plant and equipment	-	-	-	72,289,000
Inventories of materials and spares	-	-	-	8,911,757
Other unallocated assets	-	-	-	17,208,629
Total assets	-	-	-	153,364,536
Other segment information				
Unallocated liabilities	-	-	-	94,392,979

3 *Segment information (continued)*

(b) Operating Segments (continued)

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

• Finance costs
• Corporate overheads
• Over/under recovery of plant and workshop expenses
• Other income

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

All revenue is from customers located in Australia.

(i) Accounting policies
Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 2 to the annual financial statements with the exception of over/under recovery of plant and workshop expenses, which are allocated on a budgeting basis.

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

4 *Revenue*

	Consolidated entity	
	Half year ended	
	2015	2014
	$	$
From continuing operations		
Sales revenue		
Contract Revenue	**107,394,351**	126,539,303
Hire of Equipment - Income	**-**	24,323
Sale of Land	**17,812,996**	9,215,713
	125,207,347	135,779,339

5 *Other income*

	Half year ended	
	2015	2014
	$	$
Net gain on disposal of property, plant and equipment	**90,200**	225,961
Other income	**93,823**	444,320
	184,023	670,281

6 *Expenses*

	Consolidated entity Half year ended 2015 $	2014 $
Cost of providing services	**102,534,985**	115,041,142
Costs of land sales	**12,502,970**	8,608,382
Expenses, excluding Finance costs	**5,128,381**	7,011,624
	120,166,336	130,661,148
Profit before income tax includes the following specific expenses:		
Depreciation		
Administration plant and equipment	**253,545**	287,778
Operational plant and equipment	**5,930,715**	3,883,212
Total depreciation	**6,184,260**	4,170,990
Employee benefits expenses		
Wages and salaries	**31,977,659**	33,154,736
Superannuation	**2,100,790**	2,364,413
	34,078,449	35,519,149
Finance costs		
Interest and finance charges payable under the hire purchase contracts	**1,362,854**	1,406,102
Bank overdraft interest	**788,584**	59,816
Bank facility fees	**333,772**	167,478
	2,485,210	1,633,396

7 *Impairment*

Plant & Equipment (Note 14)	**2,159,914**	-

Due to the slowdown in contracting in the mining and civil sector in Australia, and with the limited opportunities for contracts, the Group has critically assessed the recoverable amount of assets at 31 December 2015.

The Group’s accounting policy on impairment states that assets are assessed for impairment whenever events or changes in circumstance indicate the carrying amount may not be recoverable.

As plant and equipment cannot be allocated to cash generating units (CGU’s) on a reasonable and consistent basis, the Civil and Mining CGU’s were grouped together to form a Contracting CGU for the purposes of testing plant and equipment for impairment.

7 *Impairment (continued)*

An impairment trigger was identified in respect of the Contracting CGU and as a result, the recoverable amount of the CGU was determined using fair value less cost of disposal. In this regard, the Group adopted a market valuation approach using trading multiples. This valuation technique is categorised within level 3 of the fair value hierarchy.

The following key assumptions used in determining the fair value less cost of disposal of the Contracting CGU were:
- EBITDA multiple in the range of 3.5 to 3.6
- Estimated cost of disposal 2%

Following the impairment test, an impairment charge of $2,159,914 has been recorded for the half year ended 31 December 2015.

This impairment charge has been allocated across property, plant and equipment.

We have also assessed the sensitivity of the recoverable amount of the Contracting CGU by considering the impact of a 1% change in the EBITDA multiple with all other variables kept constant. This change will result in a decrease/increase in the impairment expense by $620,000.

8 *Income tax expense*

The Group recorded an income tax benefit of $3,579,539 (2014 tax expense: $340,698). This mainly reflects taxation benefits expected to arise to the Group from research and development (R&D) credits relating to the 2015 financial year.

9 *Cash and cash equivalents*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Cash at bank and in hand	**-**	2,760,756

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

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

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Cash and cash equivalents	**-**	2,760,756
Bank overdraft	**(4,794,001)**	-
Balances per consolidated Statement of cash flows	**(4,794,001)**	2,760,756

10 *Current assets - Trade and other receivables*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Trade receivables	**25,722,823**	33,529,924
Retentions	**432,692**	70,787
Provision for impairment of receivables	**(429,459)**	(3,033,756)
Other receivables	**362,226**	486,240
	26,088,282	31,053,195

Trade and other receivables are expected to be recovered when due (other than the amount provided for) as there are no credit quality or impairment issues as at 31 December 2015.

Retention amounts arise as part of the usual operating activities of the Group. There are no amounts impaired at half year.

Due to the short term nature of these receivables, their carrying value amount is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

11 *Current assets - Contracts in progress and inventories*

	Consolidated entity	
Current Assets	**31 December 2015 $**	30 June 2015 $
Construction work in progress	**25,770,638**	26,894,858
Provision for impairment of contracts in progress	**(6,365,454)**	(9,076,796)
Inventories of materials and spares*	**7,141,944**	7,886,823
	26,547,128	25,704,885
Non Current Assets		
Construction work in progress	**12,367,441**	13,246,266

*Inventories of materials and spares include major component spares totalling **$1,308,344** (June 2015: $1,762,138) that are measured at Net Realisable Value.

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

(a) Construction work in progress

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Contract costs incurred and recognised profits less recognised losses	**173,438,987**	183,990,608
Less progress billing	**(145,582,168)**	(154,139,329)
	27,856,819	29,851,279
Represented by:		
Amounts due from customers	**31,772,625**	31,064,328
Amounts due to customers	**(3,915,806)**	(1,213,049)
	27,856,819	29,851,279

12 *Current tax receivables*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Current tax receivables	**346,294**	2,389,798

13 *Current assets - Land held for Development*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Land Development Darwin	**15,118,855**	14,272,924
(a) Total land held for Development (current and non-current)		
At beginning of the period	**14,272,924**	10,425,381
Additions	**13,348,901**	27,913,474
Less sales	**(12,502,970)**	(24,065,931)
At end of the period	**15,118,855**	14,272,924

(b) Property held for development and resale
Title on the residential housing blocks transfer from the Crown to the Group prior to Settlement.

14 *Property, plant and equipment*

	Consolidated entity			
	Plant and equipment $	**Office furniture & equipment $**	**Motor vehicles $**	**Total $**
At 1 July 2014				
Cost or fair value	107,024,916	3,989,148	2,095,899	113,109,963
Accumulated depreciation	(53,827,471)	(2,126,554)	(1,581,844)	(57,535,869)
Net book amount	53,197,445	1,862,594	514,055	55,574,094
Movement for the year ended 30 June 2015				
Opening net book amount	53,197,445	1,862,594	514,055	55,574,094
Additions	30,717,594	535,987	305,231	31,558,812
Disposals	(705,932)	-	(56,780)	(762,712)
Depreciation charge	(8,374,854)	(634,520)	(194,658)	(9,204,032)
Closing net book amount	74,834,253	1,764,061	567,848	77,166,162
At 30 June 2015				
Cost or fair value	135,072,530	4,524,763	1,545,328	141,142,621
Accumulated depreciation	(60,238,277)	(2,760,702)	(977,480)	(63,976,459)
Net book amount	74,834,253	1,764,061	567,848	77,166,162
Movement for the half year ended 31 December 2015				
Opening net book amount	**74,834,253**	**1,764,061**	**567,848**	**77,166,162**
Additions	**1,774,931**	**214,838**	**-**	**1,989,769**
Disposals	**(397,286)**	**-**	**(38,055)**	**(435,341)**
Depreciation charge	**(5,685,420)**	**(265,011)**	**(233,829)**	**(6,184,260)**
Impairment charge	**(2,159,914)**	**-**	**-**	**(2,159,914)**
Closing net book amount	**68,366,564**	**1,713,888**	**295,964**	**70,376,416**
At 31 December 2015				
Cost or fair value	**134,425,344**	**4,739,600**	**1,569,955**	**140,734,899**
Accumulated depreciation	**(66,058,780)**	**(3,025,712)**	**(1,273,991)**	**(70,358,483)**
Net book amount	**68,366,564**	**1,713,888**	**295,964**	**70,376,416**

Refer to Note 21 for details of asset encumbrances.

15 *Current liabilities - Trade and other payables*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Trade payables	**38,329,159**	44,627,094
Accrued expenses	**6,837,471**	16,817,042
Insurance - premium funding	**440,594**	1,091,379
	45,607,224	62,535,515

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

16 *Current liabilities - Borrowings*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Secured		
Hire purchase liabilities	**14,630,121**	15,584,648
Total secured current borrowings	**14,630,121**	15,584,648

The hire purchase liabilities are secured by the assets under finance and in the event of default, the assets revert to the finance company.

17 *Non-current liabilities - Borrowings*

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Secured		
Hire purchase liabilities	**20,219,683**	26,403,309
Total secured non-current borrowings	**20,219,683**	26,403,309

The hire purchase liabilities are secured by the assets under finance and in the event of default, the assets revert to the finance company.

18 *Contributed equity*

Share capital

	Parent Entity		Parent Entity	
	31 December 2015 Shares	30 June 2015 Shares	**31 December 2015 $**	30 June 2015 $
Share capital				
At the beginning of reporting period	**126,950,000**	126,950,000	**37,148,672**	37,148,672

Holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at shareholders meetings.

In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors, and are entitled to any surplus proceeds of liquidation.

19 *Other reserves and retained earnings*

Other reserves

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Reserves		
Share-based payments	**500,191**	500,191

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

20 *Contingencies*

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

A performance bond facility of **$30,000,000** (June 2015: $30,000,000) exists with Vero Insurance Limited secured by a Deed of Indemnity and Guarantee provided by the Parent Company. At 31 December 2015 **$14,112,233** (June 2015: $17,796,270) of this facility was utilised.

Brierty Limited has a **$35,000,000** bank guarantee facility (June 2015: $30,000,000) established with its bankers. This facility is reduced by the amount of any bank overdraft that is utilised by the Group (at 31 December 2015 and 30 June 2015 the bank overdraft utilised was $4,794,001 net of Brierty's share of JV accounts and other cash of $4,126,026 and nil respectively). At 31 December 2015 **$8,235,953** (June 2015: $8,273,369) of the bank guarantee facilities were utilised.

20 *Contingencies (continued)*

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

21 *Commitments*

Lease commitments

(i) Non-cancellable operating leases
The parent Company leases the Group's head office under non-cancellable operating leases expiring within six years. On renewal, the terms of the lease are renegotiated.

The parent Company also leases various office equipment under cancellable operating leases. The Group is required to give one months notice for termination of these leases.

(ii) Hire purchase contracts (finance leases)
The Group has various plant and equipment with a carrying amount of **$53,294,482** (June 2015: $56,800,845) under hire purchase contracts expiring within one to five years.

	Consolidated entity	
	31 December 2015 $	30 June 2015 $
Commitments in relation to finance leases are payable as follows:		
Within one year	**16,167,462**	17,517,527
Later than one year but not later than five years	**21,490,095**	28,250,291
Minimum lease payments	**37,657,557**	45,767,818
Future finance charges	**(2,807,753)**	(3,779,862)
Total lease liabilities	**34,849,804**	41,987,956
Representing lease liabilities:		
Current	**14,630,121**	15,584,648
Non-current	**20,219,683**	26,403,309
	34,849,804	41,987,957

The weighted average interest rate implicit in the hire purchase contracts is 5.98**%** (June 2015: 6.40%).

There have been no other changes to commitments and contingencies as disclosed in the most recent annual financial report.

22 *Events occurring after the reporting period*

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

The directors have decided that no dividend will be paid for the half year ended 31 December 2015 (31 December 2014: 1.25 cents per share fully franked based on tax paid at 30%).

23 *Interest in Joint Arrangements*

During the half year the Group continued operations in an unincorporated Joint Operation with Ngarluma Yindjibarndi Foundation Limited (NYFL) of which Brierty has a 70% share.

During the half year the Group also continued operations in an unincorporated Joint Operation with Karlayura of which Brierty has a 70% share.

During the half year the Group continued operations in an unincorporated Joint Operation with Bocol on roadworks at North West Coastal Highway for Main Roads WA, of which Brierty has a 74% share.

During the half year the Group commenced operations in an unincorporated Joint Operation with Muntulgura Guruma JV constructing roads for Rio Tinto, of which Brierty has a 78% share.

Brierty will be liable for all liabilities in the Joint Operation in proportion to its share.

24 *Financial Instruments*

The value of the Group's financial assets and liabilities will be impacted by changes in interest rates. At 31 December 2015, the carrying value of the financial assets and liabilities approximate their fair values.

In accordance with a resolution of the directors of Brierty Limited made pursuant to subsection 303(5) of the Corporations Act 2001, we state that

In the directors' opinion:

(a) the Financial Statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, and the *Corporations Regulations 2001*, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe subject to the matters disclosed in note 2 that the company will be able to pay its debts as and when they become due and payable, and

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors of Brierty Limited.

On behalf of the board,

Dalton L Gooding (Chairman)
Director

Peter McBain
Director
South Perth
24 February, 2016

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To the members of Brierty Limited

Report on the 31 December 2015 half-year financial report

We have reviewed the accompanying half-year financial report of Brierty Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brierty Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brierty Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 2 in the financial report. The matters set forth in Note 2 indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

G H Meyerowitz
Partner
Perth
24 February 2016