27 August 2014

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

RE: SEYMOUR WHYTE LIMITED (ASX: SWL) – RESULTS FOR ANNOUNCEMENT TO THE MARKET

Seymour Whyte Limited attaches for immediate release to the market:

- Appendix 4E – Preliminary Final Report, and

- Seymour Whyte Limited 2014 Annual Report.

Seymour Whyte Limited will host a conference call for analysts and investors at 12:00 noon on Wednesday 27 August 2014. Dial in details for the conference call are as follows:

Phone Number – 1800 672 949
Account Number – 753564377919#

The FY14 Results Announcement and Investor Presentation will be lodged separately.

Yours faithfully

Lisa Dalton
Company Secretary

Appendix 4E
Full Year Ended 30 June 2014

Seymour Whyte Limited
ACN 105 493 203

1. The information contained in this report is for the year ended 30 June 2014 and the previous corresponding period 30 June 2013.

2. **Results for announcement to the market**

Revenue from ordinary activities	Up	13.4%	To	$310,963,449
Net profit from continuing operations attributable to shareholders	Up	15.6%	To	$10,687,728
Net profit attributable to shareholders	Up	15.3%	To	$10,687,728

Final dividend

Final dividend amount per security	5.00 cents
Previous corresponding period (FY2013)	6.25 cents
Franked amount per security	100%

Record date for determining final dividend is 26 September 2014.

Interim dividend

Interim dividend amount per security	2.50 cents
Previous corresponding period (FY2013)	1.75 cents
Franked amount per security	100%

Brief explanation of the results reported above:

The financial results of the Seymour Whyte Group includes results for 4 months of trading of the acquired business Rob Carr Pty Ltd. Combined with new project wins including significant project wins by Rob Carr Pty Ltd since acquisition, scope increases in existing projects, strong cost management and cost synergies from the acquisition, revenue increased 13.4% to $311.0m and net profit after tax increased 15.3% to $10.7m.

The Group has through the course of the financial year managed to restore the company back to value despite challenging trading conditions. The Group has more than doubled market capitalisation, retained strong cash position with more than $40.8m cash at year end, increased net assets from $46.1m to $66.1m and have attracted strong institutional shareholder participation.

3. Detailed results of the financial year including statement of comprehensive income, financial position, cash flows and changes in equity are included in the Annual Report attached.

4. **Dividend payment information**

Payment date	**Type**	**Paid/ Declared**	**Total dividend**	**Amount per security**	**Franked amount per security**
17 October 2014	Final	Declared	$4,382,380	5.00 cents	100%
4 April 2014	Interim	Paid	$1,949,904	2.50 cents	100%
18 October 2013	Final	Paid	$4,864,318	6.25 cents	100%

There is no foreign sourced income attributed to the dividend.

5. **Dividend reinvestment plan**

The company has established a Dividend Reinvestment Plan (DRP) effective from 28 July 2013 for which the shareholders participation is voluntary. Shares issued under the DRP are fully paid and rank equally with the existing fully paid ordinary shares. On 4 April 2014, 51,428 shares were issued at price of $1.53 through the DRP in respect of the interim dividend for the year ended 30 June 2014.

The Directors have resolved that the DRP will not operate for the FY14 final dividend.

6. **Net tangible asset backing per ordinary share**

Current period	61.9 cents
Previous corresponding period	57.1 cents

7. **Details of entities over which control has been gained or lost**

Seymour Whyte Limited acquired 100% shares of Rob Carr Pty Ltd on 25 February 2014 which is the effective date for change in control. Further details of the acquisition is included in note 30 of the Annual Report.

There was no loss of control on entities during the financial year.

8. **Detail of associates and joint ventures**

The company has interests in a number of joint ventures which are disclosed in note 31 of the Annual Report.

The company's interest in associates relates to a 50% investment in SWS Plant Pty Ltd.

9. All operations of Seymour Whyte Limited and its subsidiaries are domiciled in Australia. Australian Accounting Standards are used to compile the financial report.

10. The financial report has been audited and the independent audit report is not subject to a modified opinion, emphasis of matter or other matter paragraph.

David McAdam
Managing Director and CEO

27 August 2014

Seymour Whyte Limited and Controlled Entities

ABN 67 105 493 203

ANNUAL REPORT

For the year ended 30 JUNE 2014

TRIBUTE TO GARRY WHYTE

25 February 1948 - 30 March 2014

REMEMBERED AS A MAN OF INTEGRITY, OPTIMISM AND CHARACTER

Garry Whyte was the widely respected and highly regarded co-founder of Seymour Whyte. He sadly passed away earlier this year after an ongoing and valiant battle against a major illness. The Directors of Seymour Whyte Limited, on behalf of the Company, its employees, former directors and other stakeholders, wish to acknowledge the outstanding and lasting contribution Garry made to the business. Not only was he the co-founder of Seymour Whyte, Garry was one of the driving forces behind the company for more than 24 years. Garry Whyte began Seymour Whyte as a family business in 1987 with business partner John Seymour. They went on to achieve great success in developing the business and Garry served as a Company Director until his illness led to retirement in 2011.

Garry possessed many skills and strengths. In addition to being an extremely disciplined leader of the business, Garry had an ability to engage with staff and was known for his lasting friendships with people across all areas of the business and externally. He understood the importance of a good reputation in gaining respect from business and industry, and he lived this philosophy every day.

When Garry and John set out to develop the company, John's confidence to take such a great risk came from the great relationship, experience and complementary skills he and Garry possessed.

Garry will be remembered as a man of integrity, optimism and character and for the skills that formed Seymour Whyte and remain the foundation of our company's success today.

CONTENTS

KEY DATES FOR SHAREHOLDERS

24 September 2014	Ex-dividend date
26 September 2014	Record date for final dividend
17 October 2014	Payment of final dividend
26 November 2014	Annual General Meeting
31 December 2014	Half year end
February 2015	Half year results and interim dividend announcement
April 2015	Proposed payment of interim dividend
30 June 2015	Full year end
August 2015	Annual results and final dividend announcement

ANNUAL GENERAL MEETING

Place	The Auditorium McCullough Robertson Level 11, Central Plaza Two 66 Eagle Street, Brisbane
Date	26 November 2014
Time	10.00am

DRAINAGE WORKS AT GREAT GEORGE STREET PADDINGTON

Rob Carr Pty Ltd, $1.8 million (Project Value)

WHO WE ARE

ABOUT SEYMOUR WHYTE GROUP

Seymour Whyte (ASX:SWL) is an Australian infrastructure, engineering and construction company delivering major essential infrastructure projects nationally. Founded in 1987 by John Seymour and Garry Whyte, the company has grown exponentially since this time, involved in more than $5 billion of complex infrastructure.

Seymour Whyte continued to implement its strategy for growth in FY14, which has led to a fundamental shift in the business. Now collectively known as the Seymour Whyte Group (comprising of Seymour Whyte Limited, Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd) the company has two operating entities with new management reporting structures. Seymour Whyte Group's transport and utilities businesses now have operations spanning across all Australian mainland states and territories (excluding South Australia).

We continue to provide reliable project delivery, together with an unwavering focus on safety, sustainability and our people.

Our reputation continues to be built on the collaborative and flexible approach we have with our clients, advising on, and providing the best ways to complete projects successfully and achieve greatest value for all our stakeholders.

GROUP CAPABILITIES WERE STRENGTHENED IN FY14

- Advanced technical capabilities within the transport infrastructure business - ROADS, BRIDGES, RAIL, MARINE, AIRPORTS
- Advanced technical capabilities within the utilities infrastructure business - WATER, ENERGY, PIPELINE, TUNNELLING, POWER
- Deliver large, complex projects independently
- Diverse, strong and experienced management
- Advanced internally developed systems capability
- Strong and continually improved safety culture
- Improved environmental management capabilities
- A strong reputation in the core delivery areas of time, cost and quality
- Highest level prequalification with government authorities
- Established Corporate Social Responsibility initiatives

FY14 - THE HIGHLIGHTS

Over the past 18 months, Seymour Whyte has experienced a fundamental shift in the business following the Board's commitment to lay the foundation for, and activate, the company's strategy for growth and diversification.

The implementation of these major strategic initiatives has placed Seymour Whyte in the best possible position to achieve long-term sustainable growth and build greater value for shareholders.

We have worked hard to regain the trust of shareholders, and the company is now on a path to sustainable growth.

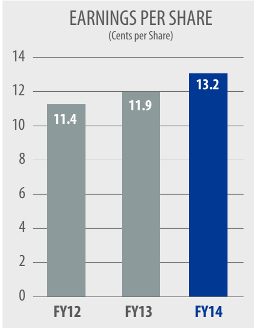
With more than 350 employees, Seymour Whyte Group's foundations are based on smart, safe and sustainable operations and working collaboratively with external stakeholders including clients and the community in which we operate.

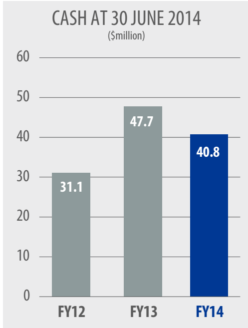
WE HAVE THE CAPABILITIES OF A TIER 1 CONTRACTOR

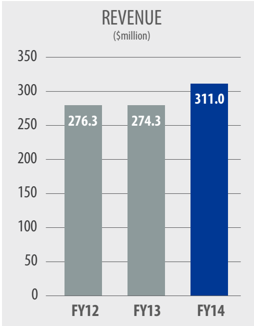
- We have executed our FY13 plan to develop the capability, systems, delivery skills and reputation of a Tier 1 contractor
- **Active on 38 projects across the transport and utilities infrastructure markets in six states**
- $457m of total Group project activity value at 30 June 14
- **Increased staffing numbers from 250 in FY13 to more than 350 personnel in FY14**
- Experienced leadership team with management capability to cater for future growth

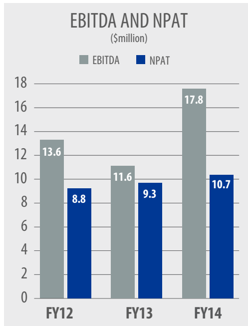
"In FY14 we continued to implement our strategic plan, putting in place the right foundations for short and long term sustainable growth. We have restored value and confidence in the business with greater financial strength and stability through disciplined performance, acquisitive growth and the creation of a smarter, leaner and more agile business"

DAVID McADAM, MANAGING DIRECTOR









WE HAVE GREATER FINANCIAL STRENGTH AND STABILITY

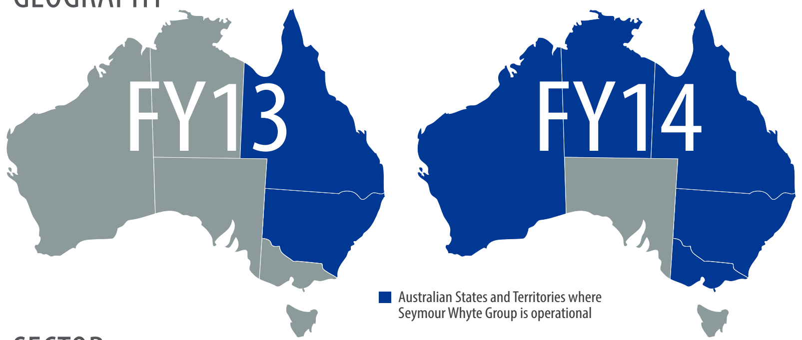
- Net profit after tax up 15.3% to $10.7m, derived from $311.0 million in total revenue
- EBITDA up 53.4% to $17.8m compared to $11.6m in FY13
- Cash position remains strong at $40.8m as at 30 June 2014
- Stronger balance sheet with net tangible assets up 22.3% to $54.3m and net assets up 43.2% to $66.1m
- Basic earnings per share up 10.4% to 13.2 cents compared to 11.9 cents in FY13

"In FY14 we expanded our operations beyond the core civil construction business, increased our sector offering, created greater financial strength, and increased the sustainability of the business by adding to our strategic assets and intellectual capital"

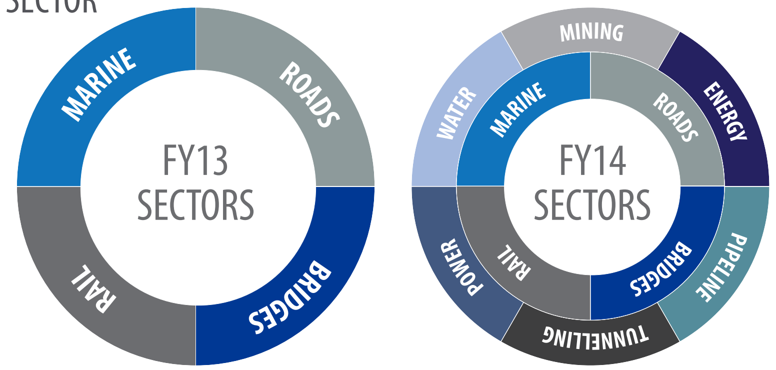
MAC DRYSDALE, CHAIRMAN

WE DIVERSIFIED – SECTOR AND GEOGRAPHY

GEOGRAPHY

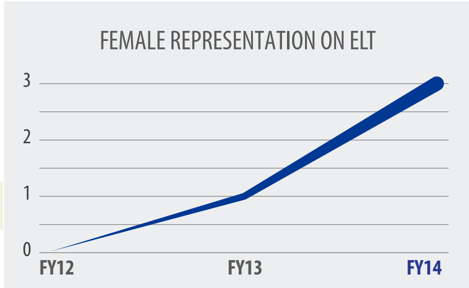


SECTOR



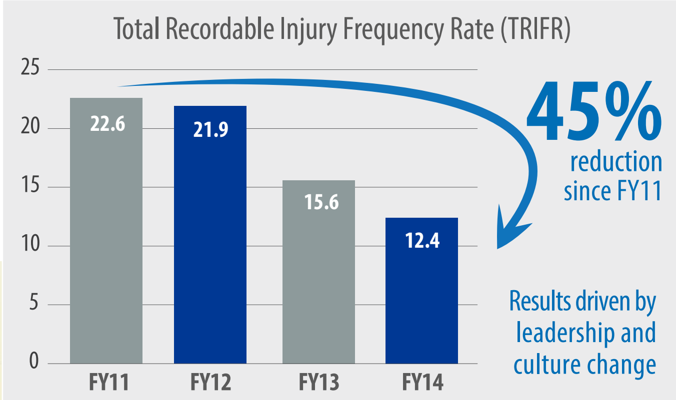
WE ARE MORE SUSTAINABLE

- We have developed higher level internal management systems and processes for project delivery and risk management
- We have made the organisation smarter by adding to our intellectual capital and introducing new technically advanced equipment
- Strategic equipment and fixed asset base has increased from $7.5m to $28.3m
- Substantial increase in female representation on at leadership level – women now account for nearly 40% of the Executive Leadership Team (ELT)



WE PERFORMED WELL OPERATIONALLY

- 200 kms of Queensland flood reconstruction works completed across eight projects on time and under budget – generating more than $300m in revenue and $130m awarded additional scope based on performance and engineering innovation
- We grew our NSW project base from one project to three projects
- Successful delivery of a complex marine infrastructure project three months early, strengthening our track record in this sector for future opportunities
- Outstanding safety performance with a 45% improvement in Total Recordable Injury Frequency Rate (TRIFR) since FY11
- Outstanding environmental performance with zero Class 1 (significant) and Class 2 (moderate) incidents
- Reduced the number of injuries by 20% in the past year
- Excellent performance in community engagement - consistently 'high' to 'very high' KPI scores across our team's major projects in FY14
- Achieved 130% of the overall training hours required under the Queensland 10% training policy



TWO STRONG COMPANIES ONE BRIGHT FUTURE

MEET THE NEW SEYMOUR WHYTE GROUP

In February 2014, Seymour Whyte Group reached a major milestone in its strategy for growth with the acquisition of Rob Carr Pty Ltd, leaders in underground pipe and service installations with an annual turnover in excess of $50 million.

The acquisition positions Seymour Whyte as now the most capable and respected microtunnelling company in the country. The Rob Carr brand is widely recognised throughout the industry, and we have retained the senior management team and the company's corporate identity, and the business operates as a subsidiary of Seymour Whyte Group.

Key acquisition risks were identified by extensive due diligence and are being managed post-transaction by focusing on integrating the businesses to maintain our strengths and capture new opportunities. The success of our integration efforts has underpinned a positive four-month contribution in FY14 from Rob Carr Pty Ltd, a number of new contract wins, and a pipeline of opportunities across the Group.

The Seymour Whyte Group undertook an organisational restructure after the acquisition to reflect the future needs and opportunities for both businesses. This has provided a platform to work efficiently and with consistently strong management disciplines across the business, while enabling new future strategic partnerships.

Seymour Whyte Group now has strong and established national market positions in both transport and utilities infrastructure with an active presence in five Australian states and territories. Diversifying our sector and geographic footprint was central to our strategic plans and has developed a more sustainable foundation for future growth.

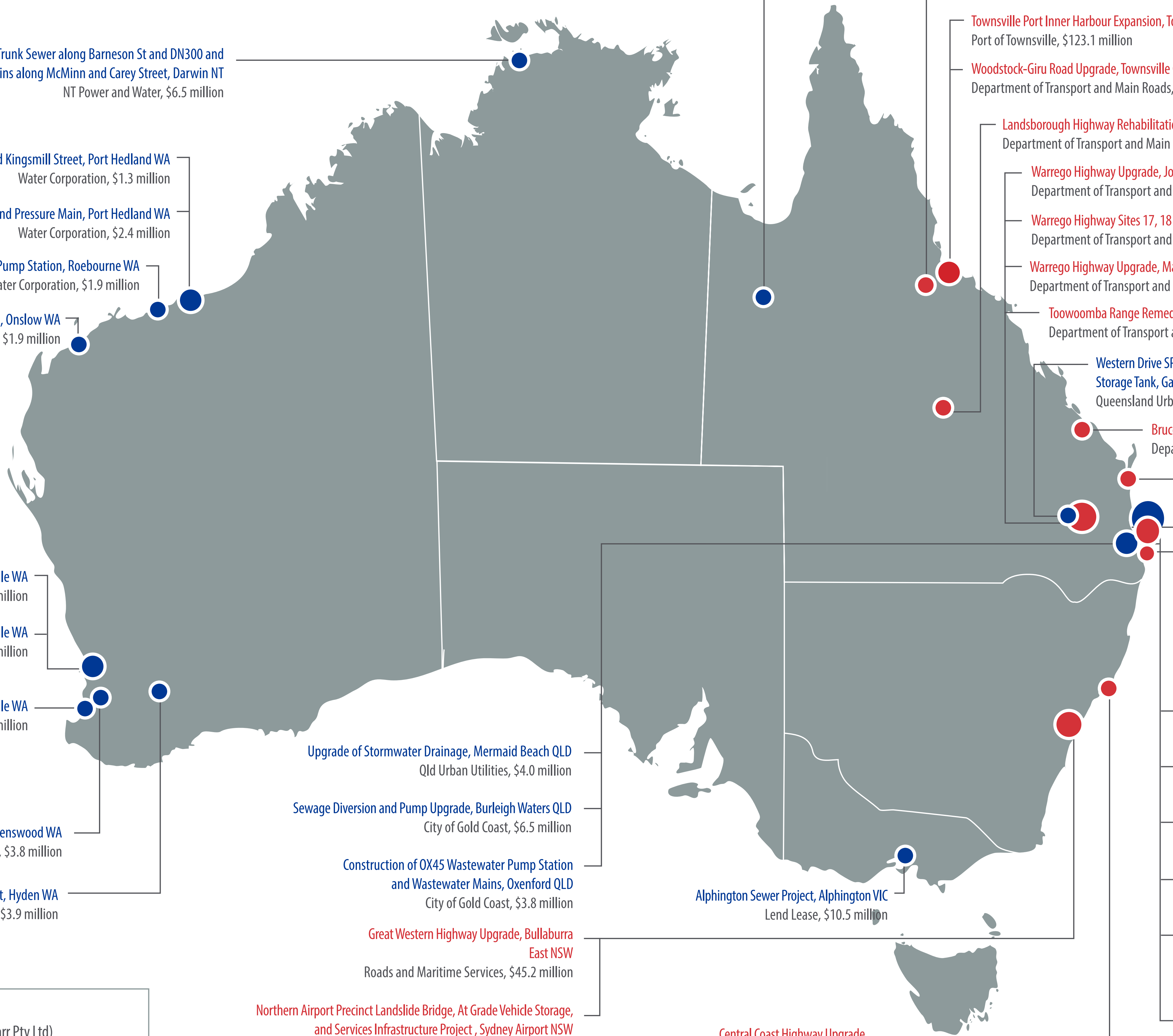
SEYMOUR WHYTE GROUP

CEO AND BOARD

- **TRANSPORT INFRASTRUCTURE**
  - PRE-CONTRACTS
  - OPERATIONS
  - HSEQ
- **SHARED SERVICES**
  - LEGAL AND COMMERCIAL
  - FINANCIAL SERVICES
  - HUMAN RESOURCES
  - INFORMATION TECHNOLOGY
  - COMMUNICATIONS
  - COMPANY SECRETARY
- **UTILITIES INFRASTRUCTURE**
  - PRE-CONTRACTS
  - OPERATIONS
  - HSEQ

MAP OF OPERATIONS

SEYMOUR WHYTE GROUP ACTIVITY FY14



CHAIRMAN AND MANAGING DIRECTOR REPORT

OPERATING AND FINANCIAL REVIEW

Left to Right: David McAdam, (Managing Director and CEO) and Mac Drysdale (Chairman)

In this report we cover the operational and financial performance of the company and outline our strategy and outlook for the coming year and beyond.

FINANCIAL PERFORMANCE

Despite infrastructure markets remaining subdued in the year we managed to make significant progress in implementing our strategic plan with early positive results being reflected in our improved financial performance.

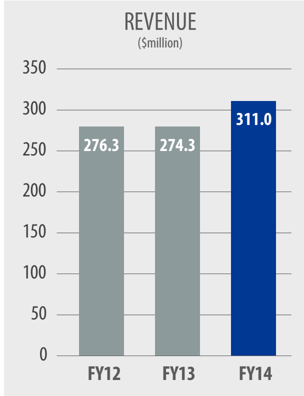
With revenue up 13.4% and profit after tax increasing to $10.7m, a 15.3% increase on FY13, we are now well placed to continue our growth agenda through organic expansion of our two core operating businesses and identifying suitable acquisition opportunities focused on driving shareholder value.

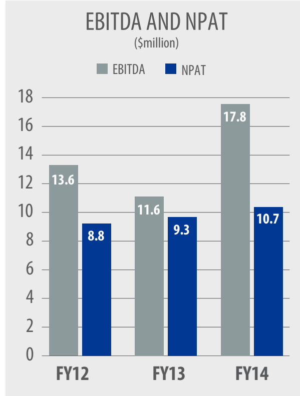
EBITDA has grown by 53.4% to $17.8m and NPAT increased to $10.7m from $9.3m in FY13. By all measures the Seymour Whyte Group is becoming stronger.

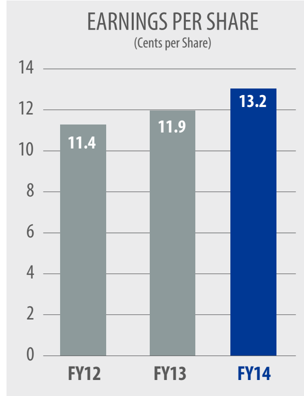
Post-acquisition of Rob Carr we have continued to rebuild our cash reserves and the Board has declared a final dividend of 5.0 cps taking the full year dividend to 7.5 cps, fully franked.

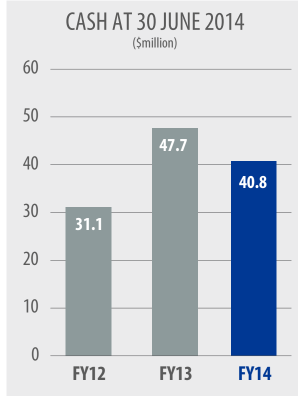
WE HAVE MORE THAN DOUBLED OUR MARKET CAPITALISATION, RETAINED OUR STRONG CASH POSITION WITH MORE THAN $40M CASH AT YEAR END, AND ATTRACTED STRONG INSTITUTIONAL SHAREHOLDER SUPPORT

During FY14, the Seymour Whyte Group has restored the company to value despite challenging trading conditions. We have more than doubled our market capitalisation, retained our strong cash position with more than $40m cash at year end, and attracted strong institutional shareholder support.









SAFETY, PEOPLE, COMMUNITY

We continue to implement leading safety practices and have reduced the number of injuries by 20% in the past year. With an active, leadership driven program of engagement we are making strong and sustainable improvements in our operating practices, our safety leadership style and the culture in our operating teams. We remain committed to the elimination of incidents and injuries throughout the group. Through greater awareness and disciplined practices, our environmental operations continue to improve and we eliminated all Class 1 incidents throughout the year.

How we care for our people and the broader communities we operate in is a core value of our business. In FY14 we implemented a company-wide salary continuance program to ensure we can support our people in times of need resulting from medical issues. This program has been well received and has enabled the group to provide a total benefits package that is valued by our people.

We continued our drive for greater corporate social responsibility through active fundraising for Cerebral Palsy and through their Metal for Mobility recycling program. We anticipate to raise $100,000 through scrap metal revenue by end FY15 to assist disability centres local to our projects.

DIVERSIFICATION STRATEGY

Having acquired Rob Carr Pty Ltd during the year, we have completed Stage 1 of our diversification plan and are now the leading and most respected microtunnelling contractor in Australia. With a geographic spread that now covers Queensland, New South Wales, Victoria, Western Australia and Northern Territory we can genuinely claim that our aspiration to be a national contractor is well on the way to being achieved. The integration of the Rob Carr business into the Seymour Whyte Group has progressed to plan and we have successfully implemented common shared services functions covering financial management, human resources, commercial and legal, information technology, and communication.

WE HAVE COMPLETED STAGE 1 OF OUR DIVERSIFICATION PLAN AND ARE NOW THE LEADING AND MOST RESPECTED MICROTUNNELLING CONTRACTOR IN AUSTRALIA

These shared services are driving high standards and consistency across these functions that aim to influence and control - with the ultimate objectives of disciplined governance and operational efficiency well progressed. Additionally, the manner in which we have integrated our new business has resulted in no loss of key personnel within Rob Carr Pty Ltd.

Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd now form the Group's transport infrastructure and utilities infrastructure businesses respectively and we are jointly tendering for several projects. These operating businesses are skilfully combining capabilities that allow us to pursue work we would otherwise not be positioned for.

OPERATIONS

The Seymour Whyte transport infrastructure business continues to deliver a broad range of highly successful projects covering marine facilities, rural highways, urban roads and bridges. Throughout the year, we saw the successful completion of the Townsville Port Inner

TOWNSVILLE PORT INNER HARBOUR EXPANSION

Seymour Whyte Constructions Pty Ltd, $123 million (Project Value)

Harbour Expansion, thus confirming a strong marine track record for future opportunities. We completed a large number of flood remediation projects in Queensland, all of which were delivered on or ahead of time and under budget. Two flood remediation projects have extended into FY15 as we see this program of works winding down across the state of Queensland.

As we move into the new financial year we have commenced work on the Smith Street Motorway – Olsen Avenue Interchange Upgrade Project on the Gold Coast, in conjunction with our joint venture partner Parsons Brinckerhoff. This $65m project will provide traffic congestion solutions for current road users as well as the 2018 Commonwealth Games.

The New South Wales business is now in a growth phase and we have three active projects across the state (Bullaburra East Update, West Gosford Upgrade and a project at Sydney Airport) with a positive outlook for FY15 and beyond.

PROJECT WINS FY14 $243 MILLION

SCOPE INCREASES INCLUSIVE

SWC $202 MILLION

RCPL $41 MILLION

Since acquisition, the utilities infrastructure business has won a substantial number of new projects including the $11m Alphington Upgrade, $11m Busselton Upgrade, $6m pipeline project at Roy Hill, $6m project in the Northern Territory and several projects in Queensland.

ORDER BOOK

The company has achieved a number of new project wins in FY14 despite very tight market conditions. In these challenging market conditions, our focus on innovation in tendering has contributed to securing a win rate of 20% during the year.

OUTLOOK

Federal and State governments have signalled an infrastructure-led economic recovery and this agenda positions Seymour Whyte for growth in the medium to long term.

ORDERBOOK $164 MILLION

AS AT JUNE 2014

SWC $129 MILLION

RCPL $35 MILLION

$209 MILLION POST JUNE 2014

THROUGH NEW PROJECT WINS AND SCOPE GROWTH

We anticipate that these government initiatives will progressively be released for tender in the first half of FY15 and consequently we have forecast a soft earnings profile in the first half of the year with a moderate improvement into the second half. As these projects require substantial investments, we anticipate increased tendering costs in FY15 with the intended benefits flowing in FY16 and beyond.

Going forward, the focus of the business is to expand our involvement in the essential infrastructure environment covering assets that Australia must develop to continue to prosper. This strategic push provides a solid and sustainable base to our business.

To grow beyond our current operations we continue to look for geographic and sector diversification. This will be achieved by both organic and acquisitive growth initiatives.

The Board would like to thank all staff for their dedication and focus on delivering excellence in all that we do. This strong platform of success is pivotal to the reputation of Seymour Whyte and our long term sustainability.

We would also like to thank our investors for their continued support as we focus on strengthening our company towards becoming a leading essential infrastructure construction and services provider.

David McAdam
Managing Director and Chief Executive Officer

Mac Drysdale
Chairman

TOOWOOMBA RANGE BATTER CUT REMEDIATION

Seymour Whyte Constructions Pty Ltd, $67 million (Project Value)

"It was an engineer's dream - a geotechnical and traffic management challenge that many in the construction industry had never seen the likes of"

DAVID McADAM, MANAGING DIRECTOR

DELIVERING LANDMARK PROJECTS

As at 30 June 2014, the Group was involved in more than $457 million in project activity including scope increases based on performance and engineering innovation; $407 million through our Transport Infrastructure Business (Seymour Whyte Constructions Pty Ltd) and $50 million through our Utilities Infrastructure Business (Rob Carr Pty Ltd).

TRANSPORT INFRASTRUCTURE BUSINESS

In FY14 the transport infrastructure business maintained its reputation for excellence in delivery of complex brownfields projects through a number of successfully completed and ongoing essential infrastructure contracts.

We demonstrated our ability to deliver larger projects, and the company benefited from significant scope additions resulting from our performance and engineering innovation, together with notable achievements in safety, environment and community.

We have worked across eight flood recovery projects, including one of the biggest reconstruction projects in Queensland's history, the Toowoomba Range Batter Cut Remediation project. This project encountered significant geotechnical, terrain and traffic management complexities, and is a first for many in the construction and engineering industry in Australia.

The highly successful FY14 delivery of Townsville Port Inner Harbour Expansion opened up future opportunities in complex marine infrastructure and cemented our positioning in North Queensland – a region with a consistently positive and tightly competitive market.

Our innovative approach to tendering, driven by unique supplier partner joint ventures, helped to secure projects in the current competitive market. In our JV with Parsons Brinkerhoff on the Smith Street project, both parties share project risks and opportunities, allowing for a greater focus on collaboration, accountability and shared delivery through the design and construction phases.

DELIVERING LANDMARK PROJECTS

TRANSPORT INFRASTRUCTURE BUSINESS

TOOWOOMBA RANGE BATTER CUT REMEDIATION (QLD)

Project Value: $67 million

One of the biggest flood reconstruction projects in Queensland's history, involving 16 months of complex infrastructure staging construction. Awarded $11m additional scope based on performance and engineering innovation. Delivered on time and under budget.

TOWNSVILLE PORT INNER HARBOUR EXPANSION (QLD)

Project Value: $123 million

Complex marine works and environmentally sensitive coastal dredging, delivered three months ahead of schedule despite being awarded $17m additional scope. Reintroduction of our building capability created value for client and delivered a world-class award winning terminal building.

FLOOD RECONSTRUCTION ROAD WORK (QLD)

Approximate Combined Project Value: $300 million (across 2 years)

Eight flood reconstruction projects across Queensland, rehabilitating 200 kilometres of flood affected roads. All delivered on or ahead of time and under budget, strengthening our positioning with the state government. Awarded additional scope based on performance and engineering innovation.

GATEWAY ADDITIONAL LANES (QLD)

Project Value: $72 million

First project in major Gateway Motorway northern section upgrade, which has enhanced established performance-based relationship with state government departments. Project returned to profitability via thorough review of delivery methodology.

SMITH STREET / OLSEN AVE INTERCHANGE UPGRADE (QLD)

Project Value: $65 million

Unique JV agreement resulting in real collaboration and flexibility in project scope and risk management. Complex brownfields traffic staging with 100, 000 vpd through the works zone, major traffic and stakeholder management focus. Vital 2018 Commonwealth Games infrastructure.

GREAT WESTERN HWY UPGRADE BULLABURRA EAST (NSW)

Project Value: $45.2 million

Project involving 1.6km of full reconstruction and duplication including all utilities and property adjustments. Complex brownfields, positioned between existing highway, town of Bullaburra and Western Rail Line. Outstanding environmental management with 95 percent project recycle rate.

CENTRAL COAST HWY UPGRADE WEST GOSFORD (NSW)

Project Value: $53 million

Complex brownfields project involving road widening and reconfigured signalised intersections. High interface with local residential and commercial stakeholders, and up to 70,000 vehicles per day through the site.

LOGAN MWY PAVEMENT IMPROVEMENT PROGRAM (QLD)

Project Value: $51.3 million

First project in a major, eight year improvement program planned for the Logan Motorway. Complex infrastructure staging and construction alongside live motorway, with a key focus on safety and engagement of the local industrial businesses.

BIGGER PROJECTS BETTER OPPORTUNITIES

UTILITIES INFRASTRUCTURE BUSINESS

The utilities infrastructure market remains strong and greater opportunities exist for the combined business.

The acquisition gives the business a complementary and specialist skillset that forms a large part of our mid to long-term strategic vision.

We are growing our utilities infrastructure business through:

- Expansion of service and product offering for our clients
- Adding another technical capability to our business
- Geographic expansion
- Providing an entry point to new sectors such as water and power
- Financial strength for Rob Carr Pty Ltd to compete for bigger projects and support growth

Rob Carr Pty Ltd brings the addition of a large asset pool to the Group, with strategic assets increased from \$7.5m to \$28.3m.

Operations in Western Australia continued to strengthen through FY14, with Rob Carr Pty Ltd undertaking key infill projects for the Water Corporation in Dawesville, Hyden and Port Headland. The company further consolidated its operations in the mining sector with projects for BHP, Rio Tinto and FMG.

We are encouraged by more recent Western Australian project awards in early FY15 including the \$11 Busselton Infill Sewerage Project and a \$6m pipeline project at Roy Hill furthering our footprint in this region.

Operations in Queensland remained robust through FY14 with a number of key projects for Queensland Urban Utilities, Brisbane City Council, Seqwater and Gold Coast Water. Recent Queensland projects have further consolidated our capability in new sub-sectors; enhanced the company's reputation in delivering design construct style contracts demonstrated in the West End Sewer Upgrade project; and led to pioneering installation, evident on the Burleigh Sewer Diversion and Pump Upgrade project.

By late FY14 our geographic footprint expanded with the award of a key project in Alphington, marking our return to the Victorian market. We were also awarded a project in the Northern Territory, consolidating our position in this important region. Both are landmark projects that showcase our ability to deliver major tunnel infrastructure works utilising specialist techniques.

DELIVERING LANDMARK PROJECTS

UTILITIES INFRASTRUCTURE BUSINESS

RC ROB CARR PTY LTD A Seymour Whyte Group Company

"Rob Carr Pty Ltd are leaders in underground pipeline construction, microtunnelling, deep shaft, and service installations for energy and water utilities. We are now the most capable and respected microtunnelling contractor in Australia. We have secured a solid forward order book and it is anticipated the utilities infrastructure business will grow substantially as we can now compete for bigger projects with better opportunities. New projects awarded in Victoria and the Northern Territory add to the company's forward order book for FY15"

DAVID McADAM, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

DAWESVILLE 1B, 4A & 5A (WA)

Project Value: $16.4 million

The largest Infill Sewerage project undertaken by WA Water Corporation. Delivered on time and on budget with excellent Environmental Management with zero incidents.

MT ISA SEWERAGE AUGMENTATION STAGE 1 (QLD)

Project Value: $13.9 million

Project involved 8km of complex wastewater pipeline infrastructure involving complicated mechanical and electrical installations. Delivered 3 months ahead of schedule.

SEWAGE DIVERSION AND PUMP UPGRADE BURLEIGH WATERS (QLD)

Project Value: $6.5 million

Work within a highly urbanised and trafficable area using pioneering installation techniques through direct pipe jacking and microtunnelling.

OX45 WASTEWATER PUMP STATION & MAINS (QLD)

Project Value: $3.8 million

Complex wastewater pipeline infrastructure involving open trench and trenchless construction. High water table with construction immediately adjacent to local river.

DRAINAGE WORKS GREAT GEORGE ST PADDINGTON (QLD)

Project Value: $1.8 million

Complex microtunnelling drainage pipeline infrastructure involving detailed connection to existing infrastructure. Appointed as previous contractor abandoned project.

HYDEN STED PROGRAM (WA)

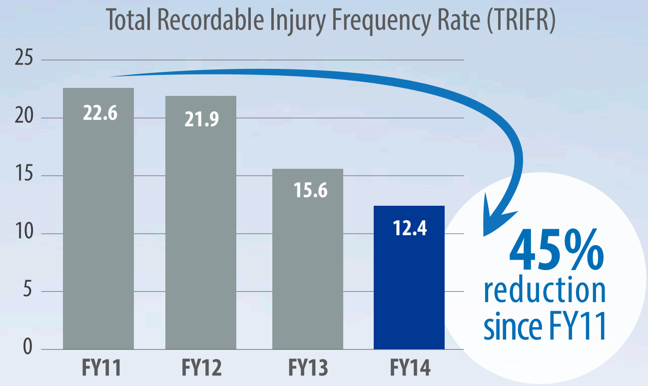
Project Value: $3.9 million

Complex evaporation pond construction in wet ground conditions – 60,000m2. Hyden project success has led to expansion of STED program by Western Australia Water Corporation.

SAFETY IN EVERYTHING WE DO

Ensuring our people – our most valuable asset – are safe every day is a key value of our business. Our aim is to ensure that each and every person who comes into contact with our business remains safe and in good health while in our care.

This year we continued our journey towards 'Zero Harm', evident through an overall 45% reduction in our Total Recordable Injury Frequency Rate (TRIFR) since FY11. In addition, 11 of the 13 transport infrastructure projects in construction over FY14, achieved nil Lost Time Injury (LTI). While this is a positive achievement, we acknowledge that more work remains to be done to realise our ultimate safety objectives of Zero Harm.

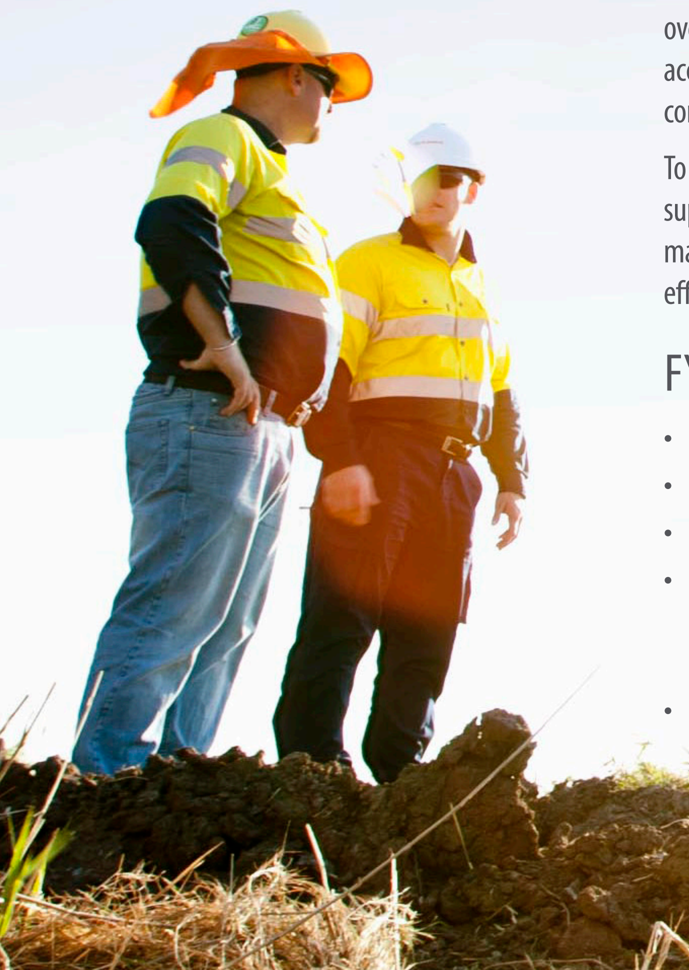


Since our people play a pivotal role in safety, we are committed to achieving engagement at all level across the organisation as we continually strive to identify new ways to improve our safety performance. Our overarching strategy involves a drive from leadership; accountability across the organisation at all levels; and continuous up-skilling.

To maintain improved performance we will continue to support our value of 'Safe Delivery' through thorough risk management and planning as we believe that safe and efficient sites are productive sites.

FY14 HIGHLIGHTS

- Achieved zero Class 1 incidents
- 20% TRIFR improvement
- 85% of our projects were LTI free
- Continue to achieve a deeply engaged culture through leadership drive, achievement of KPI's, reporting, continuous upskilling and development of our people
- AS4801 and OFSC accreditation



"Safety performance has improved with a 45% reduction in Total Recordable Injury Frequency Rate (TRIFR) since FY11"

ENVIRONMENTAL PERFORMANCE

Environmental sustainability at Seymour Whyte is something that we are passionate about. By giving strategic focus to sustainability at both the corporate and project level, we are best positioned to achieve long term positive environmental outcomes for the business.

We maintain and always seek to improve environmental systems and process at all levels of the organisation.

Our FY14 Environmental results demonstrate showcase improvements, particularly on our projects where we challenge design and construction methodologies to reduce our carbon footprint and onsite materials usage.

FY14 HIGHLIGHTS

- Achieved zero Class 1 (significant) and Class 2 (moderate) incidents
- Proactive prevention measures including regular maintenance, risk assessing, modifying works, spill repression and clean up systems
- Detailed reporting and improved internal processes
- ISO 14001 certification
- Strengthened compliance monitoring through introduction of an environmental obligation tracker system

CASE STUDY

SETTING INDUSTRY BENCHMARKS

In FY14, stand out innovation was adopted around environmental management methods and techniques to increase overall efficiency and sustainability on our projects. This is particularly evident on the Great Western Highway Upgrade in Bullaburra, within the Blue Mountains World Heritage Area.

- Waste management strategy led to 94% project recycle rate
- Innovative amendments to design and enabling the re-use of existing road material onsite was achieved
- The team introduced an emulsion product that acts as a binder to glue highly erodible weathered sandstone soils - proving advantageous not only for erosion control, but also in terms safety, cost and visual amenity
- A water dissipation structure was carefully modified to reduce construction impacts and risks of disturbance to natural vegetation

"Stringent environmental and monitoring measures have been applied around waterways on the Smith Street Olsen Avenue project to protect the native Green-Thighed Frog (Litoria Brevipalmata)"

INTELLECTUAL CAPITAL

OUR PEOPLE

Each member of our 350 person team has an integral role in the success of our business. We recognise we would not be the company we are today without our employees.

We are focused on making Seymour Whyte a great place to work and have introduced a number of benefits over the last 12 months to ensure we attract and retain the best team.

We understand that intellectual capital is inherent in people and therefore, to make the business stronger and achieve our growth strategy we must develop talent from within. We aim to provide employees with opportunities which are both challenging and rewarding.

In FY14 we introduced and continued a number of initiatives and benefits which support and align with the businesses growth strategy:

- Short Term Incentive Plan (STIP) rewards staff for individual performance in line with company performance
- Long Term Incentive Plan (LTIP) motivates and retains permanent staff in line with company performance
- Introduced company-wide salary continuance program to ensure we can support our people in times of need resulting from medical issues
- Streamlined a rigorous Performance Appraisal Process across the Group
- Training and development – exceeded the 10% Queensland training policy
- Introduced standardisation of employment contracts across the Group

HIGH LEVEL SYSTEMS EFFICIENCY

In FY14 we made targeted investments in site-based systems that enable our people to work smarter and ensure our front line supervisors have the mobile platforms necessary to undertake management tasks while in the field.

CASE STUDY

Improved time and cost efficiencies

Seymour Whyte's on-the-ground quality assurance system is fully integrated with the company's mobile systems. Field crews on the North Coast Pavement and Slope Rehabilitation project use secure, fully integrated iPads to review and approve project documentation onsite – negating the need to travel across the 300km job site to print and sign documentation.

The benefits of this investment are evident. Project managers have greater control through real-time data collection through our productivity management systems.

We have laid solid foundations for achieving our systems vision of 'Fully Integrated, Fully Mobile' by end FY15. We will continue to build on these early successes by delivering efficient mobile solutions integrated with our back-office systems which drive industry-leading construction management practices. The IP we have developed and continue to build in this area inevitably drives towards lower cost, lower risk and safer projects.

DIVERSITY: THE VALUE OF DIFFERENCE

Diversity is celebrated as a fundamental element of our business success.

We recognise the importance of diversity and value the advantages gained from a diverse workforce at all levels of the organisation. We want our people to work in a wholly inclusive culture where an open mindset is promoted, ideas thrive, and we are able to learn from the views of others.

In addition to our annual regulatory requirements to the Workplace Gender Equality Agency, our commitment to diversity is demonstrated through approved policies and strategies to help promote and foster inclusive work practices.

These policies have set the foundation and future of our business, as an organisation committed to achieving the following measurable objectives:

- Deliver equitable remuneration structures for men and women at each job grade
- Improve the retention of women across the Group
- Increase site based and senior management female representation
- Increase the percentage of women who return to work from maternity leave

HIGHLIGHTS FROM THE PROGRAM

- Despite operating in a business with traditionally low female representation, in FY14 the number of women engaged in executive leadership roles increased from zero in FY12 to three in FY14 – women now account for nearly 40% of the Executive Leadership Team
- Total rolling voluntary turnover has been trending down for six consecutive months
- Reduced the pay disparity between male and female employees with a 2% gender variance in remuneration across the Seymour Whyte Group
- Commenced the introduction of paid parental leave

"Diversity initiatives that were introduced in FY14 set the foundation and are now the future of Seymour Whyte"

KATE STRACK, HUMAN RESOURCES MANAGER

Scrap metal waste from the Central Coast Highway Upgrade West Gosford is supporting a local disability support centre

Central Coast Highway project team supports the Mingaletta Group who work with Aboriginal and non-Aboriginal people in the local community

In FY14, Seymour Whyte Constructions raised over $30,000 for the Cerebral Palsy League through the Wheel Make a Change initiative

During peak construction on Toowoomba Range Cut Batter Remediation project, Seymour Whyte helped build a great day out for local families as sponsors of the Toowoomba Carnival of Flowers

CORPORATE SOCIAL RESPONSIBILITY

In FY14 we introduced a dynamic, industry specific corporate social responsibility (CSR) initiative, through a partnership with the Cerebral Palsy League (CPL) and their Metal for Mobility program.

We are focused on gaining greater traction with our CSR initiative and we will continue to increase our support and commitment to the communities in which we operate. We will continue to embody the spirit of leadership, partnership and compassion that extend to all facets of our business.

METAL FOR MOBILITY

Metal for Mobility is a scrap metal recycling initiative with heart. This industry specific partnership between Metal for Mobility and Seymour Whyte offers logistical and strategic benefits, while also supporting the company's environmental and safety objectives.

The program is a straightforward concept that makes a real difference to people living with disability in communities local to Seymour Whyte operations.

Metal for Mobility's genius is in its simplicity:

- Project team disposes of their scrap metal into special 'Metal for Mobility' bins installed onsite
- Bins are collected regularly and an agreed percentage of scrap metal is weighed and sold to the metal merchant
- Funds from the scrap metal are donated to the Cerebral Palsy League, which directs funding to local disability support program

COMMUNITY SUPPORT

During the year Seymour Whyte supported a number of charities and community groups through donations, fundraising and corporate sponsorships. All donations are monitored to ensure they are consistent with our overarching CSR philosophy of supporting communities and groups local to our operations.

Donations and fundraising in FY14 included:

- Cerebral Palsy League
- Mingaletta Aboriginal and Torres Strait Islander Corporation
- Toowoomba Carnival of Flowers
- Barcaldine Festival
- Child Safety Services
- National Association of Women in Construction
- Skirts in Engineering

ADVOCATING WOMEN IN CONSTRUCTION

We take an active role in helping the construction sector on issues critical to the industry, including increasing the representation of women in construction.

To support our commitment to industry participation and diversity, Seymour Whyte entered into a three year strategic partnership with the University of Queensland that aims to engage, attract and retain more women into civil construction and engineering. The unique program will feature prominently across the university and publicly, and will create new pathways for Seymour Whyte to attract future and present females into the business.

CORPORATE GOVERNANCE STATEMENT 2014

The Board's guiding principle is to build sustainable shareholder value, acting honestly, conscientiously and fairly in the interests of shareholders, employees and other stakeholders.

To that end, Seymour Whyte's Board embraces the principle that good corporate governance is essential to the preservation and enhancement of shareholder value. The Board believes that the success of the business is strengthened by implementing clearly articulated policies to enhance accountability, efficiency and the reliable measurement of performance.

The Board has adopted a Corporate Governance Charter (the Charter), which sets out the key corporate governance principles and procedures. The Charter is available on the company's website at seymourwhyte.com.au. The Charter will be kept under review by the Board and amended from time to time.

Except as noted below, the Charter and the other governance measures adopted reflect the Board's endorsement of and compliance with the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations, 2nd edition (with 2010 Amendments), referred to below as "the Principles".

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	The Board has established a clear distinction between its functions and those delegated to management, as set out in the Charter and the Delegation of Authority Policy.	✓
1.2	The Managing Director is subject to a process of formal evaluation by the Board annually. The Executive Director and senior executives are subject to a process of formal evaluation by the Managing Director and the Remuneration and Human Resources (HR) Committee annually.	✓
1.3	An evaluation of performance of the Managing Director and Senior Executives took place during the Reporting Period in accordance with the agreed procedure for reviewing their performance.	✓

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE		
2.1	The Board is comprised of eight members, five of whom are independent. Together, the directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the company. The independent directors are not members of management and do not have any business or other relationships that could materially interfere or could reasonably have been perceived to materially interfere with the independent exercise of their judgement.	✓
2.2	The Chair is an independent director and facilitates the effective contribution of all directors at Board meetings.	✓
2.3	The roles of Chair and CEO are exercised by different individuals.	✓
2.4	During the Reporting Period, the full Board was responsible for those functions generally undertaken by a Nominations Committee as the Board determined this was more appropriate given the size of the Board and the size of the company. Following the expansion of the company and a review of the Committee structure as part of the Board evaluation process, the Board has expanded the role of the Remuneration and HR Committee to include those functions undertaken by the Board in its capacity as the company's Nominations Committee. From 1 July 2014, the Board has a separate Nomination and Remuneration Committee. The charter for the Nomination and Remuneration Committee is available on the company's website. Membership of the Nomination and Remuneration Committee is: Chris Greig (Chairman, independent, non-executive director), John Seymour (non-executive director) and Susan Johnston (independent, non-executive director).	✓ from July 2014
2.5	The Corporate Governance Charter discloses the process for evaluating the performance of the Board, its committees and directors. A board and committee evaluation was undertaken during the Reporting Period. The evaluations resulted in continuous improvement opportunities being identified, the key ones being: 1. A restructure of the Board Committees. From 1 July 2014, the Board has a Nomination and Remuneration Committee and an Audit and Risk Committee. The Board has approved updated charters for both committees, copies of which are available on the company's website. 2. A restructuring of the Board meeting agenda to increase focus on consideration of the strategic landscape, strategic issues, risks and opportunities.	✓

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE		
2.6	The Board considered the independent status of directors during the Reporting Period and has determined that the independent directors are the Chairman, Mac Drysdale, the Chair of the Audit and Risk Committee, Don Mackay, the Chair of the Nomination and Remuneration Committee, Chris Greig and John Ready and Susan Johnston. On this basis a majority of the Board is independent. The basis for the Board's decision is that none of the independent directors has a substantial shareholding or has been, or is an advisor or supplier to the company or has any other material contractual relationship with the company other than his or her directorship. The Board seeks to achieve a mix of skills and experience in directors, which include financial, engineering industry, safety and prior ASX listed company board experience. Directors have access to independent professional advice at the expense of the company.	✓

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
3.1	The Board has established a code of conduct which is contained in the Charter and disclosed on the company's website. In addition the Board has adopted a "whistle blower" policy.	✓
3.2	A policy concerning trading in securities has been established. The policy applies to directors and all staff and is incorporated into the Charter.	✓
3.3	The code of conduct and trading policy (are contained within the Charter) which is publicly available in the Corporate Governance section in the Investor Relations area of the company's website. The Company has a diversity policy which is also available on the company's website. The Board has set measurable objectives for achieving gender diversity. Those measurable objectives and their status are set out below: (see table below)	✓
3.4	The proportion of female employees in SWL (including its wholly owned subsidiaries SWC and RCPL) is 22%. There are 3 females (37%) holding senior management positions and one female (12%) Board member.	✓

OBJECTIVE	TARGET	STATUS
Deliver equal pay for men and women at each job grade	**Between -2% & +2% variance**	Tracking towards target with reduction of the gap in 4 job grades.
Improve retention of women	**Reduce disparity between female and male turnover**	Rolling voluntary turnover disparity between male and female employees has reduced over the 12-month period.
Increase site based and senior management representation	**Reduce disparity between female and male representation in site based roles**	Female representation for site-based roles has remained stable over the preceding 12 months at between 24% and 21%. In March 2014 this reduced to the lowest percentage in 2 years at 19%. Female representation within Senior Management improved with the appointment of Nicola Padget to the CFO role and Lisa Dalton to Company Secretary position.
Increase the percentage of women who return to work from maternity leave	**Improve on previous financial year return rate**	1 employee currently accessing statutory maternity leave due to return in FY14-15. Return rate for FY12-13 was 50%.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1	The Board has established an audit committee which operated during the Reporting Period. During the Reporting Period the Board reviewed the committee's operations and expanded its role to include risk. From 1 July 2014, the committee will be the Audit and Risk Committee. Its members are: Don Mackay (Chairman, independent, non-executive director), Mac Drysdale (independent, non-executive director) and John Ready (independent, non-executive director).	✓

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.2	The audit committee, during the Reporting Period was comprised only of non-executive directors. Its composition during the Reporting Period, being Don Mackay (Chair), John Seymour and Mac Drysdale. Don Mackay its Chair is an independent non-executive director who is not the chairman of the Board. A majority of members of the audit committee were independent directors.	✓
4.3	The audit committee had a formal charter, which was set out in the Board Charter. A revised charter for the Audit and Risk Committee was approved by the Board and is on the company's website.	✓
4.4	The names and qualifications of the members of the audit committee are set out in the Directors' report on pages 32-35 together with their attendance at committee meetings. The procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners include: • The financial auditor must be a reputable national or international accounting firm with demonstrated experience in the property and construction sector. • The auditor's historical performance is reviewed by the audit committee when considering its engagement at the commencement of each financial year. • The committee considers the auditor's independence, competence and effectiveness and the appropriateness of fee levels when making its assessment as to appointment. The audit committee ensures that the lead audit partner rotates in accordance with the requirements of the Corporations Act. The company has a general policy of engaging other accounting firms for major non-audit services such as tax advice.	✓

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	The Board has established written policies, detailed in the Charter, to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting.	✓
5.2	The policies to guide compliance with Listing Rule disclosure requirements are contained in the Charter in sections 2.19, 6.3(h), 6.5(f) and 6.5(i)(i), which is available on the company's website.	✓

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS		
6.1	The Board has adopted a communications policy for effective communications with shareholders. The policy is contained in clause 2.19 of the Charter.	✓
6.2	The shareholder communications policy contained in the Charter is available on the company's website. In addition to the AGM and the full year and half year reports, the Board regards industry briefings accompanied by appropriate announcements through the ASX platform as important means of communication with shareholders.	✓

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The Board has established policies for the oversight and management of material business risks. These policies are set out in the Charter, available on the company's website. The Board had a Risk Committee during the Reporting Period, whose members were John Ready (Chair), Susan Johnston and Managing Director, David McAdam. As mentioned above, the Audit Committee's role was expanded to include responsibility for oversight of risk. Accordingly, the Risk Committee had its final meeting during the Reporting Period. The attendance of committee members at meetings of the risk committee is set out on page 35 of the Directors' Report.	✓
7.2	The Board has required management to design and implement a risk management and internal control system and to report to the Board on the effectiveness of the management of those risks.	✓

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.3	The Board has received declarations under s295A of the Corporations Act from the Chief Executive Officer and the Chief Financial Officer. The Board has received assurances from them that these declarations are 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.	✓
7.4	The Board has received a report from management in respect of risk management in the Reporting Period under recommendation 7.2. The company's policies on risk management are available on the Corporate Governance section of the company's website.	✓

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The Board had a Remuneration and HR Committee during the Reporting Period. The Charter for the Remuneration and HR Committee formed part of the Corporate Governance Charter which is available on the company's website.	✓
8.2	The members of the Remuneration and HR Committee during the Reporting Period were Mac Drysdale (Chair), Don Mackay and John Seymour. A majority of the committee were independent directors. From 1 July 2014, the Remuneration and HR Committee became the Nominations and Remuneration Committee. Its members are: Chris Greig (Chairman and Independent, Non-executive Director), John Seymour (Non-executive Director) and Susan Johnston (Independent Non-executive Director). A charter for the Nomination and Remuneration Committee appears on the company's website.	✓
8.3	The Board clearly distinguishes the structure of non-executive directors' remuneration from that of senior executives as explained in the Remuneration Report on pages 38-50 of the Directors' Report.	✓
8.4	The attendance of committee members at meetings of the Remuneration and Human Resources Committee is set out on page 35 of the Directors' Report.	✓

DIRECTORS' REPORT 2014

The Directors present their report, together with the financial statements of the consolidated entity consisting of Seymour Whyte Limited (the Company) and the subsidiaries it controlled at the end of, or during, the year ended 30 June 2014 (Reporting Period). Throughout the report the consolidated entity is referred to as the Group.

DIRECTORS

The Directors (Non-Executive and Executive) of Seymour Whyte Limited at any time during the financial year and up to the date of this report are:

DIRECTOR	SKILLS, EXPERIENCE, OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS
Mac Drysdale Chairman Independent, Non-executive Director **Appointed:** 1 July 2007 **Date of next scheduled re-election:** 2014 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director, Seymour Whyte Constructions Pty Ltd (from 1 July 2007) and Chairman, private company advisory boards operating in the logistics and horticultural industries. **Skills, experience and expertise:** As a Director and Chairman of the Board since 2007, Mac has played a key role in the strategy development and growth of Seymour Whyte. Mac is a highly respected executive with a strong history as a Director and Chairman. Since 1991, Mac has served on the Boards of Country Road Australia Ltd (Chairman), Country Road U.S.A Ltd and Mitre 10 Ltd. Mac also recently retired from the Board of Yalari, a not for profit organisation that offers quality, secondary education scholarships for indigenous children from regional, rural and remote communities, where he was Chairman for three years. With a long family history of grazing in Western Queensland, Mac continues to operate an organic grazing property in the Augathella region. **Seymour Whyte Board committee membership:** • Chairman, Remuneration and Human Resources Committee (until 1 July 2014) • Member, Remuneration and Human Resources Committee (until 22 July 2014) • Member, Audit Committee (until 22 July 2014) • Member, Audit and Risk Committee (from 22 July 2014) **Directorships of other listed entities over the past three years and dates of office:** Nil
David McAdam Managing Director and Chief Executive Officer **Appointed:** Chief Executive Officer, 23 July 2012. Managing Director, 1 February 2013	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director Seymour Whyte Constructions Pty Ltd (from 1 February 2013), Director, Rob Carr Pty Ltd (from 25 February 2014). **Skills, experience and expertise:** An experienced engineering industry executive, David has held a number of senior positions including General Manager of Thiess Construction Queensland Division and General Manager of United Group's construction and services division in Queensland. During his 30-year career David has been involved in a large number of infrastructure projects, typically complex, multi-discipline developments in industries including resources, transport infrastructure, property development, power and water. David holds a BE (1st Hons) and an MBA and is a Fellow of Engineers Australia and the Australian Institute of Company Directors. **Seymour Whyte Board committee membership:** • Member, Risk Committee (until 22 July 2014) **Directorships of other listed entities over the past three years and dates of office:** Nil

DIRECTOR	SKILLS, EXPERIENCE, OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS
John Seymour Non-executive Director **Appointed:** 16 July 2003 **Date of next scheduled re-election:** 2015 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director Seymour Whyte Constructions Pty Ltd (from 16 July 2003). **Skills, experience and expertise:** John, along with Garry Whyte, established the Seymour Whyte Group of companies in 1987. Since 2003 John has sat on the Board as a Founding Director and a major shareholder of the Company. With over 40 years in civil engineering John's understanding of the industry, his experience with major clients and his engineering knowledge is invaluable to the company's strategic planning of Seymour Whyte today. John is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institution of Engineers and has played an active role in industry bodies such as the Civil Contractors Federation (past President of the Queensland branch) and was inducted in to the QUT Contractors' Hall of Fame in 2006. **Seymour Whyte Board committee membership:** • Member Audit Committee (until 22 July 2014) • Member Remuneration and Human Resources committee (until 22 July 2014) • Member Nomination and Remuneration Committee (from 22 July 2014) **Directorships of other listed entities over the past three years and dates of office:** Nil
Don Mackay Independent, Non-executive Director **Appointed:** 1 February 2009 **Date of next scheduled re-election:** 2014 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director Seymour Whyte Constructions Pty Ltd (from 1 February 2009); Director, Rob Carr Pty Ltd (from 25 February 2014), Managing Director Rangers Valley Cattle Station Pty Ltd, Chairman B&W Rural Pty Ltd, Director Thames Pastoral Co Pty Ltd, Director Red Meat Advisory Council Ltd. **Skills, experience and expertise:** Don has a successful track record with his role as CEO and Managing Director of Australian Agricultural Company Limited, where he played key roles in business growth, international expansion and capital raising. As General Manager of Elders Limited (NSW), Don influenced the transformation of the business into a high performing industry leader. Don holds a University of New South Wales Graduate Management Qualification. Don is also a member of the Australian Institute of Company Directors and in 2001 was awarded the Centenary Medal by the Prime Minister of Australia for Distinguished Service to Primary Industry. **Seymour Whyte Board committee membership:** • Chairman, Audit Committee (until 22 July 2014) • Member, Remuneration and Human Resources Committee (until 22 July 2014) • Chairman, Audit and Risk Committee from 22 July 2014 **Directorships of other listed entities over the past three years and dates of office:** Nil
John Ready Independent, Non-executive Director **Appointed:** 24 November 2010 **Date of next scheduled re-election:** 2014 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director Seymour Whyte Constructions Pty Ltd (from 26 October 2010). **Skills, experience and expertise:** John has 47 years' experience as a civil engineer and 40 years' experience in civil engineering contracting including roles in project management, senior level corporate management and as an owner operator. **Seymour Whyte Board committee membership:** • Chairman, Risk Committee (until 22 July 2014) • Member, Audit and Risk Committee (from 22 July 2014) **Directorships of other listed entities over the past three years and dates of office:** Nil

DIRECTOR	SKILLS, EXPERIENCE, OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS
Susan Johnston Independent, Non-executive Director **Appointed:** 1 September 2011 **Date of next scheduled re-election:** 2015 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Chair, Children's Health Queensland Hospital and Health Service Board (from May 2012); Director Seymour Whyte Constructions Pty Ltd (from 1 September 2011), Member of the Children's Hospital Foundation Board (from November 2012). **Skills, experience and expertise:** Susan brings more than 20 years' experience in senior management and policy advisory roles in the resources and energy sector. Susan also has more than 10 years' experience as a company director. Her experience includes two years as CEO of the Queensland Resources Council and seven years as a Director of Tarong Energy Corporation Limited and senior executive positions at Anglo American and the Australian Coal Association. Susan has a strong background in safety, including as Head of Safety and Sustainable Development (Australia) at Anglo American Metallurgical Coal Pty Ltd. Susan has degrees in Arts and Law from the University of Queensland and is a Graduate of the Australian Institute of Company Directors. **Seymour Whyte Board committee membership:** • Member, Risk Committee (until 22 July 2014) • Member, Nomination and Remuneration Committee from 22 July 2014 **Directorships of other listed entities over the past three years and dates of office:** Nil
Christopher Greig Independent, Non-executive Director **Appointed:** 1 January 2014 **Date of next scheduled re-election:** 2014 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director and Deputy Chairman, Gladstone Ports Corporation (from 16 August 2012), Director Seymour Whyte Constructions Pty Ltd (from 1 January 2014), International Energy Centre (from 1 January 2014), Haald Engineering Pty Ltd (from 20 October 2008). **Skills, experience and expertise:** Chris has held senior executive and director roles in construction, mining and clean energy industries both in Australia and abroad over a career spanning 25 years including STG-FCB (as founder), JJ McDonald Group, Ensham Resources, ZeroGen, Western Metals, LogiCamms and Golding Contractors. Chris is Director of the UQ Energy Initiative at the University of Queensland. He has bachelors, masters and PhD degrees in Engineering from the University of Queensland and is a Fellow of the Academy of Technological Sciences and Engineering. **Seymour Whyte Board committee membership:** • Chairman, Remuneration and Human Resources Committee (1 July 2014 to 22 July 2014) • Chairman, Nomination and Remuneration Committee from 22 July 2014 **Directorships of other listed entities over the past three years and dates of office:** Logicamms Ltd (resigned August 2011)
Robert Carr Executive Director and Chief Executive, Rob Carr Pty Ltd **Appointed:** Chief Executive, RCPL, 25 February 2014. Executive Director, 29 April 2014 **Date of next scheduled re-election:** 2014 AGM	**Current directorships of listed entities and dates of office:** Nil **Other current principal directorships:** Director, Rob Carr Pty Ltd (from 19 April 1989); Director Seymour Whyte Constructions Pty Ltd (from 29 April 2014). **Skills, experience and expertise:** Rob is the business founder, and Chief Executive of Rob Carr Pty Ltd, a wholly owned subsidiary of Seymour Whyte Limited, acquired in February 2014. His work to date has involved the delivery of water, sewer and drainage infrastructure projects for close to 25 years. His direct experience and involvement with microtunnelling projects now runs to just over 10 years. He has successfully managed the business since its inception in 1989, to the thriving and innovative company it is today. Rob has been directly involved with the construction of hundreds of kilometres of pipeline (sewer, water and drainage) and various civil (deep shaft and concrete structures), mechanical and electrical work involving a range of public authorities and private entities throughout Australia. **Seymour Whyte Board committee membership:** Nil **Directorships of other listed entities over the past three years and dates of office:** Nil

COMPANY SECRETARY

Rob Leacock held the position of company secretary up until his resignation on 2 April 2014. On 25 February, 2014, Lisa Dalton was appointed as joint company secretary. From 2 April 2014, Lisa has been the sole company secretary. Lisa has bachelors and masters degrees in medical science and a law degree (Hons) from the Queensland University of Technology. Lisa is a chartered secretary and a fellow of both the Australian Institute of Directors and the Governance Institute of Australia.

SENIOR EXECUTIVES

There are four senior executives who held office during some or all of the Reporting Period and who continue to hold office at the date of this report. There are two former executives referred to in the Remuneration Report as they were senior executives for part of the Reporting Period. The table below summarises the senior and former executives whose remuneration details appear in the Remuneration Report:

EXECUTIVE	ROLE	DATE	
Senior Executives			
Nicola Padget	Chief Financial Officer	Appointed: 30 September 2013	
Gary Georgiou	General Manager, Operations	Appointed: 1 January 2012	
Steve Davies-Evans	Pre-Contracts Manager	Appointed: 1 July 2001	
Lisa Dalton	Company Secretary	Appointed: 25 February 2014	
Former Executives			
Craig Galvin	Chief Financial Officer	Appointed: 25 May 2004	Resigned 1 July 2013
Rob Leacock	Deputy CEO, Corporate Counsel and Company Secretary	Appointed: 1 January 2010	Resigned 2 April 2014

MEETINGS OF DIRECTORS

The number of meetings of directors and committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	FULL BOARD		AUDIT COMMITTEE		RISK COMMITTEE		REMUNERATION AND HR COMMITTEE	
DIRECTOR	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Mac Drysdale	12	12	5	5	-	-	7	7
Don Mackay	12	12	5	5	-	-	7	7
John Seymour	11	12	4	5	-	-	6	7
John Ready	12	12	-	-	5	5	-	-
Susan Johnston	11	12	-	-	5	5	-	-
Christopher Greig	6	6	-	-	-	-	-	-
David McAdam [1]	12	12	-	-	5	5	-	-
Robert Carr	2	2	-	-	-	-	-	-

Held: represents the number of meetings held during the period the Director held office or was a member of the relevant committee.
1 David McAdam attended meetings of the Audit Committee and the Remuneration and HR Committee as an invitee

DIRECTORS' INTERESTS

As at the date of this report, the interest of each Director in shares and options of the Company, and rights over such shares and options are as follows:

DIRECTOR	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES	DIRECTOR	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
Mac Drysdale	100,000	-	**Susan Johnston**	-	-
Don Mackay	30,000	-	**Christopher Greig**	-	-
John Seymour	17,090,279	-	**David McAdam** [1]	-	754,489
John Ready	20,000	-	**Robert Carr** [2]	4,800,000	-

1 Does not include 59,376 options over ordinary shares for which approval will be sought at the 2014 AGM. Refer to Page 42 for further information.
2 Does not include 148,780 options over ordinary shares for which approval will be sought at the 2014 AGM. Refer to Page 42 for further information.

PRINCIPAL ACTIVITIES

During the financial year the principal activity of the Group was civil construction in transport infrastructure. Through the acquisition of Rob Carr Pty Ltd on 25 February 2014, the Group has now expanded into the utilities sector particularly in pipeline infrastructure and microtunnelling works.

REVIEW OF AND RESULTS OF OPERATIONS AND FINANCIAL POSITION

A review of the operations of the Group and results for the financial year ended 30 June 2014 is set out on pages 10-13 of the Annual Report under the heading 'Operating and Financial Review' which forms part of this report.

The net profit attributable to equity holders of Seymour Whyte for the financial year ended 30 June 2014 was $10,687,728.

DIVIDENDS

Dividends declared and paid during the financial year:

DESCRIPTION	CENTS PER SHARE	TOTAL AMOUNT	DATE OF PAYMENT
2013 Final dividend	6.25 cents	$4,864,318	18 October 2013
2014 Interim dividend	2.50 cents	$1,949,904	4 April 2014

Dividends declared after the financial year:

DESCRIPTION	CENTS PER SHARE	TOTAL AMOUNT	DATE OF PAYMENT
2014 Final dividend	5.0 cents	$4,382,380	17 October 2014

The financial effect of these dividends has not been recognised in the consolidated financial statements for the year ended 30 June 2014 and will be recognised in the subsequent financial statements. The Dividend Re-investment Plan will not apply to the 2014 final dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS DURING THE REPORTING PERIOD

On 25 February 2014, Seymour Whyte Limited acquired 100% of the shares in Rob Carr Pty Ltd for a total consideration of $27.5m in cash ($22.5m paid upon completion and $5m subject to deferred payment) and the issue of 9.6m ordinary shares in Seymour Whyte Limited.

There were no other significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

At the date of signing this report the Directors are not aware of any other matters, which in the opinion of the Directors, 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 future financial years.

BUSINESS STRATEGIES, DEVELOPMENTS AND EXPECTED RESULTS

Our business strategies and likely major developments in the Group's operations in future financial years and the expected results of those operations are discussed on pages 10-13 of the Annual Report within the Chairman and Managing Director Report. Further information on business strategies and prospects for future financial years and likely developments in operations and anticipated results of operations have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

The Group's operations are subject to a range of environmental regulations under the laws of the Commonwealth and States.

The Group conducts its operations in accordance with the Seymour Whyte's Environmental Management System, which is designed to ensure the Group complies with these environmental regulations. This system is certified to AS/NZS ISO 14001:2004 and is subject to regular external third party and internal audits.

The Directors are not aware of any material breaches or any prosecutions under the environmental regulations as a result of the Group's operations during the financial year under review.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and Executives for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid insurance premiums in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The insurance contract prohibits disclosure of the nature of liability and the amount of the premium.

OPTIONS AND SHARE RIGHTS OUTSTANDING

As at the date of this report total share options outstanding in relation to Seymour Whyte ordinary shares and associated terms and conditions are summarised in the table below. All options are issued pursuant to the Employee Share Option Plan (ESOP) approved by shareholders at the 2011 Annual General Meeting. Options are granted with a zero exercise price and are known as Zero Exercise Price Options (ZEPOs). Further information on the ESOP, hurdles, vesting profiles and fair value of the grants for Key Management Personnel is summarised in the Remuneration Report on pages 38-50.

					HURDLES			
		KEY DATE			PERFORMANCE			SERVICE
ESOP CATEGORY	ZEPOS OUTSTANDING	GRANT DATE	VESTING DATE	EXPIRY DATE	NPAT TRANCHE	TSR RANKING TRANCHE	EPS TRANCHE	CONTINUALLY EMPLOYED TO
FY13 LTIP	927,493	21-May-13	1-Sep-15	1-Mar-16	25%	37.5%	37.5%	15-Aug-15
FY13 Retention	557,500	17-Apr-13 [1]	15-Jan-16	15-Jul-16	n/a	n/a	n/a	15-Jan-16
FY14 LTIP	2,046,166	8-Oct-13 [2]	1-Sep-16	1-Mar-17	25%	37.5%	37.5%	15-Aug-16
FY14 Retention	502,556	14-Feb-14	1-Mar-17	1-Sep-17	n/a	n/a	n/a	15-Feb-17
RCPL Retention	61,385	12-May-14	1-Sep-15	1-Mar-16	n/a	n/a	n/a	30-Jun-15
RCPL Retention	61, 385	12-May-14	1-Sep-16	1-Mar-17	n/a	n/a	n/a	30-Jun-16

1 FY13 Retention, FY13 LTIP and FY14 LTIP grant date for ZEPOs granted to the Managing Director was 27 November 2013 (the day after the receipt of shareholder approval).

2 A tranche of FY14 LTIP's was also granted to new starters on 7-May-14.

The five most highly remunerated officers during the Reporting Period based on annualised fixed remuneration are the Managing Director and the four Senior Executives who's remuneration arrangements, including equity grants, are described in the remuneration report on pages 38-50.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

REMUNERATION REPORT (AUDITED)

The Remuneration Report:

- Outlines the Group's remuneration policy and how it aligns Key Management Personnel (KMP) performance with the Company's long-term strategic objectives and performance, and
- Provides details of the remuneration of people who were KMP during the Reporting Period.

The information provided in this Remuneration Report has been audited as required by section 308 (3C) of the Corporations Act 2001 (Cth).

OVERVIEW

In the Reporting Period:

- Improvements were made to the remuneration strategy providing greater rigour to external and internal benchmarking. Job evaluation methodology was introduced providing a mechanism for comparing roles against the market and annual salary movements,
- More focus was placed on performance and capability assessments enabling internal relativities to be made, and
- Remuneration benchmarking was undertaken for Managing Director and Senior Executive roles with the assistance of remuneration consultants appointed by the Board.

REMUNERATION POLICY

The Board recognises the importance of achieving fair and effective remuneration outcomes, and adopted the following remuneration principles during the Reporting Period:

- The interests of shareholders, Directors and senior executives should be aligned,
- Competitive remuneration packages should be offered to attract and retain talented staff, and
- Effective incentives should be offered to motivate the achievement of outstanding performance.

REMUNERATION FRAMEWORK: NON-EXECUTIVE DIRECTORS

Non-executive Directors receive remuneration for undertaking their role. They do not participate in the Company's Short Term Incentive or Long Term Incentive plans or receive any variable remuneration. Non-executive Directors are not entitled to retirement payments.

An increase in the aggregate non-executive Director remuneration cap from $500,000 per annum to $700,000 per annum (exclusive of superannuation contributions) was approved by shareholders at the 2013 Annual General Meeting. The Board determines the distribution of Non-executive Director fees within the approved remuneration cap.

The Board's policy is to:

- Provide a clear fee arrangement that avoids potential conflicts of interest associated with performance incentives,
- Remunerate Directors at market rates for their commitment and responsibilities, and
- Obtain independent external remuneration advice when required.

The following table sets out the Board and Committee fees as at the end of the Reporting Period:

	BOARD MEMBER	BOARD CHAIRMAN	AUDIT COMMITTEE CHAIRMAN	RISK COMMITTEE CHAIRMAN	TOTAL
NON-EXECUTIVE DIRECTOR	$ PER ANNUM	$ PER ANNUM	$ PER ANNUM	$ PER ANNUM	$ PER ANNUM
Mac Drysdale *	80,000	70,000	-	-	150,000
Don Mackay *	80,000	-	20,000	-	100,000
John Seymour	80,000	-	-	-	80,000
John Ready	80,000	-	-	10,000	90,000
Susan Johnston	80,000	-	-	-	80,000
Christopher Greig	80,000	-	-	-	80,000
Total	480,000	70,000	20,000	10,000	580,000

* From 1 July 2014, remuneration for Chairman of Committees was revised to match the restructuring of Board committees to: $20,000 per annum for the Chairman of the Audit and Risk Committee, and $10,000 per annum for the Chairman of the Nomination and Remuneration Committee. Where applicable, Non-executive Director fees are inclusive of superannuation contributions.

REMUNERATION FRAMEWORK: EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES

The Board's policy for determining the nature and amount of remuneration for the Executive Directors (David McAdam and Robert Carr) of the Group and the Senior Executives is to:

- Provide for both fixed and performance based remuneration,
- Provide a remuneration package based on an annual review of employment market conditions, the Group's performance and individual performance, and
- Obtain independent external remuneration advice when required.

COMPONENTS OF REMUNERATION

a. Fixed remuneration

Fixed remuneration is a function of size and complexity of the role, individual responsibilities, experience, skills and market pay levels. This consists of cash salary, salary sacrifice items and employer superannuation. Superannuation is capped at the relevant concessional contribution limit. The opportunity to salary sacrifice motor vehicle and superannuation benefits on a tax-compliant basis is available upon request.

The Board determines an appropriate level of fixed remuneration for the Executive Directors and the Senior Executives with recommendations from the Remuneration and HR Committee.

Fixed remuneration is reviewed annually following performance reviews at the end of the financial year and takes into account role and accountabilities, relevant market benchmarks and attraction, retention and motivation of Executives in the context of the talent market.

Upon the recommendation of the Remuneration and HR Committee and approval of the Board, Executive Directors and Senior Executives received remuneration increases that took effect from 1 July 2014.

b. Performance linked remuneration

Performance linked remuneration includes both Short Term Incentives (STI) and Long Term Incentives (LTI) and is designed to reward Executive Directors and Senior Executives for meeting or exceeding financial and non-financial objectives.

SHORT TERM INCENTIVE PLAN

The Executive Directors and Senior Executives are eligible for a STI award each financial year.

The STI Plan focuses attention on short-term, non-financial and financial objectives at a corporate, project and individual level. The quantum of the cash award varies based on the year's accomplishments, including the profitability of the Group and the following non-financial targets which are set by the Board at the beginning of the Reporting Period and assessed at the end of the Reporting Period:

- Business strategy implementation
- Revenue growth and margin improvement
- Workplace health and safety performance
- Forward order book

Assessment of STI targets are subject to qualitative and quantitative assessment made by the Remuneration and HR Committee and approved by the Board. The Board retains an overall discretion on whether to pay all, a portion of, or no STI. Incentives may be granted, at the discretion of the Board, in cash, by way of shares or a combination of both. The maximum opportunity available to Executive Directors and Senior Executives for cash awards under the STI is linked to their fixed remuneration as summarised below:

EXECUTIVE	ROLE	MAXIMUM OPPORTUNITY OF STI AWARD (% OF FIXED REMUNERATION)	
Executive Directors		at 30 June 2014	at 30 June 2015 [1]
David McAdam	Managing Director and CEO	30%	40%
Robert Carr	Executive Director	n/a[2]	20%
Senior Executives		at 30 June 2014	at 30 June 2015 [1]
Nicola Padget	Chief Financial Officer	20%	20%

EXECUTIVE	ROLE	MAXIMUM OPPORTUNITY OF STI AWARD (% OF FIXED REMUNERATION)	
Gary Georgiou	General Manager Operations	20%	20%
Steve Davies-Evans	Pre-Contracts Manager	20%	20%
Lisa Dalton	Company Secretary	n/a	20%

1 Maximum STI Plan opportunity for FY15 performance year is currently under review.

2 Robert Carr commenced 25 February 2014. Eligible for participation in the STI Plan from 1 July 2014

LONG TERM INCENTIVE PLAN

The Executive Directors and Senior Executives are eligible for a LTI award.

The LTI Plan is an equity-based incentive designed to provide participants with the incentive to deliver growth in shareholder value. The vehicle used to deliver the long term incentive is the Employee Share Option Plan approved by shareholders at the 2011 AGM.

Summary of Employee Share Option Plan (ESOP) rules

SUMMARY OF EMPLOYEE SHARE OPTION PLAN (ESOP) RULES	
ELIGIBILITY	The ESOP will be open to eligible employees (including Directors) of the Company who are full-time or permanent part-time employees, with one or more companies in the Seymour Whyte Group but excludes (unless the Company determines otherwise) (i) a person who, immediately after the acquisition of Shares under the ESOP, would hold a legal or beneficial interest in more than 5% of the Shares on issue or would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company or (ii) a Non-executive director.
GRANT OF OPTIONS	All options are to be offered to eligible employees for no consideration. The offer must be in writing and specify, amongst other things, the number of options for which the eligible employee may apply; the period within which the options may be exercised and any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise price of the options.
EXERCISE	The options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.
LAPSE	The options shall lapse upon the earlier of the date specified by the Board or events contained in the ESOP rules, including termination of employment or resignation, redundancy, death or disablement.
RIGHTS OF PARTICIPANTS	Once Shares are allotted upon exercise of the options the participant will hold the Shares free of restrictions. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged. In the event of a change of control, the Board shall have discretion to deal with the options, including allowing accelerated vesting or the issue of options in the substituted corporation. A holder of options is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options. However, if a pro rata bonus or cash issue of securities is awarded by the Company, the Company in its absolute discretion may adjust the number of Shares over which an option exists and the exercise price in the manner specified in Listing Rule 6.22, which case written notice will be given to the option holder.
ASSIGNMENT	The options are not transferable or assignable without the prior written approval of the Board.
ADMINISTRATION	The ESOP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP.
TERMINATION AND AMENDMENT	The ESOP may be terminated or suspended at any time by the Board. The ESOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of options, including a change to reduce the exercise price, increase the number of Shares to which an eligible employee is entitled or change the exercise period, unless required by the Corporations Act or the Listing Rules.

Executive Director and Senior Executive Long Term Incentive Plan

Senior Executives receive zero exercise price options (ZEPOs) on an annual basis as part of their remuneration.

The maximum opportunity available to Executive Directors and Senior Executives for awards of ZEPOs under the LTIP, summarised below, is a percentage of fixed remuneration which is then divided by the 30 day Volume Weighted Average Price (VWAP) of Seymour Whyte Limited shares immediately prior to the grant date to calculate the number of ZEPOs to be granted.

Grants of ZEPOs to Senior Executives are approved by the Board. Grants of ZEPOs to Executive Directors require approval of shareholders pursuant to the ASX Listing Rules.

EXECUTIVE	ROLE	MAXIMUM OPPORTUNITY OF LTI AWARD (% OF FIXED REMUNERATION)	
Executive Directors		at 1 July 2013	at 1 July 2014
David McAdam	Managing Director	50%	60%
Robert Carr	Executive Director	n/a [1]	30%
Senior Executives		at 1 July 2013	at 1 July 2014
Nicola Padget	Chief Financial Officer	30%	30%
Gary Georgiou	General Manager Operations	30%	30%
Steve Davies-Evans	Pre-Contracts Manager	30%	30%
Lisa Dalton	Company Secretary	n/a	Nil

1 Robert Carr commenced 25 February 2014. Eligible for participation in the LTI Plan from 1 July 2014

Annual ZEPOs granted are divided into three tranches, each tranche being assigned a performance hurdle. ZEPOs convert to ordinary shares in the Company on a one-for-one basis at the end of three years depending on the extent to which performance hurdles are achieved and service conditions met.

The performance hurdles are the achievement of Total Shareholder Return (TSR) ranking criteria relative to the TSR of constituents of the S&P/ASX200, Net Profit After Tax relative to a target set by the Board and Annual Earnings Per Share (EPS) relative to a target set by the Board and assessed at the end of the first year of the three-year performance period. Participants must remain continually employed with the Group for three years to remain eligible for ZEPOs to vest.

The Board believes that performance hurdles, in combination, serve to align the interests of the individual executives with the interests of the Company's shareholders. These performance hurdles combine the market-based measure of TSR with the non-market measure of EPS. NPAT was a temporary non-market measure for the first two years of the program. Relative TSR compared to the ASX 200 provides a direct measure of share price performance against potential alternative shareholder investments.

Performance hurdles, their assessment for FY14 LTIPs and the vesting profiles are summarised on pages 43-44.

Commencing in FY2015, the LTIP will be updated to reflect a 3-year performance period and eligibility restricted to key management personnel and other key employees. A broad based employee share ownership plan will also be explored for all employees.

Executive Director performance retention incentive

Following the acquisition by the Company of Rob Carr Pty Ltd (RCPL) in February 2014, the Chief Executive of Rob Carr Pty Ltd was employed by the Group. As part of Mr Carr's employment contract, the Board agreed to offer Mr Carr a performance retention incentive. This will be payable as a cash incentive. A summary of the terms of the performance retention incentive for Mr Carr is set out below:

ROBERT CARR (EXECUTIVE DIRECTOR) INCENTIVE	MAXIMUM POTENTIAL (25% OF TOTAL FIXED REMUNERATION)	PERFORMANCE & SERVICE CONDITIONS	VESTING PROFILE	VESTING DATE
FY16 Performance	50% of the Maximum Potential	Achievement of Individual Performance outcomes determined by the Managing Director and approved by the Board and remaining continually employed at the vesting date	100%	30 June 2016

ROBERT CARR (EXECUTIVE DIRECTOR) INCENTIVE	MAXIMUM POTENTIAL (25% OF TOTAL FIXED REMUNERATION)	PERFORMANCE & SERVICE CONDITIONS	VESTING PROFILE	VESTING DATE
FY17 Performance	50% of the Maximum Potential	Achievement of Individual Performance outcomes determined by the Managing Director and approved by the Board and remaining continually employed at the vesting date	100%	30 June 2017

Managing Director RCPL performance based incentive for approval at the 2014 AGM

Following the acquisition by the Company of Rob Carr Pty Ltd in February 2014, the Board agreed to seek shareholder approval at the 2014 AGM for two equity incentives to be granted to the Managing Director. Shareholder approval will be sought for grant of ZEPOs to the Managing Director with performance and service conditions summarised in the table below:

MANAGING DIRECTOR RCPL PERFORMANCE INCENTIVE	NO OF ZEPOS TO BE GRANTED AFTER 2014 AGM (IF APPROVED BY SHAREHOLDERS)	PERFORMANCE & SERVICE CONDITIONS	VESTING PROFILE	VESTING DATE
FY15 RCPL Performance	29,688	Meet or exceed RCPL FY15 NPAT target and remaining continually employed until the vesting date	100%	Following the 2015 AGM
FY16 RCPL Performance	29,688	Meet or exceed RCPL FY16 NPAT target and remaining continually employed until the vesting date	100%	Following the 2016 AGM

c. Retention based remuneration

The Board has put in place a retention plan in addition to the Long Term and Short Term Incentive plans. The retention plan is discretionary and only applied where an additional lever is required to retain or reward key employees including the Managing Director and Senior Executives. The Retention Plan uses the ESOP as its delivery vehicle. The Retention Plan operated for FY2013 (FY13 Retention) and FY2014 (FY14 Retention). The Managing Director, Senior Executives and other key personnel received ZEPOs under the Retention Plan as part of their remuneration. ZEPOs convert to ordinary shares in the Company on a one-for-one basis at the end of the retention period (generally three years) provided the recipient remains continually employed with the Company during the retention period.

The maximum opportunity available to Executive Directors and Senior Executives for awards of ZEPOs under the Retention Plan is a percentage of fixed remuneration, determined at the discretion of the Board and Managing Director, taking into account the person's role and the importance of retaining that person in that role which is then divided by the 30 day Volume Weighted Average Price (VWAP) of Seymour Whyte Limited shares immediately prior to the grant date, to calculate the number of ZEPOs to be granted.

Executive Director retention incentive (Robert Carr) for approval at the 2014 AGM

Following the acquisition by the Company of Rob Carr Pty Ltd in February 2014, the Managing Director of Rob Carr Pty Ltd was employed by the Group. As part of Mr Carr's employment contract, the Board agreed to seek shareholder approval at the 2014 AGM for a retention incentive for Mr Carr. If approved by shareholders, ZEPOs will be issued to Mr Carr immediately after the announcement of the financial results subject to being continually employed by the Company until the service date. If not approved, the retention incentive will not be granted. A summary of the terms of the retention incentive for Mr Carr is set out below:

ROBERT CARR (EXECUTIVE DIRECTOR) RETENTION INCENTIVE	NO OF ZEPOS TO BE GRANTED AFTER 2014 AGM (IF APPROVED BY SHAREHOLDERS)	SERVICE CONDITION	VESTING PROFILE	SERVICE DATE	VESTING DATE
FY15 RCPL Retention	74,390	Remaining continually employed at the vesting date	100%	30 Jun 2015	1 Sep 2015
FY16 RCPL Retention	74,390	Remaining continually employed at the vesting date	100%	30 Jun 2016	1 Sep 2016

OUTCOME OF ASSESSMENT OF LTIP PERFORMANCE FOR THE FY2014 LTIP

The performance period for the FY2014 LTIP was for 12 months from 1 July 2013 to 30 June 2014 . The outcome of the assessment of the performance hurdles, NPAT, TSR and EPS relative to the performance period is summarised below:

Net Profit After (NPAT) Assessment

NPAT ASSESSMENT	The percentage of the FY14 ZEPOs linked to the net profit after tax (NPAT) target is 25%. Target NPAT of the Company is determined by the Board at the commencement of the relevant financial year and the result assessed at the end of the financial year per the audited accounts.		% of ZEPOs subject to remaining service condition	Minimum NPAT at end of performance period to meet target
	FY14 NPAT Target	$9.3m		
	Base Target	More than 80% and less than 120% of NPAT Target	Rateable vesting between 25%- 99%	$7.44m
	Stretch Target	120% or more of NPAT Target	100%	$11.16m
	Performance Period	1 July 2013 to 30 June 2014		
	FY14 NPAT Actual	$10.7m	**% ZEPOs subject to vest**	88.4%

Earnings per share (EPS) assessment

EARNINGS PER SHARE ASSESSMENT	The percentage of the FY2014 ZEPOs linked to the EPS hurdle is 37.5%. Vesting is determined by the growth in EPS from the financial year immediately prior to the start of the Performance Period (base year) to the end of the first year of the Performance Period, measured against specific EPS targets.		% of ZEPOs subject to remaining service condition	Minimum EPS at end of performance period to meet target
	EPS Base Year	11.9 cents		
	Base Target	>2% EPS growth to less than or equal to 8% growth	Rateable vesting between 25% - 99%	12.1c
	Stretch Target	>8% EPS growth	100%	12.9c
	Performance Period	1 July 2013 to 30 June 2014		

The average annual growth rate for the FY2014 financial year with the percentage of rights subject to vest, is shown in the table below:

EPS	BASE YEAR EPS	ACTUAL AUDITED NPAT	WEIGHTED AVERAGE NO OF SHARES ON ISSUE[1]	ACTUAL EPS (CENTS)	AVERAGE ANNUAL GROWTH	% OF ZEPOS SUBJECT TO VEST
FY14 LTIP	11.9c	$10.7m	81,246,485	13.2c	10.4%	100%

1 EPS is calculated on weighted average number of shares on issue during the relevant financial year

Total shareholder return (TSR) assessment

TSR ASSESSMENT	The percentage of FY14 ZEPOs linked to TSR is 37.5%. TSR is calculated by an independent third party comparing Seymour Whyte's TSR percentile rank that Seymour Whyte holds or would hold relative to all ASX 200 constituent companies for the relevant performance period.		% of ZEPOs subject to remaining service condition	Minimum TSR Ranking at end of performance period to meet target
	Base Target	TSR is more than 25% but less than 75%	Rateable vesting between 20% - 99%	Ranked at the 25th percentile
	Stretch Target	TSR is 75% or more	100% vesting	Ranked at or above the 75th percentile
	Performance Period	1 July 2013 to 30 June 2014		
	FY14 TSR Ranking	97.9%	**% ZEPOs subject to vest**	100%

Weighted average of ZEPOs subject to vest

FY2014 LTIP	PERFORMANCE OUTCOME	WEIGHTING % LINKED TO EACH PERFORMANCE CRITERIA	OVERALL ZEPOS SUBJECT TO VEST (BASED ON PERFORMANCE OUTCOME BY WEIGHTING)
NPAT assessment	88.4%	25%	22.1%
Earnings per Share assessment	100%	37.5%	37.5%
TSR assessment	100%	37.5%	37.5%
Weighted Average of ZEPOS subject to vest			**97.1%**

OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS REMUNERATION

Details of all ZEPOs over ordinary shares in the Company that were granted as remuneration to members of KMP during the Reporting Period and details of ZEPOs forfeited during the Reporting Period are shown in the table below. The table also shows ZEPOs for which the Board agreed during the Reporting Period to seek shareholder approval at the 2014 AGM for grants to David McAdam and Robert Carr.

No ZEPOs vested during the Reporting Period. There were no alterations to the terms and conditions of ZEPOs granted as remuneration to KMP, since their grant dates.

Description of ZEPOs granted in FY2014	Number of ZEPOs granted in FY2014 [1]	Number of ZEPOs to be granted subject to shareholder approval at 2014 AGM	Fair value of grant [2]	Grant date	Vesting date	Number of ZEPOs forfeited [3]	Value of ZEPOs forfeited [4]
Key Management Personnel							
David McAdam, Managing Director and CEO							
FY13 LTIP	300,000	Nil	$291,062	27 Nov 13	1-Sep-15	130,669	$126,775
FY13 Retention	200,000	Nil	$211,604	27 Nov 13	15-Jan-16	Nil	-
FY14 LTIP	292,857	Nil	$267,809	27 Nov 13	15-Aug-16	8,519	$7,791
FY14 Retention	100,820	Nil	$119,630	14 Feb 14	1-Mar-17	Nil	-
RCPL Performance FY15 [5]	Nil	29,688	n/a	27 Nov 14	30-Nov-15	n/a	n/a
RCPL Performance FY16 [5]	Nil	29,688	n/a	27 Nov 14	30-Nov-16	n/a	n/a
TOTAL	893,677	59,376	$890,105			139,188	$134,566
Robert Carr, Executive Director and Chief Executive, Rob Carr Pty Ltd							
Robert Carr Retention [6]	Nil	74,390	n/a	27 Nov 14	1-Sep-15	n/a	n/a
	Nil	74,390	n/a	27 Nov 14	1-Sep-16	n/a	n/a
TOTAL		148,780					
Nicola Padget, Chief Financial Officer							
FY14 LTIP	58,637	Nil	$89,450	7 May 14	15-Aug-16	1,706	$2,602
FY14 Retention	25,820	Nil	$30,637	14 Feb 14	1-Mar-17	Nil	-
TOTAL	84,457		$120,087			1,706	$2,602
Gary Georgiou, General Manager Operations							
FY14 LTIP	125,714	Nil	$131,986	27 Sep 13	15-Aug-16	3,657	$3,840
FY14 Retention	54,098	Nil	$64,191	14 Feb 14	1-Mar-17	Nil	-
TOTAL	179,812		$196,177			3,657	$3,840
Steve Davies-Evans, Pre-Contracts Manager							
FY14 LTIP	117,142	Nil	$122,987	27 Sep 13	15-Aug-16	3,408	$3,578
FY14 Retention	50,410	Nil	$59,815	14 Feb 14	1-Mar-17	Nil	n/a
TOTAL	167,552		$182,802			3,408	$3,578
Former Key Management Personnel							
Rob Leacock, Deputy CEO, Corporate Counsel and Company Secretary [7]							
FY13 LTIP	n/a	Nil	n/a	18 May 13	1 Sep 15	76,199	$56,555
FY13 Retention	n/a	Nil	n/a	31 Mar 13	15-Jan-16	85,000	$92,820
FY14 LTIP	132,000	Nil	$138,586	27 Sep 13	15-Aug-16	132,000	$138,586
TOTAL	132,000		$138,586			293,199	$287,961

1 All ZEPOs were granted under the Employee Share Option Plan, the terms of which are summarised on page 40.

2 The fair value of ZEPOs granted in the year is the fair value of the ZEPOs calculated as at the grant date. The amount is allocated to remuneration over the vesting period. For details on the valuation of options, including assumptions used, refer to note 19 of the Financial Report.

3 The number of ZEPOs forfeited represents the number of ZEPOs that lapsed due to performance criteria (NPAT, TSR and EPS) not being achieved in the relevant financial year and/or service conditions not being met.

4 The value of ZEPOs forfeited during the year represents the benefit forgone and is calculated at the date the ZEPO lapsed using the Monte Carlo option-pricing model assuming the performance criteria had been achieved.

5 The RCPL Performance Incentive to be awarded to David McAdam is subject to the approval of shareholders at the 2014 AGM. Further details appear on page 42.

6 The FY14 Retention Incentive for Robert Carr is subject to the approval of shareholders at the 2014 AGM. Further details appear on page 42.

7 Rob Leacock resigned on 2 April 2014. ZEPOs forfeited are attributable to both performance and service conditions. FY13 LTIP and FY13 ZEPOs were granted in FY2013

OPTIONS OVER EQUITY INSTRUMENTS

The movement during the Reporting Period, by number of options over ordinary shares in Seymour Whyte Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key Management Personnel	Held at 1 July 2013	Granted as Compensation	Forfeited	Held at 30 June 2014	Vested during the year	Vested and exercisable at 30 June 2014
David McAdam	-	893,677	(139,188)	754,489	-	-
Nicola Padget	-	84,457	(1,706)	82,751	-	-
Gary Georgiou	141,966	179,812	(3,657)	318,121	-	-
Steve Davies-Evans	132,733	167,552	(3,408)	296,877	-	-
Rob Leacock	161,199	132,000	(293,199)	-	-	-

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No options vested or were exercised or ordinary shares issued as a result of exercise of options during or subsequent to the Reporting Period.

KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of each major element of remuneration of each Director and Senior Executive of the Group are:

		SHORT-TERM BENEFITS				POST EMPLOYMENT BENEFITS	TERMINATION BENEFITS	LONG TERM BENEFITS	SHARED BASED BENEFITS[1]	TOTAL	Proportion of remuneration performance related	Value of options as a proportion of remuneration
		Cash salary and fees	Cash bonus	Non-cash benefits	Total	Super benefits		Long Service Leave	Options			
Directors		$	$	$	$	$	$	$	$	$		
Mac Drysdale Non-executive Director	2014	150,000	-	-	150,000	-	-	-	-	150,000	-	-
	2013	120,000	-	-	120,000	-	-	-	-	120,000	-	-
Don Mackay Non-executive Director	2014	100,000	-	-	100,000	-	-	-	-	100,000	-	-
	2013	66,818	-	-	66,818	3,182	-	-	-	70,000	-	-
John Seymour Non-executive Director	2014	73,227	-	-	73,227	6,773	-	-	-	80,000	-	-
	2013	45,455	-	-	45,455	4,545	-	-	-	50,000	-	-
John Ready Non-executive Director	2014	82,380	-	-	82,380	7,620	-	-	-	90,000	-	-
	2013	45,455	-	-	45,455	4,545	-	-	-	50,000	-	-
Susan Johnston Non-executive Director	2014	73,227	-	-	73,227	6,773	-	-	-	80,000	-	-
	2013	45,455	-	-	45,455	4,545	-	-	-	50,000	-	-
Christoper Greig[2] Non-executive Director	2014	36,613	-	-	36,613	3,387	-	-	-	40,000	-	-
	2013	-	-	-	-	-	-	-	-	-	-	-
Subtotal Non-Executive Directors' Remuneration	**2014**	**515,447**	**-**	**-**	**515,447**	**24,553**	**-**	**-**	**-**	**540,000**		
	2013	**323,183**	**-**	**-**	**323,183**	**16,817**	**-**	**-**	**-**	**340,000**		
Executive Directors												
David McAdam[3,4] Executive Director	2014	605,803	220,000	11,547	837,350	19,256	-	1,261	202,415	1,060,282	39.8%	19.1%
	2013	561,202	180,000	7,655	748,857	17,119	-	2,142	-	768,118	23.4%	-
Robert Carr[5] Executive Director	2014	148,896	-	-	148,896	-	-	-	-	148,896	-	-
	2013	-	-	-	-	-	-	-	-	-	-	-
Total Directors Remuneration	**2014**	**1,270,146**	**220,000**	**11,547**	**1,501,693**	**43,809**	**-**	**1,261**	**202,415**	**1,749,178**		
	2013	**884,385**	**180,000**	**7,655**	**1,072,040**	**33,936**	**-**	**2,142**	**-**	**1,108,118**		

		SHORT-TERM BENEFITS				POST EMPLOYMENT BENEFITS	TERMINATION BENEFITS	LONG TERM BENEFITS	SHARED BASED BENEFITS[1]	TOTAL	Proportion of remuneration performance related	Value of options as a proportion of remuneration
		Cash salary and fees	Cash bonus	Non-cash benefits	Total	Super benefits		Long Service Leave	Options			
Senior Executives		$	$	$	$	$	$	$	$	$		
Nicola Padget[6] Chief Financial Officer	2014	245,900	45,000	4,160	295,060	13,331	-	481	7,424	316,296	16.6%	2.3%
	2013	-	-	-	-	-	-	-	-	-	-	-
Gary Georgiou General Manager Operations	2014	412,549	80,000	7,078	499,627	25,000	-	9,536	86,008	620,171	26.8%	13.9%
	2013	378,510	80,000	6,234	466,744	24,989	-	7,704	7,258	504,695	17.2%	1.4%
Steve Davies-Evans Pre-Contracts Manager	2014	396,255	60,000	1,712	457,967	17,775	-	7,733	80,329	563,804	24.9%	14.2%
	2013	358,410	50,000	-	408,410	24,995	-	4,465	6,774	444,644	12.7%	1.5%
Lisa Dalton[7] Company Secretary	2014	26,650	-	-	26,650	-	-	132	-	26,782	-	-
	2013	-	-	-	-	-	-	-	-	-	-	-
Former Executives												
Rob Leacock[8] Deputy CEO, General Counsel and Company Secretary	2014	302,174	-	7,448	309,622	13,331	150,000	(35,311)	(8,387)	429,255	(2)%	(2)%
	2013	424,486	50,000	5,387	479,873	24,975	-	30,420	8,387	543,655	10.7%	1.49%
Craig Galvin Chief Financial Officer	2014	-	-	-	-	-	-	-	-	-	-	-
	2013	324,243	-	-	324,243	24,996	-	5,914	-	355,153	-	-
Gerd Wimberger Project Development Manager	2014	-	-	-	-	-	-	-	-	-	-	-
	2013	71,770	-	5,380	77,150	17,579	207,585	(119,432)	-	182,882	-	-
Total Executive Remuneration	**2014**	**1,383,528**	**185,000**	**28,398**	**1,588,926**	**69,437**	**150,000**	**(17,429)**	**165,374**	**1,956,308**		
	2013	**1,557,419**	**180,000**	**17,001**	**1,754,420**	**117,534**	**207,585**	**(70,929)**	**22,419**	**2,031,029**		
Total Remuneration	**2014**	**2,653,674**	**405,000**	**31,945**	**3,090,618**	**113,246**	**150,000**	**(16,168)**	**367,789**	**3,705,485**		
	2013	**2,441,804**	**360,000**	**24,656**	**2,826,460**	**151,470**	**207,585**	**(68,787)**	**22,419**	**3,139,147**		

1 Remuneration in the form of share-based payments includes negative amounts for ZEPOs forfeited during the year.

2 Chris Greig was appointed as Non-executive Director on 1 January 2014.

3 David McAdam's bonus of $220,000 includes an additional cash bonus of $50,000 awarded on successful acquisition of Rob Carr Pty Ltd

4 In 2013, there was no share-based payment expense recognised for David McAdam as no options were granted to Mr McAdam until after shareholder approval was received on 27 November 2013.

5 Robert Carr commenced employment with the Group on 25 February 2014, following the acquisition of Rob Carr Pty Ltd by the Company. He was appointed an Executive Director on 29 April 2014. Remuneration shown is from 25 February 2014.

6 Nicola Padget was appointed as Chief Financial Officer on 30 September 2013.

7 Lisa Dalton was appointed as Company Secretary on 25 February 2014 and is employed under a part-time employment contract.

8 Rob Leacock resigned as Deputy CEO, General Counsel & Company Secretary on 2 April 2014.

ANALYSIS OF CASH BONUSES INCLUDED IN REMUNERATION

Details of the vesting profile of STI and other cash incentives earned as remuneration by each of the Executive Directors and Senior Executives during the Reporting Period are detailed below:

Employed at 30 June 2014	Bonus description	Bonuses included in remuneration ($)[1]	Cash bonus vested in year (%)
David McAdam[2]	STI	170,000	92%
	RCPL Acquisition	50,000	100%
Robert Carr	STI	Nil	-
Nicola Padget[3]	STI	45,000	95%
Gary Georgiou	STI	80,000	91%
Steve Davies-Evans	STI	60,000	73%
Lisa Dalton[4]	Nil	Nil	-

1 STI cash bonus earned during the Reporting Period to be paid in September 2014 following the performance year.
2 RCPL Acquisition bonus was paid on 15 May 2014 for the successful completion of the Rob Carr Pty Ltd acquisition.
3 Commenced 30 September 2013. Bonus is pro-rata.
4 Commenced 25 February 2014. No bonus entitlement under contract of employment during the Reporting Period.

CONTRACT DURATION AND TERMINATION REQUIREMENTS

The Company has contracts of employment with no fixed tenure requirements with the Executive Directors and Senior Executives. The notice period for each is outlined in the table below. Termination may be initiated by either party.

NAME	ROLE	NOTICE PERIOD
Executive Directors		
David McAdam	Managing Director	6 months
Robert Carr	Chief Executive – Rob Carr Pty Ltd	6 months
Senior Executives		
Nicola Padget	Chief Financial Officer	6 months
Gary Georgiou	General Manager Operations	3 months
Steve Davies-Evans	Pre-Contracts Manager	3 months
Lisa Dalton	Company Secretary	3 months

REMUNERATION: RELATIONSHIP TO SHAREHOLDER WEALTH

The various components of the way the Group remunerates key management personnel and the achievements against specific financial and non-financial performance measures over both the short and long-term are designed to create long-term, sustained shareholder value. When setting targets and determining the quantum of the remuneration increases and the proportion of fixed and performance linked remuneration components, the Board has regard to a number of factors including the indices in the table below, in respect of the current and previous financial years.

METRIC	2010[1]	2011	2012	2013	2014
Net profit after tax ($)	11,873,113	12,256,187	8,847,815	9,265,834	10,687,728
Full year dividend per share (cents)	7.56	8.00	6.00	8.00	7.5
Change in share price ($)	-	1.25	(1.31)	0.06	0.84
Return on equity	41.8%	32.7%	22.3%	20.1%	20.0%
Earnings per share (cents)	15.4	15.7	11.4	11.9	13.2
KMP Remuneration ($)	2,823,421	3,202,098	3,068,843	3,139,147	3,705,485

1 Seymour Whyte Limited was listed on the ASX on 31 May 2010.

Over the past four years the annualised return to a shareholder who purchased shares on 30 June 2010 ($1.05/share), was paid the dividends by the Company and sold the shares on 30 June 2014 at $1.89/share (the closing price as at 30 June 2014) was 21.7%.

During the same period, average key management personnel compensation has grown by 7% per annum.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

- Payments of $353,935 (GST exclusive) were made to an entity related to the Managing Director (David McAdam) as part owner in relation to information technology consulting services and purchase of specialised software. The consulting services agreement came to end on 31 December 2013. The transaction with the Managing Director was assessed as being arm's length and on usual commercial terms and conditions and was approved by the Board of Directors.
- Rental payments of $251,334 (GST exclusive) were paid to a related entity of Executive Director, Robert Carr, for premises used by Rob Carr Pty Ltd for offices and plant storage.
- Media publicity fee payment of $20,500 (GST exclusive) was made to a related entity of Non-executive Director, John Ready. The engagement of the related entity ceased in December 2013. From that time media publicity services have been changed to an independent provider. The appointment of the entity related to Mr Ready was assessed as being arm's length and on usual commercial terms and conditions and was approved by the Board of Directors.

SHARE HOLDINGS OF KEY MANAGEMENT PERSONNEL

The movement during the year in the number of ordinary shares in Seymour Whyte Limited held, directly, indirectly or beneficially, by each member of the Key Management Personnel, including their related parties, is as follows:

	SHAREHOLDINGS OF KMP			
NAME	Opening Balance 1 July 2013	Shares acquired during the year	Shares disposed of during the year	Closing Balance 30 June 2014
Non-Executive Directors				
Mac Drysdale	100,000	-	-	100,000
Don Mackay	30,000	-	-	30,000
John Seymour	18,091,279	-	(1,001,000)	17,090,279
John Ready	20,000	-	-	20,000
Susan Johnston	-	-	-	-
Christopher Greig	-	-	-	-
Executive Directors				
David McAdam	-	-	-	-
Robert Carr[1]	-	4,800,000	-	4,800,000
Senior Executives				
Nicola Padget	-	-	-	-
Gary Georgiou	260,972	-	(60,000)	200,972
Steve Davies-Evans	945,060	-	(442,173)	502,827
Lisa Dalton	-	-	-	-

1 Shares issued and allotted on 25 February 2014 as part consideration for the acquisition by Seymour Whyte Limited of Rob Carr Pty Ltd. 1,600,000 shares were subject to escrow until 30 June 2014 and released from escrow on that date. 1,600,000 shares escrowed until 30 June 2015 and 1,600,000 shares escrowed until 30 June 16.

REMUNERATION CONSULTANTS

During the year ended 30 June 2014, the Board retained both Towers Watson and Guerdon Associates as its independent remuneration consultants to provide specialist information on Managing Director remuneration. Additionally Towers Watson was retained to provide specialist information on Senior Executive remuneration and a review of the Company's incentive programs. These services were provided directly to the Remuneration Committee and were independent of management. The Chairman of the Remuneration Committee oversaw the engagement of, remuneration arrangements for, and payment to the independent consultants.

The following amounts were paid to the remuneration consultants:

- Towers Watson: $30,800
- Guerdon Associates: $12,723

Voting and comments made at the Company's 2013 Annual General Meeting

The Company received more than 75% of "yes" votes on its remuneration report for the 2013 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

END OF REMUNERATION REPORT

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

No amounts were paid or are payable to the Group auditors (Grant Thornton Pty Ltd) for non-audit services provided during the financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

David McAdam
Managing Director and Chief Executive Officer

Mac Drysdale
Chairman

27 August 2014

Brisbane

GrantThornton

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To the Directors of Seymour Whyte Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Seymour Whyte Limited for the year ended 30 June 2014, I declare that, 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 audit; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 27 August 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

FINANCIAL REPORT

GENERAL INFORMATION

The financial report covers Seymour Whyte Limited as a consolidated entity consisting of Seymour Whyte Limited and the subsidiaries it controlled at the end of, or during the year ended 30 June 2014.

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

Brisbane Technology Park
12 Electronics Street
Eight Mile Plains Qld 4113

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report.

Seymour Whyte Limited
Consolidated Statement of Profit & Loss and Other Comprehensive Income
For the year ended 30 June 2014

	Note	2014	Consolidated 2013
		$	$
Continuing operations			
Revenue	4	310,963,449	274,282,324
Expenses			
Construction materials and consumables used		(247,972,284)	(223,685,416)
Employee benefits expense	5	(41,168,878)	(35,489,424)
Depreciation and amortisation expense	5	(2,561,467)	(1,384,982)
Finance costs		(427,655)	(129,880)
Rental expense		(1,074,432)	(1,058,860)
Share of net profit of equity accounted investments (net of tax)	11	91,661	50,177
Other expenses		(2,029,666)	(1,332,439)
Profit before tax		15,820,728	11,251,500
Income tax expense	6	(5,133,000)	(2,018,408)
Profit from continuing operations		10,687,728	9,233,092
Discontinued operations			
Profit from discontinued operations (net of tax)		-	32,742
Profit for the year		10,687,728	9,265,834
Other comprehensive income			
Other comprehensive income (net of tax)		-	-
Total comprehensive income for the year attributable to owners of the company		10,687,728	9,265,834

	Note	Cents	Cents
Earnings per share			
Basic	21	13.15	11.91
Diluted	21	12.64	11.56
Earnings per share - continuing operations			
Basic	21	13.15	11.87
Diluted	21	12.64	11.52

The above consolidated statement of profit & loss and other comprehensive income should be read in conjunction with the accompanying notes.

Seymour Whyte Limited
Consolidated Statement of Financial Position
As at 30 June 2014

	Note	2014	Consolidated 2013
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	40,778,497	47,712,292
Trade and other receivables	8	54,584,384	35,844,843
Other assets	9	1,243,423	823,384
Current tax assets		1,039,014	-
Total current assets		97,645,318	84,380,519
Non-current assets			
Other receivables	10	780,349	1,048,001
Equity accounted investments	11	389,606	1,047,944
Property, plant and equipment	12	28,286,364	7,463,455
Intangible assets and goodwill	13	11,775,221	1,739,642
Deferred tax assets	17	3,722,742	5,254,449
Total non-current assets		44,954,282	16,553,491
TOTAL ASSETS		142,599,600	100,934,010
LIABILITIES			
Current liabilities			
Trade and other payables	14	59,029,482	42,706,344
Borrowings	15	2,392,577	627,169
Current tax liabilities		-	804,964
Employee benefit liabilities	16	3,166,130	2,876,306
Total current liabilities		64,588,189	47,014,783
Non-current liabilities			
Borrowings	15	2,803,046	863,883
Deferred tax liabilities	17	8,636,482	5,848,931
Employee benefit liabilities	16	492,403	1,058,741
Total non-current liabilities		11,931,931	7,771,555
TOTAL LIABILITIES		76,520,120	54,786,338
NET ASSETS		66,079,480	46,147,672
EQUITY			
Issued capital	18	22,327,295	7,215,712
Share based payment reserve		1,015,050	68,331
Retained earnings		42,737,135	38,863,629
TOTAL EQUITY		66,079,480	46,147,672

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

Seymour Whyte Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2014

	Note	Issued capital $	Share options reserve $	Retained earnings $	Total equity $
				Consolidated	
Balance at 1 July 2012		7,215,712	-	32,516,386	39,732,098
Total comprehensive income for the year		-	-	9,265,834	9,265,834
Sub-total		7,215,712	-	41,782,220	48,997,932
Other equity transactions					
Share based payment transactions		-	68,331	-	68,331
Dividends	20	-	-	(2,918,591)	(2,918,591)
Balance at 30 June 2013		7,215,712	68,331	38,863,629	46,147,672
Balance at 1 July 2013		7,215,712	68,331	38,863,629	46,147,672
Total comprehensive income for the year		-	-	10,687,728	10,687,728
Sub-total		7,215,712	68,331	49,551,357	56,835,400
Other equity transactions					
Share based payment transactions		-	946,719	-	946,719
Shares issued under the dividend reinvestment plan	18	299,791	-	-	299,791
Shares issued for business acquisition, net of transaction costs	18	14,811,792	-	-	14,811,792
Dividends	20	-	-	(6,814,222)	(6,814,222)
Balance at 30 June 2014		22,327,295	1,015,050	42,737,135	66,079,480

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

Seymour Whyte Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2014

	Note	Consolidated 2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		324,113,464	289,509,126
Payments to suppliers and employees		(311,952,221)	(264,082,726)
Net receipts from operations		12,161,243	25,426,400
Interest received		1,068,327	1,211,834
Interest and other finance costs paid		(427,655)	(129,880)
Income taxes paid		(3,227,655)	(2,762,026)
Net cash from operating activities	32	9,574,260	23,746,328
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired (note 30)		(6,945,409)	-
Purchase of property, plant and equipment		(3,465,754)	(4,018,883)
Proceeds from sale of property, plant and equipment		264,300	75,058
Capital distribution from investments in associates		750,000	-
Net cash used in investing activities		(9,396,863)	(3,943,825)
Cash flows from financing activities			
Proceeds from borrowings		1,168,667	416,166
Repayment of borrowings		(2,033,080)	(762,431)
Proceeds from repayment of employee share loans		267,652	48,375
Dividends paid		(6,514,431)	(2,918,591)
Net cash used in financing activities		(7,111,192)	(3,216,481)
Net (decrease)/ increase in cash and cash equivalents		(6,933,795)	16,586,022
Cash and cash equivalents at the beginning of the year		47,712,292	31,126,270
Cash and cash equivalents at the end of the year	7	40,778,497	47,712,292

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new standards and amendments to standards that are mandatory for the current reporting period affected any of the amounts recognised in the current period or any prior period and not likely to affect future periods.

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2013:

- AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 128 *Investments in Associates and Joint Ventures*, AASB 127 *Separate Financial Statements* , AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards,* AASB 2011-4 *Amendments to Australian Accounting Standards – Transition Guidance and other Amendments (amendments to AASB 10 and related standards)*
- AASB 13 *Fair Value Measurement and* AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*
- AASB 119 *Employee Benefits (September 2011) and* AASB 2011-10 *Amendments to Australian Accounting Standards* arising from AASB 119 (September 2011)
- AASB 2011-4 *Amendments to Australian Accounting Standards to remove individual key management personnel disclosure requirements*
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle, and*
- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

The adoption of AASB 11 resulted in changes in accounting policies but no adjustments to the amounts recognised in the financial statements (see note below on 'Joint Arrangements'. All the other standards as applicable only affect the disclosures in the notes to the financial statements.

New accounting standards and interpretations that are not mandatory for 30 June 2014 reporting period have not been early adopted by the group. None of the new standards and amendments to standards that are not mandatory for the current reporting period are expected to have a material impact on the entity in the current or future reporting periods.

b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, the measurement at fair value of selected non-current assets, financial assets and financial liabilities (where applicable).

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

c) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the group only. Supplementary information relating to the parent entity, Seymour Whyte Limited is disclosed in note 28. The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below:

Tax consolidation legislation

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

Share based payments

The grant of share options by Seymour Whyte Limited over its equity instruments to the employees of subsidiaries in the group are treated as a capital contribution. 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, with a corresponding credit to equity.

Seymour Whyte Limited
Consolidated Notes to the Financial Statements
30 June 2014

Note 1. Significant accounting policies (continued)

d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

e) Principles of consolidation

Subsidiaries

Subsidiaries are all those entities over which Seymour Whyte Limited has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Associates

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method (see note below on equity method of accounting).

Joint Arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group has joint operations only.

For joint operations, the group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

For joint ventures, ownership interests are accounted for using the equity method (see note below on equity method of accounting), after initially being recognised at cost in the consolidated balance sheet.

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Note 1. Significant accounting policies (continued)

e) Principles of consolidation (continued)

Change in ownership interests

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

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

f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values 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 asset or liability resulting from a 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 interests in the acquiree either at fair value or at the non-controlling interests proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred over the fair value 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 either as 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.

g) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

h) Segment reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The CODM is identified to be the Board of Directors.

i) Revenue recognition

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below:

Construction revenue

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations, claims and incentive payments allowable under the contract. Construction profits are recognised on a percentage of completion basis and measured using the percentage of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full.

Interest revenue

Interest revenue is recognised as it accrues or is paid on term deposits and cash held at bank.

Seymour Whyte Limited
Consolidated Notes to the Financial Statements
30 June 2014

Note 1. Significant accounting policies (continued)

j) Income tax

Income tax expense comprises current and deferred tax. It is the tax payable on that period's net profit before tax using the tax rate enacted or substantively enacted at the reporting date, adjusted by movements in deferred tax asset and liability balances, unused tax losses and adjustments recognised for prior periods, where applicable. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current tax balance is the expected income tax payable or refundable on the taxable income for the year, using the tax rate enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- The initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit;
- Differences relating to investments in subsidiaries or interests in jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; or
- Goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available against which those assets can be utilised. The carrying amount of recognised and unrecognised deferred tax assets (if any) are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and they relate to income taxes levied by the same taxable authority on either the same taxable entity or on different taxable entities which intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions. The Group believes that its accruals for tax liabilities are adequate based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment may involve a serious of assumptions and judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The parent entity and its wholly-owned Australian resident entities have formed an income tax consolidated group under the tax consolidation regime. The parent entity and the controlled entities in the income tax consolidated group continue to account for their own current and deferred tax amounts. The income tax consolidated group has applied the 'separate taxpayer within group' approach in determining and accounting for the appropriate amount of taxes to allocate to members of the income tax consolidated group.

Change in tax rate

In its budget for 2014-15 the Federal Government announced an intention to reduce the company tax rate from 30% to 28.5%. Additionally, at the reporting date the Federal Government proposes changes to the Paid Parental Leave scheme incorporating a levy of 1.5% of taxable income, levied on taxpayers with taxable incomes exceeding $5 million. This change was not enacted at the reporting date, and as such the group has calculated its tax balances at 30%.

k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other 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.

l) Trade and other receivables

Trade receivables consist of all receivables from construction contracts, including construction work in progress.

Construction work in progress is valued at cost, plus profit recognised to date less progress claims and any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis. Where payments received exceed the revenue recognised, the difference is recorded as a liability in the statement of financial position.

Other non-current receivables include loans offered to shareholders of partly paid shares (PPS) as part of an employee incentivisation program previously disclosed to the market. The loans were offered to facilitate the payment of all outstanding amounts on their PPS. These loan monies were off-set against the outstanding unpaid balance on the related PPS, resulting in no net outflow of funds from the group.

Note 1. Significant accounting policies (continued)

m) Property, plant and equipment

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

Plant and equipment are depreciated either on a diminishing value basis or straight line basis as applicable over the assets useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated on a straight-line basis over the shorter of either the unexpired period of lease or the estimated useful lives of improvements.

The useful lives for each class of depreciable assets are:

Furniture, fittings and IT equipment	3-7 years
Heavy plant and equipment	3-15 years
Motor vehicles	5-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

o) Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the initial allocation of goodwill acquired in a business combination cannot be completed before the end of the annual period in which the business combination is effected, the initial recognition is completed before the end of the first annual period after the acquisition date. The cash-generating unit is than tested for impairment annually, once goodwill has been allocated.

Software and systems

Costs incurred in developing systems and costs incurred in acquiring software are capitalised. Amortisation is calculated on a straight-line basis over 5 years. Development costs include only those costs directly attributable to the development phase and where the group has an intention and ability to use the asset.

p) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Seymour Whyte Limited
Consolidated Notes to the Financial Statements
30 June 2014

Note 1. Significant accounting policies (continued)

p) Derivative financial instruments (continued)

As at reporting period, the group hedged their foreign exchange risk exposure through a forward exchange contract. This forward exchange contract is designated as a cash flow hedge for hedge accounting purposes. The effective portion of changes in the fair value of cash flow hedges is recognised directly in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, amounts recognised directly in equity are transferred to profit or loss.

q) Non-derivative financial instruments

Non-derivative financial instruments comprises of cash and cash equivalents, trade and other receivables, borrowings and trade and other payables. Accounting policies around recognition and measurement of the non-derivative financial instruments are included in the respective sections of note 1 to the financial statements.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

s) Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

t) Borrowing costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

u) Provisions

Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

v) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised as both current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, which are provided to employees in exchange for the rendering of services. The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte Carlo simulation pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Note 1. Significant accounting policies (continued)

v) Employee benefits (continued)

Share-based payments

Market conditions are taken into consideration in determining fair value. Therefore the fair value of the equity instruments is not reassessed throughout the vesting period irrespective of whether the market condition is ultimately satisfied. Non-market based vesting conditions such as service conditions continue to be assessed.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Bonus

The group recognises an expense for bonuses where there is a history of past practise that has created a constructive obligation or if the bonuses are approved at the discretion of the Board of Directors.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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.

x) Dividends

Dividends are recognised when they are declared during the financial year and provided they are not at the discretion of the company once declared.

y) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Seymour Whyte Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

z) Goods and Services Tax ('GST')

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

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

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

Commitments and contingencies are stated inclusive of GST receivable.

za) Comparative figures

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires that management make judgements, estimates and assumptions that affect the reported of amounts of assets, liabilities, income and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the related actual results. Estimates and underlying assumptions are reviewed on an on-going basis with revisions recognised prospectively. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue

Revenue is recognised based on the percentage of completion method for construction contracts. The assessment of projects on a percentage of completion basis requires significant judgement with particular regard to accounting for contract variations and claims, the timing of profit recognition and the amount of profit recognised. The assumptions used by management to measure percentage of completion are in accordance with the accounting policy stated in note 1.

Share-based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Monte Carlo simulation valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments have no impact on the carrying amounts of assets and liabilities but may impact profit or loss and equity.

Estimation of useful lives of assets

The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than those previously estimated, or where technically obsolete or non-strategic assets that have been abandoned or sold have to be impaired.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Acquisition of subsidiary

Accounting for business combination have been completed on a provision basis at year end. Provisional accounting included estimation of fair value of assets acquired and liabilities assumed. Refer note 1(f) and 30 for further details.

Note 3. Segment information

Identification of reportable operating segments

The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The acquisition of Rob Carr Pty Ltd in February 2014 expanded the group's service offerings which lead to a change in the internal reports reviewed by the CODM.

The CODM examines the group's performance from an industry sector or service line perspective and has identified two reportable segments of its business:

- Transport: Segment is responsible for construction projects in transport infrastructure including roads and bridges.
- Utilities: Segment is responsible for micro-tunnelling & pipeline infrastructure projects in the water and energy utilities market.

In the prior year there was only one reportable segment identified financial year following the disposal of a discontinued operation (building segment) in the year ended 2012, one operating segment was identified therefore no separate segment reporting disclosures were made. As such no comparatives have been included for the 2013 financial year in segment results.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 3. Segment information (continued)

Major customers

The group generates all its revenue from external customers which includes state government departments, business enterprises owned by state governments, local governments (councils) and private companies. State government departments and business enterprises owned by state governments represent more than 10% of total external revenue. For the year ended 30 June 2014, the groups' largest external customer being a state government department accounted for 80% of external revenue, the next largest customer being a business enterprise owned by the state government accounted for 12% of external revenue with remaining customers accounting for 8% of total external revenue. In 2013, the group's largest external customer being the state government departments accounted for 94% of external revenue with the remaining customers accounting for 6% of total external revenue.

Revenues and non-current assets by geographical areas

All revenues from external customers during the year are attributed in Australia. All non-current assets are attributed in Australia.

Segment results

The segment information provided to the CODM for the reportable segments for the year ended 30 June 2014 is as follows:

	Transport	Utilities	Total
	$	$	$
Revenue and Expense			
Reportable segment revenue	292,038,017	17,869,457	309,907,474
Depreciation and amortisation	1,770,153	791,314	2,561,467
Finance costs	89,424	202,886	292,310
Share of profit from equity accounted investments	91,661	-	91,661
Reportable segment profit before income tax	15,275,813	3,212,699	18,488,512
Assets and Liabilities			
Total Segment assets	53,004,341	38,077,914	91,082,255
Total Segment liabilities	51,839,944	7,315,132	59,155,076

Reconciliation of reportable segment revenues

	$
Total revenue for reportable segments	309,907,474
Unallocated amounts:	
Interest revenue	1,055,975
Total revenue (Note 4)	310,963,449

Reconciliation of reportable segment profit before income tax

	$
Reportable segment profit before income tax	18,488,512
Unallocated amounts:	
Acquisition related costs	(722,251)
Corporate expenses	(1,945,533)
Profit before income tax	15,820,728

Reconciliation of reportable assets

	$
Reportable segment assets	91,082,255
Unallocated amounts:	
Cash and cash equivalents	40,778,497
Deferred tax assets	3,722,742
Corporate fixed assets	3,662,372
Other receivables	2,314,720
Current tax assets	1,039,014
Total assets	142,599,600

Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Additions of capital expenditure to the transport and utilities sector were $1,151,967 and $1,544,928 respectively.

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Note 3. Segment information (continued)

Reconciliation of reportable liabilities

	$
Reportable segment liabilities	59,155,076
Unallocated amounts:	
Deferred tax liabilities	8,636,482
Deferred consideration	5,000,000
Other payables	3,728,562
Total liabilities	76,520,120

Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. The liabilities are allocated based on the operations of the segment.

Note 4. Revenue

	Consolidated	
	2014	2013
	$	$
Revenue from operations		
Civil and engineering construction services	309,789,914	272,911,819
Other revenue		
Interest on term deposits and cash at bank	1,055,975	1,224,944
Sundry revenue	117,560	145,561
	1,173,535	1,370,505
Total revenue	310,963,449	274,282,324

Note 5. Expenses

	Consolidated	
	2014	2013
	$	$
Profit before income tax includes the following specific expenses which are significant because of their size or nature:		
Depreciation		
Furniture, fittings and IT equipment	577,721	453,212
Heavy plant , machinery and motor vehicles	1,556,188	870,566
	2,133,909	1,323,778
Amortisation		
Software	427,558	61,204
Net loss on disposal of property, plant and equipment	257,552	108,834
Employee benefits expense		
Share based payments	946,719	68,331
Bonuses	1,582,729	1,066,400
Other employee benefits	38,639,430	34,354,693
	41,168,878	35,489,424
Due diligence and transaction costs relating to business acquisition	722,251	-

Note 6. Income Tax Expense

	Consolidated 2014 $	2013 $
Recognised in the statement of profit and loss and other comprehensive income		
Continued operations		
Current tax on continuing operations	2,066,800	3,277,650
Deferred tax on continuing operations	3,086,699	139,891
Adjustments for prior periods	(20,499)	-
Research and development tax credits	-	(1,399,133)
	5,133,000	2,018,408
Discontinued operations		
Current tax on discontinued operations	-	14,032
Total income tax expense	5,133,000	2,032,440

Numerical reconciliation between income tax expense and profit before income tax

	2014 $	2013 $
Profit before income tax	15,820,728	11,298,274
Prima facie income tax at 30% (2013: 30%)	4,746,218	3,389,482
Increase/(decrease) in income tax expense due to:		
Adjustments in relation to current income tax of previous years	20,499	-
Share based payment expense	284,016	-
Research and development tax credit	-	(1,399,133)
Other non-deductible expenses	82,267	42,091
Income tax expense	5,133,000	2,032,440
The applicable effective tax rate are as follows:	32%	18%

The applicable effective tax rate for 2014 is higher compared to 2013 mainly due to the share options expense of $946,815 (tax effect at 30% being $284,016) not deductible for tax purposes.

Note 7. Cash and Cash Equivalents

	Consolidated 2014 $	2013 $
Cash at bank	37,878,570	31,751,156
Cash on deposit or at call	2,899,927	15,961,136
	40,778,497	47,712,292

Reconciliation to cash and cash equivalents at the end of the year

The above figures are reconciled to cash and cash equivalents at the end of the year as shown in the statement of cash flows as follows:

	2014 $	2013 $
Balance as per statement of cash flows	40,778,497	47,712,292

Restriction on cash and cash equivalents

Bank guarantee facility is secured by a right of set-off in relation to $1,445,000 in term deposits.

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Note 8. Trade and Other Receivables

	Note	Consolidated 2014 $	2013 $
Trade receivables	8 (a)	24,436,289	16,763,770
Amounts due from customers for construction contracts	8 (b)	29,869,276	19,018,207
Other receivables		278,819	62,866
		54,584,384	35,844,843

(a) Impairment exposure

Information about assessment of impairment of trade and other receivables, their credit quality and the group's exposure to credit risk is disclosed in note 23.

(b) Accounting for construction contracts

	2014 $	2013 $
Contract costs incurred	280,820,698	249,272,913
Recognised profits	28,969,216	23,638,906
Revenue derived from construction contracts (note 4)	309,789,914	272,911,819
Progress billings	(279,920,638)	(253,893,612)
Amounts due from customers for construction contracts	29,869,276	19,018,207
Retentions receivable on construction contracts in progress	325,266	-

Note 9. Other Assets

	Consolidated 2014 $	2013 $
Prepayments	1,140,035	729,996
Security deposits	103,388	93,388
	1,243,423	823,384

Note 10. Other Receivables (Non-current)

	Consolidated 2014 $	2013 $
Other receivables	780,349	1,048,001

As part of an employee incentivisation program previously disclosed to the market, the group offered non-interest bearing loans to shareholders of partly paid shares (PPS) to facilitate the payment of all outstanding amounts on their PPS. These loan monies were offset against the outstanding unpaid balance on the related PPS, resulting in no net outflow of funds from the group.

Key terms of the loan agreement are:

- The loans are secured by a holding lock over the shareholdings until they are fully repaid and also a guarantee.
- Repayments are to be made from dividends payable to the shareholder based on a pre-agreed formula.

Note 11. Equity Accounted Investments

Seymour Whyte Constructions Pty Ltd established SWS Plant Pty Ltd, as a marine barge hire company, together with the joint venture partner of the Townsville Port Inner Harbour Expansion (TPIX) Project. The initial investment was used to fund a barge, and as a result there was no goodwill included in the initial amount invested.

SWS Plant Pty Ltd was established for the purpose of providing equipment for dredging work required for the TPIX project which is now completed. The barge was sold in April 2014 with the settlement due by October 2014. It is intended to de-register the company during the 2015 financial year.

	Consolidated	
	2014	**2013**
	$	**$**
Ownership in SWS Plant Pty Ltd	50%	50%
Reporting date	30 June	30 June
Share of associates statement of financial position		
Current assets	404,214	754,258
Non-current assets	-	300,458
Current liabilities	(14,608)	(6,772)
Non-current liabilities	-	-
Equity	389,606	1,047,944
Share of associates income and expenses		
Income	222,534	729,824
Expenses	(91,589)	(658,141)
Share of equity accounted profit before income tax	130,945	71,683
Income tax expense	(39,284)	(21,506)
Share of equity accounted net profit	91,661	50,177

Note 12. Property, Plant and Equipment

	Furniture, fittings and IT equipment	Heavy plant, machinery and motor vehicles	Total
	$	$	$
Year ended 30 June 2013			
Opening net book value	1,156,381	4,670,400	5,826,781
Additions	1,545,412	1,598,932	3,144,344
Disposals	(81,175)	(102,717)	(183,892)
Depreciation expense	(453,212)	(870,566)	(1,323,778)
Closing net book value	2,167,406	5,296,049	7,463,455
At 30 June 2013			
Cost	3,779,254	9,037,155	12,816,409
Accumulated depreciation	(1,611,848)	(3,741,106)	(5,352,954)
Net book value	2,167,406	5,296,049	7,463,455
Year ended 30 June 2014			
Opening net book value	2,167,406	5,296,049	7,463,455
Acquired through acquisition (note 30)	181,481	20,935,251	21,116,732
Additions	268,620	2,686,819	2,955,439
Disposals	(181,324)	(934,029)	(1,115,353)
Depreciation expense	(577,721)	(1,556,188)	(2,133,909)
Closing net book value	1,858,462	26,427,902	28,286,364
At 30 June 2014			
Cost	2,892,550	30,890,779	33,783,329
Accumulated depreciation	(1,034,088)	(4,462,877)	(5,496,965)
Net book value	1,858,462	26,427,902	28,286,364

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Note 13. Intangible Assets and Goodwill

	Goodwill	Software and systems	Total
	$	$	$
Year ended 30 June 2013			
Opening net book value	-	926,307	926,307
Additions	-	874,539	874,539
Disposals	-	-	-
Amortisation expense	-	(61,204)	(61,204)
Closing net book value	-	1,739,642	1,739,642
At 30 June 2013			
Cost	-	1,864,668	1,864,668
Accumulated amortisation	-	(125,026)	(125,026)
Net book value	-	1,739,642	1,739,642
Year ended 30 June 2014			
Opening net book value	-	1,739,642	1,739,642
Acquired through acquisition	9,875,002	-	9,875,002
Additions	-	588,135	588,135
Disposals	-	-	-
Amortisation expense	-	(427,558)	(427,558)
Closing net book value	9,875,002	1,900,219	11,775,221
At 30 June 2014			
Cost	9,875,002	2,452,803	12,327805
Accumulated amortisation	-	(552,584)	(552,584)
Net book value	9,875,002	1,900,219	11,775,221

Note 14. Trade and Other Payables

	Consolidated	
	2014	**2013**
	$	**$**
Trade payables	28,144,005	9,471,313
Other payables and accruals	16,449,663	20,872,528
Amounts due to customers under construction contracts	7,915,814	11,296,103
Deferred consideration (note 30)	5,000,000	-
Employee bonus payables	1,520,000	1,066,400
	59,029,482	42,706,344

Note 15. Borrowings

	Consolidated	
	2014	**2013**
	$	**$**
Lease liabilities – Current	2,392,577	627,169
Lease liabilities – Non Current	2,803,046	863,883
	5,195,623	1,491,052

Financiers have either ownership of or a fixed charge secured over the funded asset.

Note 16. Employee Benefit Liabilities

	Consolidated	
	2014	**2013**
	$	**$**
Current		
Annual leave	2,288,485	1,890,888
Long service leave	877,645	985,418
	3,166,130	2,876,306
Non-Current		
Long service leave	492,403	1,058,741
	3,658,533	3,935,047

Note 17. Deferred Tax Assets and Deferred Tax Liabilities

The deferred tax asset and deferred tax liability in the statement of financial position is attributable to the following:

	Assets		Liabilities		Net	
	2014 $	**2013 $**	**2014 $**	**2013 $**	**2014 $**	**2013 $**
Employee benefits	1,078,801	1,201,013	-	-	1,078,801	1,201,013
Construction contracts	2,152,070	3,204,080	(8,606,482)	(5,757,652)	(6,454,412)	(2,553,572)
Other payables and accruals	491,871	849,356	-	(91,279)	491,871	758,077
Sundry items	-	-	(30,000)	-	(30,000)	-
	3,722,742	5,254,449	(8,636,482)	(5,848,931)	(4,913,740)	(594,482)

Movement in temporary differences during the year ended 30 June 2014:

	Balance beginning of the year $	**Recognised in profit or loss $**	**Acquired in business combinations $**	**Balance at the end of the year $**
Employee benefits	1,201,014	(273,364)	151,151	1,078,801
Constructions contracts	(2,553,571)	(4,189,520)	288,679	(6,454,412)
Other payables and accruals	758,074	(267,402)	1,199	491,871
Sundry items	-	(30,000)	-	(30,000)
Total	(594,483)	(4,760,286)	441,029	4,913,740

Movement in temporary differences during the year ended 30 June 2013:

	Balance beginning of the year $	**Recognised in profit or loss $**	**Acquired in business combinations $**	**Balance at the end of the year $**
Employee benefits	46,441	1,154,573	-	1,201,014
Construction contracts	-	(2,553,571)	-	(2,553,571)
Other payables and accruals	169,560	588,514	-	758,074
Total	216,001	(810,484)	-	(594,483)

Note 18. Equity - Issued capital

	Consolidated		Consolidated	
	2014	**2013**	**2014**	**2013**
	No. of Shares	**No. of Shares**	**$**	**$**
Ordinary shares - fully paid	87,647,595	77,829,092	22,327,295	7,215,712

Movements in ordinary share capital

Details	**Date**	**No of shares**	**$**
1 July 2013		77,829,092	7,215,712
Shares issued under dividend reinvestment plan	18 Oct 2013	167,075	221,005
Shares issued under dividend reinvestment plan	4 April 2014	51,428	78,786
Shares issued for business acquisition (net of transaction costs)	25 Feb 2014	9,600,000	14,811,792
30 June 2014		87,647,595	22,327,295

Share capital have no par value.

Shareholder rights

Participation in dividends for all shares is in proportion to the amount paid up in respect of those shares. In the event of winding up, shares have the right to participate in the proceeds from the sale of surplus assets in proportion to the number of and amount paid up on the shares held. At a meeting, each shareholder present has one vote on a show of hands, and if a poll is called each shareholder present votes in proportion to the number of and amount paid up on their shares.

Dividend reinvestment plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash.

Restriction on ordinary shares

9,600,000 ordinary shares were issued during FY14 as a result of the acquisition of Rob Carr Pty Ltd (refer note 30). The ordinary shares are proportionately subject to escrow over three periods from acquisition until 30 June 2016.

Note 19. Share Based Payments

Options over ordinary shares of Seymour Whyte Limited granted to employees of the group are as follows:

Employee Share Option Plan Type	**Options granted in prior years**	**Options forfeited in prior years**	**Options at the start of the year**	**Options granted in the current year**	**Options forfeited in current year**	**Options at the end of the year**
FY14 Issued						
Long Term Incentive Plan						
FY13 LTIP (D. McAdam) [1]				300,000	(130,668)	169,332
FY14 LTIP (D. McAdam) [1]	-	-	-	292,857	(8,519)	284,338
FY14 LTIP (Tranche 1)	-	-	-	2,081,290	(478,835)	1,602,455
FY14 LTIP (Tranche 2) [2]	-	-	-	164,148	(4,775)	159,373
Retention Incentive Plan						
FY13 Retention (D. McAdam) [1]	-	-	-	200,000	-	200,000
FY14 Retention				522,536	(19,980)	502,556
FY14 Retention (RCPL Tranche 1) [3]	-	-	-	61,385	-	61,385
FY14 Retention (RCPL Tranche 2) [3]	-	-	-	61,385	-	61,385
Total FY14 Issued	**-**	**-**	**-**	**3,683,601**	**(642,777)**	**3,040,824**
FY13 Issued						
FY13 Long term Incentive	1,774,260	(784,717)	989,543	-	(231,382)	758,161
FY13 Retention Incentive	572,500	(40,000)	532,500	-	(175,000)	357,500
Total FY13 Issued	**2,346,760**	**(824,717)**	**1,522,043**	**-**	**(406,382)**	**1,115,661**
Total All Options	**2,346,760**	**(824,717)**	**1,522,043**	**3,683,601**	**(1,049,159)**	**4,156,485**

1. ZEPOs granted to the Managing Director for FY13 LTIP, FY14 LTIP and FY13 Retention were issued under separate tranches following receipt of shareholder approval on 27th November 2013.
2. A tranche of FY14 LTIP's was also granted to new starters on 7 May 2014.
3. FY14 Retention ZEPOs granted to executives of Rob Carr Pty Ltd (excluding the executive director) were issued across two tranches to provide for two separate vesting dates.

Note 19. Share Based Payments (continued)

There were no options at year end that were exercisable.

Options granted to employees do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date. The principal terms of the options are:

- An entitlement to one fully paid ordinary share for each option that vests
- All options have a zero exercise price and
- Options that do not vest will lapse.

Options issued to employees are classed as either retention incentive options or long-term incentive options. Vesting of retention options are subject to the achievement of a service condition that the employee remains with the Seymour Whyte Group for a specific period of time.

Vesting of the long-term incentive options is subject to performance hurdles and the achievement of a service condition. The performance hurdles are the achievement of

- Total Shareholder Return (TSR) ranking criteria relative to the TSR of constituents of the S&P/ASX200
- Net Profit after Tax relative to a target set by the Board; and
- Annual Earnings per Share relative to a target set by the Board.

The performance hurdles are assessed at the end of the first year of the three year performance period. Participants must remain continuously employed with the Group for three years to remain eligible for ZEPO's to vest.

The weighted average remaining contractual life of options outstanding at the end of the financial year is 2.4 years (2013: 2.9 years).

Fair value of options granted

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

For the options granted during the year, the model inputs used to determine the fair value at the grant date, are as follows:

Employee Share Option Plan	Grant date	Expiry date	Share price at grant date	Expected price volatility	Expected dividend yield	Risk-free interest rate	Fair value at grant date
Long Term Incentive Plan (LTIP)							
FY13 LTIP (D. McAdam)	27 Nov 2013	1 Mar 2016	$1.20	71.60%	5.9%	2.98%	$0.970
FY14 LTIP (D. McAdam)	27 Nov 2013	1 Mar 2017	$1.20	72.55%	5.9%	2.98%	$0.914
FY14 LTIP (Tranche 1)	8 Oct 2013	1 Mar 2017	$1.35	79.44%	5.9%	2.95%	$1.050
FY14 LTIP (Tranche 2)	7 May 2014	1 Mar 2017	$1.75	99.94%	5.9%	2.65%	$1.525
Retention Incentive Plan							
FY13 Retention (D. McAdam)	27 Nov 2013	15 July 2016	$1.20	n/a	5.9%	n/a	$1.058
FY14 Retention	14 Feb 2014	1 Sept 2017	$1.42	n/a	5.9%	n/a	$1.187
FY14 Retention (RCPL Tranche 1)	12 May 2014	1 Mar 2016	$1.88	n/a	5.9%	n/a	$1.740
FY14 Retention (RCPL Tranche 2)	12 May 2014	1 Mar 2017	$1.88	n/a	5.9%	n/a	$1.641

The expected price volatility is based on historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility.

Note 20. Equity - Dividends

	Consolidated 2014 $	2013 $
Final dividend for the year ended 30 June 2013 of 6.25 cents per ordinary share fully franked at the tax rate of 30% (2012: 2.00 cents)	4,864,318	1,556,582
Interim dividend for the year ended 30 June 2014 of 2.50 cents per ordinary share fully franked at the tax rate of 30% (2013: 1.75 cents)	1,949,904	1,362,009
	6,814,222	2,918,591

Dividend reinvestment plan

Of the $6,814,222 dividends paid during the year (2013: $2,918,591), shares amounting to $299,791 (2013: $Nil) were issued as dividends under the Dividend Reinvestment Plan.

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Note 20. Equity – Dividends (continued)

Dividends not recognised at the end of the year

In addition to the above dividends, since year end the Directors have declared a final dividend for the year ended 30 June 2014 of 5.00 cents per ordinary share to be paid on 17 October 2014. The total aggregate amount of proposed dividends expected to be paid but not recognised as a liability at year end is $4,382,380.

Franking credits

	Consolidated 2014 $	2013 $
The balance of franking account at reporting date, adjusted for franking credits which arise from the payment of income tax provided for in the financial statements is:	16,881,294	14,634,955

The impact of the final dividend, determined after reporting date, on the dividend franking account will be a reduction of $1,878,163 (2013: $2,084,208).

Note 21. Earnings Per Share

	Consolidated 2014 $	2013 $
Profit after income tax	10,687,728	9,265,834

The weighted average number of ordinary shares and options used in the calculation of earnings per share calculations are as follows:

	2014 No:	2013 No:
Issued ordinary shares at 1 July 2014	77,829,092	77,829,092
Effect of shares issued through dividend reinvestment plan	155,723	-
Effect of shares issued related to acquisition of subsidiary	3,261,670	-
Weighted average number of ordinary shares used as the denominator in calculating earnings per share	81,246,485	77,829,092
Adjustments for calculation of diluted earnings per share:		
Weighted average number of options over ordinary shares	3,313,523	2,303,461
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	84,560,008	80,132,553

	Consolidated 2014 Cents	2013 Cents
Basic earnings per share		
Earnings from continuing operations	13.15	11.87
Earnings from discontinuing operations	-	0.04
Total	13.15	11.91
Diluted earnings per share		
Earnings from continuing operations	12.64	11.52
Earnings from discontinuing operations	-	0.04
Total	12.64	11.56

Note 22: Capital Risk Management

The group's capital includes ordinary shares and financial liabilities, which are supported by financial assets. The group maintains high levels of working capital to ensure sufficient liquidity exists to fund its construction operations, and to meet the financial prequalification targets set by customers. These targets are typically defined in terms of a minimum percentage of working capital to revenue or net assets to revenue which must be achieved in order for the company to be eligible to bid larger construction projects.

The group also maintains low level of debts in order to ensure sufficient capacity exists for bank guarantee and bonding facilities. These facilities provide head contract securities that are required by traditional contracts. The group retains approximately 50% of its net profit after tax to fund further growth and pays out the balance of funds to its shareholders, in order to provide them with a fair return on their investment. There have been no significant changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group's leverage remains between 0% and 50%.

The leverage for the year ended 30 June 2014 and 30 June 2013 are as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Cash and cash equivalents	40,778,497	47,712,292
Less borrowings	(5,195,623)	(1,491,052)
Net cash	35,582,874	46,221,240
Total equity	66,079,480	46,147,672
Total capital	101,662,354	92,368,912
Leverage	(35)%	(50)%

The group had no net debt at year end (2013: $Nil) hence leverage being $Nil. The percentage above indicates the group's net cash component as a percentage of capital was 35% (2013: 50%).

Note 23. Financial Risk Management

Financial risk management policies

The group's activities expose it to a number of risks including:

- market risks (including foreign exchange risk, price risk and interest rate risk)
- credit risk; and
- liquidity risk

The group adopts conservative risk management practices as per approval by the Board of Directors and are aimed at ensuring adequate cash flows and minimising capital risks.

Foreign currency risk

The Group hedges its foreign exchange risk exposure using forward exchange contracts depending on the nature and value of the transaction. Consideration is given to the duration of the delivery period and hence timing of settlement along with the historical and forecast volatility of the currency that is required for settlement. Board approval is obtained prior to any forward exchange contracts being entered into. Derivatives are used exclusively by the group for hedging purposes i.e. not as speculative trading.

As at 30 June 2014, the group executed a forward exchange contract which expires within 6 months of the reporting date. The forward exchange contract hedges the AUD/JPY exchange rate resulting in an amount payable of $971,185.

The group's net exposure to currency risk at reporting date is $Nil as detailed in the table below:

Next 6 months purchases (transaction exposure)	$(971,185)
Forward exchange contract	$971,185
Net exposure	$Nil

The group had no other derivative financial instruments.

Price risk

Commodity price risk represents the possibility that unfavourable commodity price movements may adversely affect the company's financial performance. The likely exposure to commodity price risk is evaluated by observing procurement trends in the market place and by monitoring movements in price indexes produced by the Australian Bureau of Statistics. Price risk is managed by negotiating rise & fall clauses in construction contracts (where possible) and otherwise providing for commodity pricing risk when tendering contracts.

Note 23. Financial Risk Management (continued)

Credit risk

Credit risk represents the possibility that a counter-party to a customer contract may default on payment leading to a financial loss. The maximum exposure to credit risk is the carrying amount of the asset, as disclosed in the financial statements (net of any provision for impairment). Credit risk is managed by ensuring banks and financial institutions holding the group's cash have at least an 'A' grade credit rating, ensuring all major customers are assessed for credit worthiness and monitoring the ageing of receivables. Customers that fall outside the group's strict credit guidelines may face legal action.

Liquidity risk

Liquidity risk represents the possibility that the group might encounter difficulty in paying its debts or other financial obligations as and when they fall due. The likely exposure to liquidity risk is evaluated by making assessments based on inputs such as financial ratios (e.g. current ratio and debt to equity ratio) including monitoring forecast cash flows on a weekly and monthly basis.

Interest rate risk

Interest rate risk represents the possibility that unfavourable interest rate movements may adversely affect the company's financial performance. The company's exposure to interest rate risk is evaluated by comparing cash and borrowing levels to indicative interest rate movements. Interest rate risk on deposits is managed by negotiating optimal deposit rates. Interest rate risk on borrowings is managed by ensuring the company borrows for purchases of self-securing capital items, thereby minimising the overall quantum of borrowings and the cost of funds.

Non-derivate financial instrument composition and maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets								
Cash and cash equivalents	40,778,497	47,712,292	-	-	-	-	40,778,497	47,712,292
Trade and other receivables	54,584,384	35,844,843	-	-	-	-	54,584,384	35,844,843
Total Financial Assets	95,362,881	83,557,135	-	-	-	-	95,362,881	83,557,135
Financial liabilities								
Trade and other payables	59,029,482	42,706,344	-	-	-	-	59,029,482	42,706,344
Borrowings plus interest	2,891,306	759,130	2,707,607	951,511	-	-	5,598,913	1,710,641
Total financial liabilities	61,920,788	43,465,474	2,707,607	951,511	-	-	64,628,395	44,416,985

Net fair values

No financial assets and liabilities are readily traded on organised markets in standardised form. Consequently, the Directors have ensured that the carrying amount of financial assets and liabilities equals their net fair value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to the financial statements. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are shown below:

	2014		2013	
	Carrying Amount	**Net fair value**	**Carrying Amount**	**Net fair value**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	40,778,497	40,778,497	47,712,292	47,712,292
Trade and other receivables	54,584,384	54,584,384	35,844,843	35,844,843
Total financial assets	95,362,881	95,362,881	83,557,135	83,557,135
Financial liabilities				
Trade and other payables	59,029,482	59,029,482	42,706,344	42,706,344
Borrowings	5,195,624	5,195,624	1,491,052	1,491,052
Total financial liabilities	64,225,106	64,255,106	44,197,396	44,197,396

Sensitivity analysis

The group has cash as interest bearing assets, however at reporting date any changes to interest rates would have not have affected the fair value of cash hence no sensitivity analysis have been performed.

Note 24. Contingent Liabilities and Finance Facilities

	Consolidated 2014 $	2013 $

Claims

At the date of signing this report the Directors are not aware of any material contingent claims against the group.

Bank guarantee and insurance bonds

	2014 $	2013 $
Bank guarantee facility secured by a Mortgage Debenture and Corporate Guarantee and Indemnity over all assets of the group. There is also a right to set-off in relation to $1.45m in term deposits.	36,721,500	18,250,000
The total facility used was:	15,011,173	16,257,795
Insurance bond facility secured by Deeds of Indemnity and Guarantee:	30,000,000	30,000,000
The total facility used was:	15,061,994	12,112,094

Bank guarantees and insurance bonds are issued in the normal course of business to guarantee performance under traditional construction contracts and secure lease on premises through the issue of rental guarantees. At reporting date the group was in compliance with all terms and conditions of the facilities.

	Consolidated 2014 $	2013 $

Asset finance facility

Other facilities are used to fund the acquisition of plant and motor vehicles

	2014 $	2013 $
Asset finance facility secured by providing ownership of or mortgages over assets purchased through the facility.	7,000,000	4,000,000
The total facility used was:	5,195,624	1,491,052

Letter of credit

At reporting date, a letter of credit amounting to JPY ¥91,000,000 was issued to a supplier based in Japan which secures the remaining 70% balance of the purchase amount under the construction contract for tunnelling machinery. At reporting date, a forward exchange contract was executed to hedge the full exposure resulting in AUD $971,185 payable upon delivery.

Other finance facilities

The group has a $10,000,000 general corporate finance facility which remains undrawn at year end.

Seymour Whyte Limited
Consolidated Notes to the Financial Statements
30 June 2014

Note 25. Commitments

	Consolidated 2014 $	2013 $

Lease commitments - operating

	2014 $	2013 $
Committed at the reporting date but not recognised as liabilities:		
Within one year	1,863,178	1,013,406
One to five years	5,792,617	4,081,082
Greater than five years	619,096	619,096
	8,274,891	5,713,584

The group leases offices and storage yards under operating lease agreements expiring within three to seven years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated. The group also leases office machines under operating lease agreements expiring within five years.

Lease commitments – finance

	2014 $	2013 $
Committed at the reporting date and recognised as liabilities:		
Within one year	2,891,306	759,130
One to five years	2,707,647	951,511
Greater than five years	-	-
Total commitment	5,598,953	1,710,641
Less: future finance charges	(403,330)	(219,589)
Net commitment recognised as liabilities	5,195,623	1,491,052
Representing:		
Lease liability - current (note 15)	2,392,577	627,169
Lease liability - non-current (note 15)	2,803,046	863,883
	5,195,623	1,491,052

The chattel mortgages and hire purchase agreements on plant and motor vehicles have durations between 3 to 5 years.

Purchase commitments

Significant capital expenditure committed for at the end of the reporting date but not recognised as liabilities are as follows:

	Consolidated 2014 $	2013 $
Capital		
Heavy plant & equipment	971,185	-
Motor vehicles	253,050	-
Total	1,224,235	-
Non-capital		
Construction materials	276,936	-

Note 26. Remuneration of Auditors

The following fees were paid or payable for services provided by group auditors, Grant Thornton Audit Pty Ltd.

		Consolidated
	2014	2013
	$	$
Audit services		
Audit and review of the financial statements	119,000	90,500
Other services		
Systems review and advisory services	-	26,025

Note 27. Related Party Transactions

Key management personnel compensation

The aggregate compensation paid to Directors and other Key Management Personnel of the group is set out below:

		Consolidated
	2014	2013
	$	$
Short-term employee benefits	3,090,618	2,826,460
Post-employment benefits	113,246	151,470
Long-term benefits	(16,168)	(68,787)
Termination benefits	150,000	207,585
Share-based payments	367,789	22,419
	3,705,485	3,139,147

Detailed remuneration disclosures are provided in the remuneration report on pages 38 to 50.

		Consolidated
	2014	2013
	$	$
Transactions with related parties		
Transactions with related parties are on normal commercial terms and conditions which are no more favourable than those available to other parties on an arm's length basis unless otherwise stated.		
Rental payments (GST exclusive) to a Director (Robert Carr) related entity for premises used by Rob Carr Pty Ltd for offices and plant storage.	251,334	-
Media publicity fees paid (GST exclusive) to a related entity of a Director (John Ready). From December 2013, the engagement of the related entity for media publicity services was changed to an independent provider.	20,500	40,353
Payments (GST exclusive) to an entity related to a Director (David McAdam) in relation to IT consulting services and purchase of specialised software. The consulting services agreement came to end as at 31 December 2013.	353,935	136,561
Balances with related parties		
As part of an employee incentivisation program previously disclosed to the market, the group offered loans to shareholders of partly paid shares (PPS) to facilitate the payment of all outstanding amounts on their PPS. Further details in respect of this transaction are disclosed at note 10. The loan amount at balance date was:	780,349	1,048,001

Seymour Whyte Limited
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30 June 2014

Note 28. Parent Entity Disclosures

The individual financial statements for the parent entity, Seymour Whyte Limited show the following aggregate amounts:

		Parent entity
	2014	2013
	$	$
Profit after income tax	6,275,750	2,825,160
Current assets	1,675,379	1,877,667
Non current assets	49,782,711	6,847,646
Total assets	51,458,090	8,725,313
Current liabilities	5,770,265	1,057,320
Non current liabilities	22,500,000	-
Total liabilities	28,270,265	1,057,320
Net assets	23,187,825	7,667,993
Issued capital	22,327,295	7,215,712
Share options reserve	1,015,050	68,331
Retained earnings	(154,520)	383,950
Total equity	23,187,825	7,667,993

Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2014.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2014.

Note 29. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

	Country of Incorporation	Equity Interest	
		2014	2013
		%	%
Seymour Whyte Constructions Pty Ltd	Australia	100	100
Rob Carr Pty Ltd	Australia	100	-

Note 30. Business Combination

On 25 February 2014, Seymour Whyte Limited acquired 100% of the issued share capital of Rob Carr Pty Ltd, a civil construction and micro- tunnelling company, for a total consideration of $27,500,000 in cash and the issue of 9,600,000 ordinary shares in Seymour Whyte Limited. The cash consideration was comprised of $22,500,000 paid on completion with a further $5,000,000 to be paid as a deferred cash payment in September 2014.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

a) Purchase consideration

	$
Cash paid	22,500,000
Issue of shares (9,600,000 ordinary shares)	14,832,000
Deferred cash consideration	5,000,000
Total purchase consideration	42,332,000

The fair value of the ordinary shares issued is recognised at $1.545 per share, based on the listed share price of Seymour Whyte Limited at the date of acquisition of $1.57 per share adjusted for the 2.5 cents per share for the interim dividend that the issued shares were not eligible for.

b) Net cash outflow on acquisition

	$
Cash consideration	22,500,000
Less: cash acquired	(15,554,591)
Outflow of cash – investing activities	6,945,409

c) Acquisition related costs

Acquisition related costs of $722,251 are included in other expenses in the statement of comprehensive income and in operating cash flows in the statement of cash flows.

d) Identifiable assets acquired and liabilities assumed

The fair values of the assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Assets	
Cash and cash equivalents	15,554,591
Trade and other receivables	5,750,488
Property, plant and equipment	21,116,732
Deferred tax assets	441,285
	42,863,096
Liabilities	
Trade and other payables	(4,450,788)
Borrowings	(4,568,985)
Provision for employee benefits	(503,831)
Current tax liability	(882,494)
	(10,406,098)
Total identifiable net assets at fair value acquired	32,456,998

The above fair values (excluding cash) have been determined on provisional asset and liability values. Adjustments to these provisional values is expected to be finalised by 31 December 2014. AASB 3 *Business Combinations* allows acquirers to finalise adjustments up to 12 months from the acquisition date.

No balance from trade and other receivables are expected to be uncollectable.

e) Goodwill arising on acquisition

Purchase consideration	42,332,000
Less: fair value net identifiable assets	(32,456,998)
Goodwill	9,875,002

The goodwill is attributable to the contestable market which Rob Carr Pty Ltd operates in and the growth opportunities it presents to the Group along with the intellectual capital and technology associated with operating in the micro-tunnelling and pipeline infrastructure markets.

Seymour Whyte Limited
Consolidated Notes to the Financial Statements
30 June 2014

Note 30. Business Combination (continued)

f) Significant estimate: deferred cash consideration

In the event that certain financial performance levels are achieved by Rob Carr Pty Ltd for the year ended 30 June 2014, additional consideration of $5,000,000 will be payable in 2015 financial year.

As at 30 June 2014, Rob Carr Pty Ltd has met the financial performance levels set by Seymour Whyte Limited. No amounts therefore have been derecognised.

g) Revenue and profit contribution

Rob Carr Pty Ltd contributed revenues of $17,972,880 and net profit of $2,134,191 to the group for the period 26 February 2014 to 30 June 2014. If the acquisition had occurred on 1 July 2013, management estimates the consolidated revenue and net profit for the year ended 30 June 2014 would have been $350,545,371 and $15,074,171 respectively. These amounts have been calculated using the company's results and adjusting them for:

- Differences in the accounting policies between the group and the subsidiary; and
- The additional depreciation that would have been charged assuming the fair value adjustments to fixed assets had applied from 1 July 2013, together with the consequential tax effect.

Note 31: Interests in Joint Arrangements

Interests in joint operations

Seymour Whyte Constructions Pty Ltd, a subsidiary, has the following investments in joint operations:

	Principal Activities	Equity Interest 2014 %	Equity Interest 2013 %
Abigroup Seymour Whyte Joint Venture	Civil Construction	50	50
D2G Joint Venture	Civil Construction	14	14
BMD Seymour Whyte Joint Venture	Civil Construction	50	50
Seymour Whyte Smithbridge Joint Venture	Civil Construction	50	50
Bouygues Seymour Whyte Joint Venture	Civil Construction	50	50
Banora Point Upgrade Alliance	Civil Construction	30	30
SWBJV Joint Venture	Civil Construction	50	-
GC Connect Joint Venture	Civil Construction	75	-

Seymour Whyte Limited
Consolidated Notes to the Financial Statements
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Note 32. Reconciliation of Profit after Income Tax to Net Cash from Operating Activities

	Consolidated 2014 $	2013 $
Profit after income tax expense for the year	10,687,728	9,265,834
Adjustments for:		
Depreciation and amortisation	2,561,467	1,384,982
Net loss on disposal of plant and equipment	257,552	108,834
Net book value of plant and equipment expensed to projects	595,472	-
Share of profit from equity accounted investments	(91,661)	(50,177)
Share based payments expense	946,719	68,331
Change in operating assets and liabilities, net of effect from acquisition of subsidiary		
(Increase) / decrease in trade and other receivables	(12,989,054)	11,007,746
Increase in other assets	(420,039)	(122,335)
Increase in current tax assets	(1,039,014)	-
Decrease in deferred tax assets	1,972,992	874,470
Increase in trade and other payables	6,772,350	3,086,550
Decrease in current tax liabilities	(1,687,458)	(1,508,392)
Decrease increase in provisions	(780,345)	(273,851)
Increase / (decrease) in deferred tax liabilities	2,787,551	(95,664)
Cash flow from operations	9,574,260	23,746,328

Note 33. Events after the Reporting Period

At the date of signing this report the Directors are not aware of any other matter, which in the opinion of the Directors, 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 future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Seymour Whyte Limited:

a) The consolidated financial statements and notes, as set out on pages 54-84, and the additional disclosures included in the Directors Report designated as audited are in accordance with the Corporations Act 2001, including:

   i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   ii) Complying with International Financial Reporting Standards as disclosed in note 1; and

   iii) Giving a true and fair view of the group's financial position as at 30 June 2014 and of the performance for the year ended on that date.

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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from by the Chief Executive Officer and Chief Financial Officer for the year financial ended 30 June 2014.

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

David McAdam
Managing Director and Chief Executive Officer

Mac Drysdale
Chairman

27 August 2014
Brisbane

Grant Thornton

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Seymour Whyte Limited

Report on the financial report

We have audited the accompanying financial report of Seymour Whyte Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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.

Auditor's opinion

In our opinion:

a the financial report of Seymour Whyte Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the Company's financial position as at 30 June 2014 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 the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 38 to 50 of the directors' report for the year ended 30 June 2014. 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.

GrantThornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Seymour Whyte Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 27 August 2014

Seymour Whyte Limited
Shareholder Information
30 June 2014

The shareholder information set out below was applicable as at 18 August 2014.

Distribution of ordinary shareholders

Analysis of number of equitable security holders by size of holding:

Holding Range	Number of holders	Number of shares
1 to 1,000	290	161,162
1,001 to 5,000	692	2,248,539
5,001 to 10,000	457	3,668,226
10,001 to 100,000	511	13,007,158
100,001 and over	36	68,562,510
Total		87,647,595

There were 49 shareholders who held less than a marketable parcel of $500 worth of shares.

Largest ordinary shareholders

The names of the twenty largest security holders of quoted equity securities are listed below:

Name	Number held	Percentage Held
Racelid Pty Ltd	19,855,196	22.65%
Rabtuvi Pty Ltd	17,090,279	19.50%
National Nominees Limited	7,083,088	8.08%
Ms Catherine Carr	4,800,000	5.48%
Mr Robert Carr	4,800,000	5.48%
HSBC Custody Nominees Australia Limited	3,421,927	3.90%
RBC Investor Services Australia Nominees Pty Ltd	1,799,967	2.05%
Moreton Bay Dreaming Pty Ltd	1,250,712	1.43%
Asia Union Investments Pty Ltd	1,111,843	1.27%
Bennyco Pty Ltd	871,948	0.99%
Citicorp Nominees Pty Ltd	681,721	0.78%
Kyriacou Equities Pty Ltd	638,732	0.73%
Chandler Constructions Pty Ltd	502,827	0.57%
J P Morgan Nominees Australia Limited	431,967	0.49%
Washington H Soul Pattinson & Company Limited	415,000	0.47%
Pineview Enterprises	400,000	0.46%
Otchi Investments Pty Ltd	252,955	0.29%
BNP Paribas Nominees Pty Ltd	202,519	0.23%
D G Chilcott Constructions Pty Ltd	200,000	0.23%
Hangie Pty Ltd	200,000	0.23%

Unquoted equity securities

Name	Number on issue
Options over ordinary shares issued	4,156,485

Substantial shareholders

Substantial shareholders are those shareholders who hold more than 5% of total ordinary shares of Seymour Whyte Limited. These shareholders are included in the largest shareholder ordinary shareholder list above.

Voting rights

Each shareholder present at a meeting has one vote on a show of hands, and if a poll is called each shareholder present votes in proportion to the number of and amount paid up on their shares.

Voluntary escrowed shares

9,600,000 ordinary shares were issued during FY14 as a result of the acquisition of Rob Carr Pty Ltd (refer note 30). The ordinary shares are proportionately subject to escrow over three periods from acquisition until 30 June 2016.

Seymour Whyte Limited
Corporate Directory
30 June 2014

Directors	Mac Drysdale Don Mackay John Seymour John Ready Susan Johnston Christopher Greig David McAdam Robert Carr
Company secretary	Lisa Dalton
Registered office and principal place of business	Brisbane Technology Park 12 Electronics Street Eight Mile Plains Qld 4113 Phone: (07) 3340 4800 Fax: (07) 3340 4811
Share register	Computershare Investor Services Pty Ltd 117 Victoria Street West End Qld 401 Phone: 1300 55 22 70 www.investorcentre.com/contact
Auditor	Grant Thornton Audit Pty Ltd Kings George Central Level 18, 145 Ann Street Brisbane Qld 4000 www.grantthornton.com.au
Solicitors	McCullough Robertson Level 11, Central Plaza Two 66 Eagle Street Brisbane Qld 4000 www.mccullough.com.au
Bankers	Australia and New Zealand Banking Group Limited (ANZ) www.anz.com
Stock exchange listing	Seymour Whyte Limited shares are listed on the Australian Securities Exchange (ASX code: SWL)
Website	www.seymourwhyte.com.au

BRISBANE

Brisbane Technology Park
12 Electronics Street, Eight Mile Plains QLD 4113

PO Box 4436, Eight Mile Plains QLD 4113

P +61 (0) 7 3340 4800
F +61 (0) 7 3340 4811

TOWNSVILLE

Unit 5, 7 Barlow Street
South Townsville QLD 4810

PO Box 5964, Townsville QLD 4810

P +61 (0) 7 4721 2610
F +61 (0) 7 4721 0897

SYDNEY

Level 8, 182-186 Blues Point Road
McMahons Point NSW 2060

Locked Bag 7513, McMahons Point NSW 2060

P +61 (0) 2 8908 7400
F +61 (0) 2 8908 7499

PERTH

5 Bellows Street
Welshpool WA 6986

PO Box 396, Welshpool WA 6986

P +61 (0) 8 9358 2422
F +61 (0) 8 9358 2522