THO Services Limited

(Formerly known as Thomas & Coffey Limited)

ABN 60 000 263 678

Annual Report - 30 June 2014

THO Services Limited
(Formerly known as Thomas & Coffey Limited)
Chairman's letter
30 June 2014

Dear Shareholder

The last financial year has been tumultuous and one of dramatic change to your company. Trading conditions have been very tough and although our Maintenance Services businesses were showing signs of improvement in late 2013, we were held back by some overhanging construction projects which needed to be finalised and defects cleaned up.

We were also crippled with an overhead base which was too large, although it had been dramatically reduced. It was clear we could not continue as a free standing business without a significant capital injection.

As a result, the company entered into an agreement on 11 November 2013 to sell the majority of its business operations for $33.5m.

This involved:
- The transfer of the majority of the operating assets and liabilities of Thomas & Coffey to a wholly-owned subsidiary of Thomas & Coffey, T&C Services Pty Limited ("T&C Services"), and subsequent sale of all of the issued capital of T&C Services to ATIVO Pty Limited, and;
- The change of the name of Thomas & Coffey to THO Services Limited with effect from completion of that sale.

The sale to The Skilled Group was successfully concluded on 11 February 2014, with the large majority of our workforce transferring their employment at that date. Since settlement, we have disposed of our last remaining workshop and maintenance business in Brisbane to private investors.

Also, the major construction team has successfully completed the final two key projects in Queensland that were ongoing at the time of our half yearly announcement and our thanks to them for their commitment to completion.

Due to the dramatically reduced scope of operations following the sale, a comparison with previous periods is not meaningful.

On 22 August 2014, THO Services Limited (ASX:THO) (formerly known as Thomas & Coffey Limited), announced net profit after tax of $3.24m for the 12 months ended 30 June 2014 (in 2013, we realised a $17.3m loss). No dividend has been declared at this time.

At settlement, significant funds were received to enable the company to repay its banking and other creditor obligations. However, we were also required to lodge $5.5m on deposit with our bankers to cover outstanding bank guarantees.

Our cash position has improved markedly since that time. In stating this, cash remains under careful management as we continue to recover outstanding Queensland debtors, release bank securities and make funds available as guarantees are released, and resolve outstanding warranty issues on completed projects dating back several years.

We are also making progress in seeking to sub-let surplus premises in Queensland and New South Wales. One major property has been successfully sub-let in Queensland, but with demand being low in the Hunter Valley and Central Queensland, sub leasing of the remaining industrial workshops is very challenging in this environment.

As noted, since settlement, significant progress has been made in collecting outstanding monies and the list of outstanding bank guarantees and warranty claims has reduced significantly. Unfortunately, by the nature of these issues, they are very time consuming, particularly as we have limited people available to resolve these matters as virtually all our staff were transferred to The Skilled Group.

In addition, we are seeking to resolve an outstanding litigation matter relating to a past completed project involving a Queensland sub-contractor, where the directors believe that their claims are without basis. Further, there are a few small warranty claims relating to past completed projects which we expect to resolve satisfactorily. As always, there is a risk that these matters may become litigious.

The Directors believe that the financial risk on all issues have been fully provided for and hope to improve the final outcome from the current provision.

THO Services Limited
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Chairman's letter
30 June 2014

We have been very fortunate that the purchasers of our key businesses, The Skilled Group Limited, have kindly allowed their staff (our previous employees) to provide support in the collection and clean-up process. This has been greatly appreciated.

It continues to be our prime focus to resolve all outstanding liabilities of the company, recover outstanding debtors, resolve litigation issues, and have cash released as guarantees are surrendered as soon as practicable.

Our balance sheet is much cleaner at this time and we are investigating all avenues to improve the return for our shareholders. At the time of sale we gave an indication of the possible range of return that shareholders may expect of 1-4 cents per share.

As time has progressed, our initial estimated financial model has been adjusted; with some estimates changing as more information became available. We have made good progress and had several wins in reaching resolution on many of the outstanding issues. At this time, we believe the return to shareholders will most likely be in the range of 1-3c. Because of continuing uncertainties as to the outcome of remaining disputes and litigation, this figure may change in the future.

While the final outcome is not as we forecast, to achieve a positive return to shareholders, save the jobs of almost the entire workforce, and pay all creditors, has been due to a huge effort by some key people including current Skilled employees who have continued to help us, and our remaining employee and Consultants. I would like to thank and acknowledge all these key people who have been instrumental in making this transition a smooth one, and who continue to look after the Shareholders' interests.

In particular, I would like to acknowledge the great effort and commitment by our Advisor and former Director Paul Young, and our former CFO Chris Scholtz, who worked tirelessly and provided great input to complete the sale. Without their support it is unlikely I would be writing this report.

Jonathan West resigned from the Board as at 22 April this year, and I would like to thank him for his valuable contribution through a tough period.

I have also received great support from my fellow Directors, Tim Regan and Terry O'Reilly, and they continue to provide strong support. I appreciate and thank them for their wisdom, counsel and tireless contribution over the period.

Yours sincerely

Robert Critchley
Chairman

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of THO Services Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Directors

The following persons were directors of THO Services Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Robert K Critchley - Chairman
Timothy J Regan
Terrence M O'Reilly
Rex H Comb (resigned on 19 November 2013)
Jonathan West (resigned on 22 April 2014)

Principal activities

During the financial year the principal activities of the consolidated entity consisted of:

- Services for upgrade, repair and maintenance for major industrial and mining companies
- Electrical and building services for facility maintenance industries
- Project contracting, design and construct and project management

The above activities have now ceased as the operating assets and liabilities of the consolidated entity have been sold.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to $3,239,798 (30 June 2013: loss of $17,289,097).

Due to the reduced scope of operations following the sale of the majority of business assets, a direct comparison of financial results with the previous year is not meaningful.

Overall trading conditions remained difficult throughout the year and although the Maintenance Services businesses were showing signs of improvement by the end of 2013, the Construction Projects business showed deteriorating results and despite organisational restructuring and overhead expense reductions, satisfactory work volumes and sales margins were difficult to maintain. A significant capital injection was required for the business to continue.

The company entered into an agreement on 11 November 2013 to sell the majority of its business operations for $33.5million. The sale of the business to the Skilled Group was successfully concluded on 11 February 2014, with the large majority of employees transferred at that date.

Due to the sale transaction, the Company was able to repay its banking and other creditor obligations. As part of the sale agreement the company was required to maintain a facility agreement in the amount of $5.5m on deposit with its financial institution providers to cover outstanding bank guarantees.

The Company's cash position has improved since that time and remains under careful management as recovery of outstanding Queensland debtors continues, bank securities are released and funds are, in turn, made available. Management is in the process of resolving outstanding warranty issues on completed projects dating back several years.

Progress has been made to assign surplus leased premises in Queensland and New South Wales. One major property lease has been successfully assigned in Queensland, but with demand being low in the Hunter Valley and Central Queensland, sub leasing of the remaining industrial workshops is very challenging in this environment.

Since settlement, significant progress has been made in collecting outstanding monies and the list of outstanding bank guarantees and warranty claims has reduced significantly.

The management are working to resolve an outstanding litigation matter relating to a past completed project involving a Queensland sub-contractor, where the directors believe that their claims are without basis. Further, there are a few small warranty claims relating to past completed projects which the Directors expect to resolve satisfactorily. As always, there is a risk that these matters may become litigious.The Directors believe that the financial risk on all issues have been fully provided for and hope to improve the final outcome from the current provision.

The purchasers of the business, The Skilled Group Limited, have made available their staff (our previous employees) to provide support in the collection and clean-up process.

It continues to be the Directors' prime focus to resolve all outstanding liabilities of the company, recover outstanding debtors, resolve litigation issues, and have cash released as guarantees are surrendered as soon as practicable.

The components of the company's Balance Sheet have been simplified at this time and the Directors aim to investigate all avenues to improve the return to shareholders.

Significant changes in the state of affairs

During the financial year, shareholders approved the transfer of the majority of the operating assets and liabilities of the consolidated entity to a wholly-owned subsidiary T&C Services Pty Limited and the subsequent sale of all the issued capital of T&C Services Pty Limited to ATIVO Pty Limited, a wholly owned subsidiary of Skilled Group (ASX code 'SKE').

The sale of business to the Skilled Group was successfully concluded on 11 February 2014 for $33.5million, with the large majority of employees transferred at that date.

On 26 March, 2014, the company sold the remaining workshop and maintenance business in Brisbane to private investors. With that occurred the successful assignment of surplus leased premises pertaining to that business.

The major construction team successfully completed the final two key projects in Queensland in June, 2014. These projects commenced prior to the 31 December half yearly announcement. Currently, there are no continuing activities resembling the scope of those applicable up to the date of sale of business.

Accordingly, the consolidated results and financial position represent the consolidated entity as a discontinued operation, as defined by AASB 5 'Non-current assets held for sale and discontinued operations.'

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation

The consolidated entity is subject to environmental regulation in respect of its projects.

Contained within most contracts is the requirement to abide by any necessary Environment Protection Authority regulation and any other relevant law within Local, State and Federal jurisdictions.

The consolidated entity has determined the risk of non-compliance and has not identified any significant compliance breaches.

Information on directors

Name:	Robert K Critchley
Title:	Non-Executive Chairman
Qualifications:	B Ec, CPA, F Fin
Experience and expertise:	Bob is a strategic workforce consultant. Previously he was international president for DBM Inc., the world's leading outplacement and career management company, responsible for its global operations outside North America. Prior to that, he established his own strategic planning company. He has had over 25 years' experience in the banking and finance industry - in Australia and overseas. Bob has an economics degree from the University of Adelaide and is a Certified Practising Accountant.
Other current directorships:	None
Former directorships (last 3 years):	Non-executive Director of Becton Property Group Limited from June 2005 to November 2011
Special responsibilities:	Chairman of the Board and member of the Human Resources Committee
Interests in shares:	4,804,924 ordinary shares
Interests in options:	None

Name:	Timothy J Regan
Title:	Non-Executive Director
Qualifications:	B Ec, FCA, FAPI, MAICD
Experience and expertise:	Timothy has extensive experience in the construction, property and services industries, including as a former chief operating officer of Mirvac Group and chief executive officer of TJS Services. Timothy is currently the chief executive officer and chief financial officer of the George Institute of Global Health and is also the president of Financial Executives Institute in Australia. He holds a bachelor of economics from the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Australian Property Institute.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit Committee and Member of the Human Resources Committee
Interests in shares:	292,779 ordinary shares
Interests in options:	None

Name:	Terrence (Terry) M O'Reilly
Title:	Non-Executive Director
Qualifications:	B Comm, MBA, Masters of Applied Finance, CPA, FAICD, AIM
Experience and expertise:	Terry has extensive board, chief executive and senior executive experience in the resources (particularly coal), energy and manufacturing sectors in Australia and internationally. Terry has also served as chairman of the Australian Coal Association, Dalrymple Bay Coal Terminal, Queensland Coal Operators and NSW Minerals Council.
Other current directorships:	Non-executive director of Bandanna Energy Limited (ASX: BND)
Former directorships (last 3 years):	Non-executive director of Macarthur Coal Limited from October 2008 to October 2011
Special responsibilities:	Member of the Audit Committee
Interests in shares:	1,195,000 ordinary shares
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Timothy J Regan was appointed company secretary effective 17 April 2014. Timothy is also a non-executive director of the company. Timothy's qualification and experience is provided under 'information on directors'. The previous company secretary was Chris Scholtz, who was appointed on 1 August 2013 and resigned on 17 April 2014.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Full Board		Audit Committee		Human Resources Committee	
	Attended	Held	Attended	Held	Attended	Held
Robert K Critchley	17	18	3	3	1	1
Timothy J Regan	18	18	3	3	1	1
Terry M O'Reilly	18	18	3	3	-	-
Rex H Comb	6	6	1	1	-	-
Jonathan West	13	13	3	3	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the key management personnel ('KMP') remuneration arrangements for the consolidated entity in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration
The Human Resources ('HR') Committee meets as required and addresses matters in accordance with its charter. In general, the full Board is required to approve matters relating to the managing director and matters regarding the consolidated entity's HR strategy.

Remuneration is reviewed periodically by the consolidated entity. Advice from external remuneration consultants may be obtained. See 'Use of remuneration consultants' below.

Non-executive directors remuneration
The consolidated entity aims to remunerate directors at a level consistent with similarly sized listed companies, taking into account the time commitment of the role and consolidated entity's performance.

Non-executive director's remuneration consists of a base fee which incorporates the cost of any required, or otherwise made, level of superannuation contribution necessary to meet the requirements of the Superannuation Guarantee (Administration) Act. No separate director retirement allowance is payable.

There is no variable component to director's remuneration which is directly linked to the consolidated entity's financial performance. Further, no additional remuneration is paid for director's participation on either the audit or human resources sub-committees.

Non-executive directors do not receive share options or performance rights but they are eligible to participate in the consolidated entity's Deferred Employee Share Plan ('DESP').

The fees paid to directors were reviewed effective 1 September 2008 at $160,000 per annum for the chairman and $80,000 per annum for each non-executive director. On 12 November 2008, shareholders approved an aggregate fee pool for non-executive directors of $750,000 per annum.

Effective 1 July 2013, the Board reduced non-executive fees to a rate of $80,000 per annum for the chairman and $40,000 per annum for each non-executive director.

Effective 1 July, 2014, the Board increased non-executive fees to a rate of $60,000 for each non-executive director. The chairman's fee did not change.

Executive remuneration
For executives, including the managing director, the consolidated entity seeks to deliver remuneration comprising fixed and variable components for target performance, around the median of the markets in which the consolidated entity operates. The consolidated entity seeks to leverage remuneration to around the third quartile of the markets in which it operates on achievement of above plan performance through the use of various incentive plans and equity based rewards. Executive remuneration is reviewed annually and on promotion.

Fixed remuneration, based on employment cost principles, may comprise cash, superannuation contributions, motor vehicle provision and incidental benefits, including shares in the company in accordance with the terms of the Employee Share plans, at the consolidated entity executive's discretion. There are no future guaranteed fixed pay increases contained in any executives' employment contract.

Superannuation benefits must equal or exceed the minimum level required by the Superannuation Guarantee (Administration) Act. There are no additional retirement benefits provided to executives beyond the level of superannuation contributions made by the consolidated entity to the employee's nominated fund.

The variable elements of remuneration are delivered by way of both short and long-term incentive plans.

Short Term Incentive ('STI') plans focus on the achievement of annual financial and other strategic objectives, related to the executive's scope of responsibility. The specific design of STI plans is reviewed by the Human Resources Committee annually. Financial measures include profitability, both of the consolidated entity and, where applicable, the specific operation for which the executive has accountability. Incentives are paid after the results of the financial year are finalised. STI plan payments are contingent on the consolidated entity as a whole achieving a profit before tax result greater than 75% of plan. At an individual employee level, STI plan payments commence once the performance of the relevant organisation unit reaches 85% of plan. Some discretion is retained by the Board to recognise the achievement of important strategic objectives by executives that do not necessarily impact on immediate financial results.

Long Term Incentive ('LTI') plans utilise equity related programs such as the Employee Share Option Plan and/or the Deferred Employee Share Plan ('DESP'). Under these plans, participants may receive issues of shares or be eligible to exercise a prior grant of options.

The LTI plan is designed to link the receipt of long term incentive benefits directly to improvements in shareholders' position. Further, assuming the service and performance conditions are met, the plan is designed to increase the likelihood that senior executives will hold significant shareholdings in the company.

For senior executives the DESP has historically been utilised as the vehicle for the LTI Plan. Under the LTI Plan, shares were issued or acquired equivalent to a maximum level of incentive determined by the Board. These shares vest on the achievement of specified performance and service conditions.

There was no general LTI Plan offer made to senior executives, including the managing director during the financial year ended 30 June 2014.

Consolidated entity performance and link to remuneration
There is at present no direct link between remuneration and earnings of the consolidated entity.

Use of remuneration consultants
During the financial year ended 30 June 2014, the consolidated entity did not engage the services of a remuneration consultant to review its remuneration structure.

Voting and comments made at the company's 2013 Annual General Meeting ('AGM')
At the last AGM more than 90% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2013. The consolidated entity did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The KMP of the consolidated entity consisted of the directors of THO Services Limited and the following persons:
- C Scholtz - Chief Financial Officer and Company Secretary (resigned on 2 February as Chief Financial Office and on 17 April 2014 as Company Secretary)
- P Brodie - Regional General Manager, NSW South (resigned on 2 February 2014)
- B Farrar - Regional General Manager, NSW North (resigned on 20 September 2013)
- S Dodd - Regional General Manager, Queensland South (resigned on 28 February 2014)
- R Hewett - Regional General Manager, Central Queensland (became a KMP on 1 July 2013 and resigned on 2 February 2014)

Details of the remuneration of the KMP of the consolidated entity are set out in the following tables:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2014	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave/other $	Equity-settled $	Total $
Non-Executive Directors:							
R Critchley (Chairman)	73,227	-	-	6,773	-	-	80,000
T Regan	36,613	-	-	3,387	-	-	40,000
T O'Reilly	36,613	-	-	3,387	-	-	40,000
J West	30,511	-	-	2,822	-	-	33,333
Executive Directors:							
R Comb (1)	254,948	-	6,518	11,761	-	(9,553)	263,674
Other Key Management Personnel:							
C Scholtz	126,026	50,000	11,643	10,369	-	40,733	238,771
P Brodie	137,422	-	4,273	10,369	(10,568)	141,877	283,373
B Farrar (2)	177,118	-	-	3,988	-	20,662	201,768
S Dodd	154,571	-	16,610	14,297	-	-	185,478
R Hewett	110,916	-	11,485	10,369	-	-	132,770
	1,137,965	50,000	50,529	77,522	(10,568)	193,719	1,499,167

(1) R Comb salary includes an eligible termination payment of $40,186
(2) B Farrar salary includes termination payment of $85,000

2013	Short-term benefits: Cash salary and fees $	Short-term benefits: Bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave/other $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
R Critchley (Chairman)	133,333	-	-	12,000	-	-	145,333
T Regan	66,666	-	-	6,001	-	-	72,667
T O'Reilly	66,666	-	-	6,001	-	-	72,667
J West	66,666	-	-	6,001	-	-	72,667
P Young	33,027	-	-	2,973	-	36,667	72,667
Executive Directors:							
R Comb (1)	592,020	175,000	20,167	16,470	-	(58,256)	745,401
Other Key Management Personnel:							
C Scholtz (2)	52,007	-	5,125	4,118	-	-	61,250
P Brodie (3)	245,671	20,000	20,333	16,470	12,180	52,795	367,449
B Farrar	290,697	-	24,500	16,470	-	16,992	348,659
S Dodd (4)	76,261	-	8,541	6,863	-	-	91,665
D Irvine (5)	414,714	-	14,625	12,352	-	(11,675)	430,016
A Rakich (6)	263,114	-	11,375	9,608	38,834	(7,317)	315,614
S Muller (7)	347,369	20,000	17,000	14,358	-	(6,090)	392,637
	2,648,211	215,000	121,666	129,685	51,014	23,116	3,188,692

(1) R Comb bonus payment relates to year ended 30 June 2011
(2) C Scholtz amounts shown are from date of appointment as KMP 2 April 2013 to 30 June 2013
(3) P Brodie bonus payment relates to year ended 30 June 2012
(4) S Dodd amounts shown are from date of appointment as KMP 2 April 2013 to 30 June 2013
(5) D Irvine salary includes termination payment of $186,691
(6) A Rakich salary includes termination payment of $119,597
(7) S Muller salary includes termination payment of $95,394. Bonus payment of $20,000 relates to the year ended 30 June 2012

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2014	2013	2014	2013	2014	2013
Non-Executive Directors:						
R Critchley	100%	100%	-%	-%	-%	-%
T Regan	100%	100%	-%	-%	-%	-%
T O'Reilly	100%	100%	-%	-%	-%	-%
J West	100%	100%	-%	-%	-%	-%
P Young	-%	100%	-%	-%	-%	-%
Executive Directors:						
R Comb	100%	67%	-%	33%	-%	-%
Other Key Management Personnel:						
C Scholtz	62%	80%	21%	20%	17%	-%
P Brodie	50%	80%	-%	20%	50%	-%
B Farrar	90%	80%	-%	20%	10%	-%
S Dodd	100%	80%	-%	20%	-%	-%
R Hewett	100%	-%	-%	-%	-%	-%
D Irvine	-%	75%	-%	25%	-%	-%
A Rakich	-%	80%	-%	20%	-%	-%
S Muller	-%	74%	-%	19%	-%	7%

Service agreements
Following the disposal of the business assets and operations of the consolidated entity there are no on-going service agreements in place for KMP.

Share-based compensation

Issue of shares
Details of shares issued to directors and other KMP as part of compensation during the year ended 30 June 2014 are set out below:

Name	Date	Shares	Issue price	$
Chris Scholtz	20 September 2013	1,000,000	$0.04	40,000

Options
There were no options over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2014.

There were no options over ordinary shares granted to or vested in directors and other KMP as part of compensation during the year ended 30 June 2014.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Share price target for vesting	Fair value per right at grant date
2 April 2012	30 September 2013	30 September 2015	$0.00	$0.143
2 April 2012	30 September 2013	30 September 2015	$0.00	$0.103
2 April 2012	30 September 2013	30 September 2015	$0.00	$0.064

Performance rights granted carry no dividend or voting rights.

There were no performance rights over ordinary shares granted to or vested in directors and other KMP as part of compensation during the year ended 30 June 2014.

Additional disclosures relating to KMP

In accordance with Class Order 14/632, issued by the Australian Securities and Investments Commission, relating to 'Key management personnel equity instrument disclosures', the following disclosures relate only to equity instruments in the company or its subsidiaries.

Shareholding

The number of shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other *	Balance at the end of the year
Ordinary shares					
R Critchley	4,804,924	-	-	-	4,804,924
T Regan	292,779	-	-	-	292,779
T O'Reilly	1,195,000	-	-	-	1,195,000
J West	3,020,848	-	-	(3,020,848)	-
R Comb	2,272,600	-	-	(2,272,600)	-
C Scholtz	-	-	1,000,000	(1,000,000)	-
P Brodie	2,305,376	-	-	(2,305,376)	-
B Farrar	1,000,000	-	-	(1,000,000)	-
R Hewett	37,670	-	-	(37,670)	-
	14,929,197	-	1,000,000	(9,636,494)	6,292,703

* Disposals/other - represents no longer being KMP, not necessarily physical disposal of shareholding

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
R Comb *	2,500,000	-	-	(2,500,000)	-
	2,500,000	-	-	(2,500,000)	-

* Expired/forfeited/other - represents no longer being KMP, not necessarily expiry/forfeiture/ other

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
P Brodie	276,360	-	-	(276,360)	-
B Farrar	180,696	-	-	(180,696)	-
	457,056	-	-	(457,056)	-

* Expired/forfeited/other - represents no longer being key management personnel, not necessarily expiry/forfeiture/ other

Other transactions with key management personnel and their related parties
During the year, finance costs included interest on convertible note payable to R Comb $110,784 and J West $10,364

During the financial year, payments for consulting and secretarial services to Rawina Pty Limited (director-related entity of R Critchley) of $288,750 were made.

This concludes the remuneration report, which has been audited.

Loans to directors and executives
There were no outstanding loans to directors and executives.

Shares under option
Unissued ordinary shares of THO Services Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
7 April 2011	7 April 2015	$0.40	2,500,000
7 April 2011	7 April 2015	$0.50	2,500,000
			5,000,000

Shares under performance rights
There were no unissued ordinary shares of THO Services Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of THO Services Limited issued on the exercise of options during the year ended 30 June 2014 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of THO Services Limited issued on the exercise of performance rights during the year ended 30 June 2014 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company 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 a premium of $164,281 to insure the directors and secretary of the company and its Australian-based controlled entities, the general managers and business unit managers within each of the divisions of the consolidated entity. The premium represents payment for two policies, one expiring on 3 February 2021 in relation to run-off cover which applies to all prior work of the consolidated entity and the other relates to annual coverage to 3 February 2015 for on-going work that will combine into the run-off insurance once it expires.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

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.

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.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of RSM Bird Cameron Partners
There are no officers of the company who are former audit partners of RSM Bird Cameron Partners.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this report.

Auditor
RSM Bird Cameron Partners were appointed during the financial year and continues in office in accordance with section 327 of the Corporations Act 2001.

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

Robert Critchley
Chairman

29 September 2014
Sydney

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 8226 4500 **F** +61 2 8226 4501

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of THO Services Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 29 September 2014

The Board of directors (the 'Board') of THO Services Limited ('the company' or 'parent entity') continue to maintain their commitment to achieving and demonstrating the highest standards of corporate governance. The Board adopts appropriate ASX recommendations to meet the interests of stakeholders, and has adapted policy in view of the change in circumstances following the discontinued operations of the company.

The company's main corporate governance practices comply with the ASX *Corporate Governance Principles and Recommendations as set out by the ASX Corporate Governance Council ('CGC'), 2nd edition.*

Principle 1: Lay solid foundations for management and oversight

Following the sale of the majority of the business assets of the company, the size and nature of its operations are such that the Board have a close involvement with the management of the business. Certain key personnel instrumental in the operations of the business prior to the sale are available to assist the Board with key management decisions during the transition period to maintain continuity.
The responsibilities of the Board include:

- providing strategic guidance to the company including contributing to the development of and adaptation of the corporate strategy;
- overseeing financial plans and forecasts including available resources and initiative;
- overseeing and monitoring:
  - organisational performance and the achievement of strategic goals and objectives;
  - compliance with the company's code of conduct;
  - progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
- monitoring financial position including approval of the annual and half-year financial reports and liaison with the company's auditors;
- ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including key corporate finance staff and the company secretary;
- ensuring there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the organisation;
- overseeing the operation of the company's system for compliance, identifying business risk and ensuring appropriate management and resolution of those risks and reporting to shareholders; and
- ensuring appropriate resources are available to key personnel.

Day to day management of the consolidated entity's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the senior executives and personnel. Delegations are reviewed on an ongoing basis in line with conduct and performance assessment.

Principle 2: Structure the board to add value

The Board operates in accordance with the broad principles set out in its charter which is available on the company's website (www.thoservices.com.au). The charter details the Board's composition and responsibilities.

Board composition
The charter states:

- the Board is to be comprised of both executive and non-executive directors where appropriate with a majority of non-executive directors. Non-executive directors bring a fresh perspective to the Board's consideration of strategy, risk and performance matters;
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chair must be an independent non-executive director, the majority of the Board must be independent of management and all directors are required to exercise independent judgement and review and constructively challenge the performance of management;
- the Chair is elected by the full Board and is required to meet regularly with key management personnel;
- the company is to maintain a mix of directors on the Board from different backgrounds (including gender, age, ethnicity and cultural and professional backgrounds) with complementary skills and experience; and
- the Board is required to undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the consolidated entity.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the company and directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision making.

Directors' independence

The Board has adopted specific principles in relation to directors' independence. These state that when determining independence, a director must be a non-executive and the Board should consider whether the director:

- is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- is or has been employed in an executive capacity by the company or any other consolidated entity member within three years before commencing to serve on the Board;
- within the last three years has been a principal of a material professional adviser or a material consultant to the company or any other consolidated entity member, or an employee materially associated with the service provided;
- is a material supplier or customer of the company or any other consolidated entity member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the company or a controlled entity other than as a director of the consolidated entity; and
- is free from any business or other relationships which could, or could reasonably be perceived to, materially interfere with the director's independent exercise of their judgement.

Materiality for these purposes is determined on both quantitative and qualitative bases. A transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the director's performance.

The Board is of the opinion that director independence is not compromised through directors holding a substantial interest in the company's shares. The Board believes that greater value will be provided to shareholders as a whole through having directors who have more than a nominal equity interest in the company. By encouraging share ownership by directors the Board believes they are able to better align the interests of the directors to that of the company.

The Board assesses independence each year. To enable this process, the directors must provide all information that may be relevant to the assessment.

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the directors' report under the heading 'Information on directors'. At the date of signing the directors' report, there were three non-executive directors all deemed independent under the principles set out above.

Term of office

The company's Constitution specifies that all non-executive directors must retire from office no later than the third annual general meeting ('AGM') following their last election. Where eligible, a director may stand for re-election.

Chair and Chief Executive Officer

The Chair is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the company's senior executives. In accepting the position, the Chair has acknowledged that it will require a significant time commitment and has confirmed that other positions will not hinder their effective performance in the role of the Chair.

The Board together with key management personnel is responsible for implementing strategies and policies.

Induction

The induction provided to new directors and senior managers enables them to actively participate in Board decision making as soon as possible. It ensures that they have a full understanding of the company's financial position, strategies, operations, culture, values and risk management policies. It also explains the respective rights, duties, responsibilities and roles of the Board and senior executives.

Commitment
The number of meetings of the company's Board of directors and of each Board committee held during the year ended 30 June 2014, and the number of meetings attended by each director is disclosed in the directors' report under the heading 'Meetings of directors'.

It is the company's practice to allow its executive directors to accept appointments outside the company with prior written approval of the Board.

The commitments of non-executive directors are considered by the Board prior to the director's appointment to the Board and are reviewed each year. Prior to appointment or being submitted for re-election each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the company.

Conflicts of interest
Entities connected with directors that have business dealings with the company during the year are described, where applicable, in the 'related party transactions' note to the financial statements. The directors concerned declared their interests in those dealings to the company and took no part in the decisions relating to them or the preceding discussions. In addition, those directors did not receive any papers from the company pertaining to those dealings.

Independent professional advice
Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

Performance assessment
The Board undertakes an annual self-assessment of its collective performance, the performance of the Chair and of its committees to ensure the Board as a whole and its committees work efficiently and effectively.

Board committees
The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Human Resources and Audit Committees. Each is comprised entirely of non-executive directors. The committee structure and membership is reviewed on an ongoing basis.

Each of these committees has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the company website. All matters determined by committees are submitted to the full Board.

Minutes of committee meetings are tabled at the subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Nominations committee
The company does not have a fully operational Nominations Committee. The Chairman and a nominated non-executive director, act as a Nomination Committee, to assess and make recommendations to the Board regarding membership of the Board, including proposed new appointments.

The roles and function of the Nomination Committee are performed by the full Board.

Details of the nomination, selection and appointment processes are detailed in the Board charter. Notices of meetings for the election of directors comply with the ASX Corporate Governance Council's best practice recommendations.

New directors are provided with a letter of appointment setting out the company's expectations, their responsibilities, rights and the terms and conditions of their engagement. All new directors participate in a comprehensive formal induction program which covers the operation of the Board and its committees and financial, strategic, operations and risk management issues.

Principle 3: Promote ethical and responsible decision making

Code of conduct

The company has developed a statement of values and a Code of Conduct (the 'Code') which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the company's integrity and to take into account legal obligations and reasonable expectations of the company's stakeholders.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

The purchase and sale of company securities by directors and senior employees are only permitted during the 45 day period following the release of the half-yearly and annual financial results and, as appropriate, any other significant announcement to the market. Any transactions undertaken must be notified to the company secretary in advance.

The Code and the company's trading policy are discussed with each new employee as part of their induction training. The Code requires employees who are aware of unethical practices within the consolidated entity or breaches of the company's trading policy to report these to the company secretary. This can be done anonymously.

The directors are satisfied that the company has complied with the policies on ethical standards, including trading in securities.

A copy of the Code and its full trading policy is available on the company's website.

Diversity policy

The company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. The company has in place a diversity policy, a copy of which can be found on the company's website. This policy outlines the company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes the requirements for the Board to assess annually both the objectives and the company's progress in achieving them.

The company reports to the Workplace Gender Equality Agency ('WGEA') and has confirmed that the company is compliant with the Workplace Gender Equality Act 2012.

Principle 4: Safeguard integrity in financial reporting

Audit committee

The Audit Committee consists of the following non-executive directors:

T Regan (Chair), appointed 1 July, 2013
T O'Reilly

Details of these directors' qualifications, expertise, experience and attendance at Audit Committee meetings are set out in the directors' report.

The Audit Committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the consolidated entity operates.

The Audit Committee operates in accordance with a charter which is available on the company's website. The main responsibilities of the committee are to:

- review, assess and approve the annual report, the half-year financial report and all other financial information published by the company or released to the market;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations;
  - reliability of financial reporting; and
  - compliance with applicable laws and regulations;
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;

- review and monitor related party transactions and assess their propriety; and
- report to the Board on matters relevant to the committee's role and responsibilities.

In fulfilling its responsibilities, the Audit Committee:
- receives regular reports from management and the external auditors;
- meets with the external auditors at least twice a year or more frequently if necessary;
- reviews the processes the CFO has in place to support their certifications to the Board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved; and
- provides the external auditors with a clear line of direct communication at any time to either the Chair of the Audit Committee or the Chair of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors
The company and Audit Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. RSM Bird Cameron Partners were appointed as the external auditors in 2014. An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the 'remuneration of auditors' note to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit Committee.

The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principles 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

Continuous disclosure and shareholder communication
The company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the company that a reasonable person would expect to have a material effect on the price of the company's securities. These policies and procedures also include the arrangements the company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available on the company's website.

The company secretary has been nominated as the person responsible for communications with the Australian Securities Exchange ('ASX') and the Australian Securities and Investments Commission ('ASIC'). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, ASIC, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the company's operations, the material used in the presentation is released to the ASX and posted on the company's web site. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

The company seeks to provide opportunities for shareholders to participate through electronic means. Initiatives to facilitate this include making all company announcements and financial reports for the last five years available on the company's website. In addition, all shareholders may request to receive by mail a copy of the company's annual report.

Principle 7: Recognise and manage risk

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control.

The Audit Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the company policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the consolidated entity's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Detailed control procedures cover management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance and other risk management issues. Additional risk management procedures are formulated as required from time to time to address other areas of risk management compliance.

While the company does not have a formal Board Risk Management Committee, the Board believes the exposure to business and financial risk is mitigated through the function of the Board, the Audit Committee and the actions of the senior executives.

The Board and the Audit Committee monitor the company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the Board and the Audit Committee:
- review the framework and methodology for risk identification, the degree of risk the company is willing to accept, the management of risk and the processes for auditing and evaluating the company's risk management system;
- review group-wide objectives in the context of the above mentioned categories of corporate risk;
- review and, where necessary, approve guidelines and policies governing the identification, assessment and management of the company's exposure to risk;
- review and approve the delegations of financial authorities and addresses any need to update these authorities on an annual basis; and
- review compliance with agreed policies developed in line with the inherent risk which is considered low by the Board given the nature and size of the current operations.

Management is responsible for designing, implementing and reporting on the adequacy of the company's risk management and internal control system and has to report on the effectiveness of:
- the risk management and internal control system during the year; and
- the company's management of its material business risks.

The health, safety and environment management system
The company recognises the importance of health, safety and environment ('HS&E') issues and is committed to the highest levels of performance. To help meet this objective the company consults HS&E and human resources specialists to facilitate the systematic identification of HS&E issues and to ensure they are managed in a structured manner. Objectives include:
- monitoring compliance with all relevant legislation;
- continually assessing and improving the impact of its operations on the environment;
- encouraging employees to actively participate in the management of HS&E issues; and
- working with trade associations representing the entity's businesses to raise standards.

Information on compliance with significant environmental regulations is set out in the directors' report.

Corporate reporting
The Board is committed to ensuring:

- that the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and consolidated entity and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Remuneration committee
The company does not have a separate Remuneration Committee. These functions are performed by the Human Resources Committee or the Board.

Human resources committee
The Human Resources Committee consists of the following directors:

T Regan (Chair)
R Critchley
J West (resigned on 22 April 2014)

Details of these directors' qualifications, experience and attendance at Human Resources Committee meetings are set out in the directors' report.

The Human Resources Committee operates in accordance with its charter which is available on the company website. The Human Resources Committee advises the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

Each member of the senior executive team signs a formal employment contract at the time of their appointment or on promotion, covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description.

Further information on directors' and executives' remuneration is set out in the directors' report.

Contents

General information

The financial statements cover THO Services Limited as a consolidated entity consisting of THO Services Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is THO Services Limited's functional and presentation currency.

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

Level 6, Suite 7
66 Hunter Street
Sydney, NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2014. The directors have the power to amend and reissue the financial statements.

THO Services Limited
(Formerly known as Thomas & Coffey Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue	5	93,288,164	196,493,216
Gain on sale of business	6	11,362,377	-
Expenses			
Raw materials and consumables used		(46,327,522)	(91,970,191)
Employee benefits expense		(41,834,029)	(95,064,058)
Depreciation and amortisation expense	7	(1,170,391)	(2,773,230)
Share-based payments write-back		692,621	59,014
Net loss on disposal of property, plant and equipment		(169,282)	(239,489)
Impairment of assets		(56,853)	(323,000)
Other expenses		(11,253,832)	(14,751,496)
Finance costs	7	(1,291,455)	(1,788,734)
Profit/(loss) before income tax expense		3,239,798	(10,357,968)
Income tax expense	8	-	(6,931,129)
Profit/(loss) after income tax expense for the year attributable to the owners of THO Services Limited	22	3,239,798	(17,289,097)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of THO Services Limited		3,239,798	(17,289,097)
		Cents	**Cents**
Basic earnings per share	34	2.82	(15.01)
Diluted earnings per share	34	2.75	(15.01)

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

THO Services Limited
(Formerly known as Thomas & Coffey Limited)
Statement of financial position
As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Assets			
Current assets			
Cash and cash equivalents	9	7,602,358	46,554
Trade and other receivables	10	473,451	29,625,683
Inventories	11	364,124	10,878,001
		8,439,933	40,550,238
Non-current assets classified as held for sale	12	-	749,910
Total current assets		8,439,933	41,300,148
Non-current assets			
Property, plant and equipment	13	95,000	6,195,874
Intangibles	14	-	11,626,525
Prepayments		519,301	-
Total non-current assets		614,301	17,822,399
Total assets		9,054,234	59,122,547
Liabilities			
Current liabilities			
Trade and other payables	15	4,047,812	30,703,304
Borrowings	16	1,000,000	14,728,069
Provisions	17	1,422,383	8,176,604
Total current liabilities		6,470,195	53,607,977
Non-current liabilities			
Borrowings	18	-	3,797,457
Long service leave		-	1,259,666
Retention payable		-	400,546
Total non-current liabilities		-	5,457,669
Total liabilities		6,470,195	59,065,646
Net assets		2,584,039	56,901
Equity			
Contributed equity	19	30,102,340	30,122,379
Treasury stock	20	(1,121,740)	(1,121,740)
Reserves	21	246,425	939,046
Accumulated losses	22	(26,642,986)	(29,882,784)
Total equity		2,584,039	56,901

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

THO Services Limited
(Formerly known as Thomas & Coffey Limited)
Statement of changes in equity
For the year ended 30 June 2014

Consolidated	Contributed equity $	Treasury stock $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2012	30,122,379	(877,548)	998,060	(12,593,687)	17,649,204
Loss after income tax expense for the year	-	-	-	(17,289,097)	(17,289,097)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(17,289,097)	(17,289,097)
Transactions with owners in their capacity as owners:					
Share-based payments write-back	-	-	(59,014)	-	(59,014)
Issue of treasury shares	-	126,808	-	-	126,808
Acquisition of treasury shares	-	(371,000)	-	-	(371,000)
Balance at 30 June 2013	30,122,379	(1,121,740)	939,046	(29,882,784)	56,901

Consolidated	Contributed equity $	Treasury stock $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2013	30,122,379	(1,121,740)	939,046	(29,882,784)	56,901
Profit after income tax expense for the year	-	-	-	3,239,798	3,239,798
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,239,798	3,239,798
Transactions with owners in their capacity as owners:					
Share buy-back	(20,039)	-	-	-	(20,039)
Share-based payments write-back	-	-	(692,621)	-	(692,621)
Balance at 30 June 2014	30,102,340	(1,121,740)	246,425	(26,642,986)	2,584,039

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

THO Services Limited
(Formerly known as Thomas & Coffey Limited)
Statement of cash flows
For the year ended 30 June 2014

	Note	Consolidated 2014 $	2013 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		42,988,581	201,024,578
Payments to suppliers and employees (inclusive of GST)		(45,547,459)	(198,807,818)
		(2,558,878)	2,216,760
Interest received		49,257	47
Interest and other finance costs paid		(770,549)	(1,394,987)
Income taxes refunded		-	44
Net cash from/(used in) operating activities	33	(3,280,170)	821,864
Cash flows from investing activities			
Payments for property, plant and equipment	13	(738,632)	(757,777)
Proceeds from sale of business		28,997,628	-
Proceeds from sale of property, plant and equipment		184,165	119,687
Net cash from/(used in) investing activities		28,443,161	(638,090)
Cash flows from financing activities			
Payments for share buy-backs		(20,039)	-
Repayment of borrowings		(9,239,712)	(1,600,634)
Net cash used in financing activities		(9,259,751)	(1,600,634)
Net increase/(decrease) in cash and cash equivalents		15,903,240	(1,416,860)
Cash and cash equivalents at the beginning of the financial year		(8,300,882)	(6,884,022)
Cash and cash equivalents at the end of the financial year	9	7,602,358	(8,300,882)

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

Note 1. Presentation of financial statements and discontinued operations

During the financial year, shareholders approved the transfer of the majority of the operating assets and liabilities of the consolidated entity to a wholly-owned subsidiary T&C Services Pty Limited and the subsequent sale of all the issued capital of T&C Services Pty Limited to ATIVO Pty Limited, a wholly owned subsidiary of Skilled Group (ASX code 'SKE') on 11February 2014.

On 26 March, 2014, the last remaining workshop and maintenance business in Brisbane was sold to private investors and with that the successful assignment of surplus leased premises.

The consolidated entity has also completed its major construction contracts and currently has no continuing activities resembling the scope of those applicable up to the date of sale of the businesses.

Accordingly, the consolidated results and financial position represent the consolidated entity as a discontinued operation, as defined by AASB 5 'Non-current assets held for sale and discontinued operations'.

The company previously rounded to the nearest thousand dollars ($'000) in accordance with Class Order 98/100, issued by the Australian Securities and Investments Commission. The Class Order is no longer applicable, and the financial statements are now rounded to the nearest dollar ($).

Comparatives in the financial statements have been reclassified, where necessary, to align with the current period presentation. There was no effect on the profit or loss or net assets.

Note 2. 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.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

AASB 10 Consolidated Financial Statements
The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 12 Disclosure of Interests in Other Entities
The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

Note 2. Significant accounting policies (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities
The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments
The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the remuneration report of the directors' report.

Note 2. Significant accounting policies (continued)

Going concern
The consolidated entity had a net cash outflow from operations of $3,280,170 (2013: net cash inflow from operations of $821,864) for the financial year ended 30 June 2014.

On 11 February 2014, the consolidated entity sold majority of its operating assets and liabilities. The proceeds from the sale have been used in part to pay the bank overdraft, bank bills and convertible note payable.

The directors believe the consolidated entity has sufficient funds to settle its debts as and when they become due and payable. On this basis the directors have prepared the financial statements on a going concern basis. At the date of approval of these financial statements, the directors are of the opinion that no asset is likely to be realised for an amount materially less than the amount at which it is recorded in the financial statement as at 30 June 2014. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as going concern.

The directors are now looking for new business opportunities and analysing their strategic options.

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 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.

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 consolidated entity'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 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of THO Services Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. THO Services Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
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.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The consolidated entity 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 consolidated entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The consolidated entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

Services
Revenue associated with services transactions is recognised by reference to the stage of completion of the transaction at the reporting date. Where specific work is performed for clients on a "do-and-charge" basis, the revenue recognised is equal to costs plus agreed margin.

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

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

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

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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

The carrying amount of recognised and unrecognised deferred tax assets 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 assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

THO Services Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

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

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

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 2. Significant accounting policies (continued)

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

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.

Depreciation is calculated on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-15 years
Motor vehicles	5-8 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 consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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 consolidated entity 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.

Note 2. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of ten years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit ('CGU'). Goodwill is allocated to the CGU's that are expected to benefit from the synergies of the business combinations in which the goodwill arose.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Note 2. Significant accounting policies (continued)

Finance 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, including:
- interest on the bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity 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. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date 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 using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes/Merton option 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 2. Significant accounting policies (continued)

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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Earnings per share

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

Goods and Services Tax ('GST') and other similar taxes
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 disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

AASB 2014-1 Amendments to Australian Accounting Standards
These amendments are in several parts. Part A makes various amendments to Australian Accounting Standards arising from the issuance of IASB's 'Annual Improvements to IFRSs 2010-2012 Cycle' and 'Annual Improvements to IFRSs 2011-2013 Cycle' (both described below). Part B makes amendments to AASB 119 'Employee in relation to the requirements for contributions from employees or third parties that are linked to service which arise from the issuance of IASB's 'Defined Benefit Plans – Employee Contributions (Amendments to IAS 19)'. Part C makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 'Materiality'. Part D makes consequential amendments arising from the issuance of AASB 14 'Regulatory Deferral Accounts'. Part E makes consequential amendments to numerous other Standards as a consequence of the introduction of hedge accounting requirements into AASB 9 'Financial Instruments' in December 2013. Amendments Part A to D are applicable to annual reporting periods beginning on or after 1 July 2014 or as specified in each Part. Amendments Part E are applicable to annual reporting periods beginning on or after 1 January 2015 or as specified in Part E.

Note 2. Significant accounting policies (continued)

Annual Improvements to IFRSs 2010-2012 Cycle
These amendments affect several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle
These amendments affect four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments will not have a material impact on the consolidated entity.

IFRS 15 Revenue from Contracts with Customers
This standard is expected to be applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments
The results and financial position represent the consolidated entity having discontinued operations of both major segments (Project/Construction and Maintenance Services) reported and disclosed as such in the prior year.

The information reported to the Board of Directors (being the Chief Operating Decision Makers ('CODM')), is the consolidated results as shown in the statement of profit or loss and other comprehensive income and statement of financial position.

The directors have determined that there are no operating segments identified for the year which are considered reportable.

Note 5. Revenue

	Consolidated	
	2014	**2013**
	$	**$**
Sales revenue		
Revenue from rendering services and projects	93,238,907	196,493,169
Other revenue		
Interest	49,257	47
Revenue	93,288,164	196,493,216

Note 6. Gain on sale of business

	Consolidated	
	2014	**2013**
	$	**$**
Net gain on disposal of business	11,362,377	-

Note 7. Expenses

	Consolidated	
	2014	**2013**
	$	**$**
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	769,782	1,970,504
Motor vehicles	192,230	445,506
Total depreciation	962,012	2,416,010
Amortisation		
Customer contracts	208,379	357,220
Total depreciation and amortisation	1,170,391	2,773,230
Finance costs		
Interest and finance charges paid/payable	95,528	182,247
Bank interest	675,021	1,212,740
Convertible notes borrowing costs	520,906	393,747
Finance costs expensed	1,291,455	1,788,734
Rental expense relating to operating leases		
Minimum lease payments	5,322,601	6,729,119
Superannuation expense		
Defined contribution superannuation expense	2,231,421	5,896,003

Note 8. Income tax expense

	Consolidated 2014 $	Consolidated 2013 $
Income tax expense		
Deferred tax - origination and reversal of temporary differences	-	6,931,129
Aggregate income tax expense	-	6,931,129
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	6,931,129
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	3,239,798	(10,357,968)
Tax at the statutory tax rate of 30%	971,939	(3,107,390)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	62,513	-
Entertainment expenses	4,693	18,000
Impairment of assets	-	97,000
Sundry items	7,873	5,000
	1,047,018	(2,987,390)
Current year tax losses not recognised	696,962	3,012,519
Deferred tax asset not previously recognised	(1,743,980)	-
Prior year temporary differences and tax losses written off	-	6,906,000
Income tax expense	-	6,931,129

	Consolidated 2014 $	Consolidated 2013 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	8,223,186	7,526,224
Impairment of receivables	20,915	116,781
Employee benefits	151,876	2,881,318
Share issue costs	46,776	93,552
Accrued expenses	17,368	1,141,271
Provision for losses on construction contracts	-	50,804
Provisions	452,647	186,834
Plant and equipment	(5,630)	(292,117)
Inventories	-	(1,392,045)
Convertible note	-	(57,718)
Other	(5,192)	(332,040)
Total deferred tax assets not recognised	8,901,946	9,922,864

The above potential tax benefit, for temporary differences and tax losses, has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2014 $	Consolidated 2013 $
Cash on hand	-	7,150
Cash at bank	367,784	39,404
Cash on deposit	7,234,574	-
	7,602,358	46,554

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

	Consolidated 2014 $	Consolidated 2013 $
Balances as above	7,602,358	46,554
Bank overdraft (note 16)	-	(8,347,436)
Balance as per statement of cash flows	7,602,358	(8,300,882)

Note 10. Current assets - trade and other receivables

	Consolidated 2014 $	Consolidated 2013 $
Trade receivables	263,327	29,655,742
Less: Provision for impairment of receivables	(69,717)	(389,270)
	193,610	29,266,472
Other receivables	159,751	116,200
Prepayments	120,090	243,011
	473,451	29,625,683

Impairment of receivables
The consolidated entity has reversed provision of $319,553 (2013: recognised additional provision of $285,270) in profit or loss in respect of impairment of receivables for the year ended 30 June 2014.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2014 $	Consolidated 2013 $
0 to 3 months overdue	2,750	-
Over 3 months overdue	66,967	389,270
	69,717	389,270

Note 10. Current assets - trade and other receivables (continued)

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Opening balance	389,270	104,000
Additional provisions recognised	69,717	389,270
Unused amounts reversed	(389,270)	(104,000)
Closing balance	69,717	389,270

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $127,278 as at 30 June 2014 ($2,006,000 as at 30 June 2013).

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2014	**2013**
	$	**$**
0 to 3 months overdue	22,431	1,185,000
Over 3 months overdue	104,847	821,000
	127,278	2,006,000

Note 11. Current assets - inventories

	Consolidated	
	2014	**2013**
	$	**$**
Work in progress - maintenance services	364,124	5,242,397
Work in progress - engineering and construction	-	94,244,057
Less: progress billings	-	(88,608,453)
	364,124	10,878,001

Note 12. Current assets - non-current assets classified as held for sale

	Consolidated	
	2014	**2013**
	$	**$**
Land and buildings	-	749,910

The land and building was sold during the financial year for $749,910.

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2014 $	Consolidated 2013 $
Plant and equipment - at cost	622,215	20,030,213
Less: Accumulated depreciation	(527,215)	(15,168,474)
	95,000	4,861,739
Motor vehicles - at cost	-	6,714,088
Less: Accumulated depreciation	-	(5,379,953)
	-	1,334,135
	95,000	6,195,874

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2012	1,072,910	5,809,281	1,867,826	8,750,017
Additions	-	544,962	212,815	757,777
Classified as held for sale (note 12)	(749,910)	-	-	(749,910)
Disposals	-	(37,000)	(301,000)	(338,000)
Impairment of assets	(323,000)	-	-	(323,000)
Transfers in/(out)	-	515,000	-	515,000
Depreciation expense	-	(1,970,504)	(445,506)	(2,416,010)
Balance at 30 June 2013	-	4,861,739	1,334,135	6,195,874
Additions	-	305,632	433,000	738,632
Disposals	-	(4,257,736)	(1,562,905)	(5,820,641)
Impairment of assets	-	(44,853)	(12,000)	(56,853)
Depreciation expense	-	(769,782)	(192,230)	(962,012)
Balance at 30 June 2014	-	95,000	-	95,000

Property, plant and equipment secured under finance leases
Refer to note 28 for further information on property, plant and equipment secured under finance leases.

Note 14. Non-current assets - intangibles

	Consolidated 2014 $	Consolidated 2013 $
Goodwill - at cost	-	9,780,050
Customer contracts - at cost	-	3,573,675
Less: Accumulated amortisation	-	(1,727,200)
	-	1,846,475
	-	11,626,525

Note 14. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Customer contracts $	Total $
Balance at 1 July 2012	9,780,050	2,203,695	11,983,745
Amortisation expense	-	(357,220)	(357,220)
Balance at 30 June 2013	9,780,050	1,846,475	11,626,525
Disposals	(9,780,050)	(1,638,096)	(11,418,146)
Amortisation expense	-	(208,379)	(208,379)
Balance at 30 June 2014	-	-	-

Note 15. Current liabilities - trade and other payables

	Consolidated 2014 $	Consolidated 2013 $
Trade payables	3,290,239	25,701,299
Project work in progress (amount due from customers for project work)	-	(52,695,406)
Less: Progress billings	-	55,220,287
Other payables	757,573	2,477,124
	4,047,812	30,703,304

Refer to note 24 for further information on financial instruments.

Note 16. Current liabilities - borrowings

	Consolidated 2014 $	Consolidated 2013 $
Bank overdraft	-	8,347,436
Bank bills payable	-	6,300,000
Convertible notes payable	1,000,000	-
Lease liability	-	80,633
	1,000,000	14,728,069

Refer to note 18 for further information on assets pledged as security and financing arrangements.

Refer to note 24 for further information on financial instruments.

5,000,000 convertible notes with a face value of $0.20 were in issue at the reporting date. Interest is paid quarterly in arrears at a rate of 6% per annum based on the face value. The notes are convertible into ordinary shares of the company at any time at the option of the holder. The notes are currently being repaid as agreed with the note holders. Note holders may convert notes into ordinary shares of the company at a face value of $0.20 per note.

Note 17. Current liabilities - provisions

	Consolidated 2014 $	2013 $
Annual leave	2,482	5,136,236
Long service leave	9,533	1,774,462
Rostered day-off	-	702,463
Other	1,410,368	563,443
	1,422,383	8,176,604

Other
The provision represents the estimated cost of warranty and defects in respect of services provided and onerous lease provision.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2014	Other $
Carrying amount at the start of the year	563,443
Additional provisions recognised	4,918,069
Amounts used	(4,071,144)
Carrying amount at the end of the year	1,410,368

Note 18. Non-current liabilities - borrowings

	Consolidated 2014 $	2013 $
Convertible notes payable	-	3,757,606
Lease liability	-	39,851
	-	3,797,457

Refer to note 24 for further information on financial instruments.

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

	Consolidated 2014 $	2013 $
Bank overdraft	-	8,347,436
Bank bills payable	-	6,300,000
Lease liability	-	120,484
	-	14,767,920

Note 18. Non-current liabilities - borrowings (continued)

Assets pledged as security
The bank overdraft and bank bills payable are at normal commercial rates and are secured by way of a fixed and floating charge over the consolidated entity's assets.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2014 $	2013 $
Total facilities		
Bank overdraft	-	10,000,000
Bank bills	-	6,300,000
	-	16,300,000
Used at the reporting date		
Bank overdraft	-	8,347,436
Bank bills	-	6,300,000
	-	14,647,436
Unused at the reporting date		
Bank overdraft	-	1,652,564
Bank bills	-	-
	-	1,652,564

Note 19. Equity - contributed equity

	Consolidated 2014 Shares	2013 Shares	2014 $	2013 $
Ordinary shares - fully paid	113,583,980	115,174,424	30,102,340	30,122,379

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2012	115,174,424		30,122,379
Balance	30 June 2013	115,174,424		30,122,379
Share buy-back	11 June 2014	(1,501,346)	$0.01	(18,917)
Share buy-back	11 June 2014	(89,098)	$0.01	(1,122)
Balance	30 June 2014	113,583,980		30,102,340

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
During the year, the company spent $20,039 on share buy-backs. The buy-back program expire on 14 March 2014.

Note 19. Equity - contributed equity (continued)

Dividend reinvestment plan
The company has an established 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.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

The capital risk management policy remains unchanged from the 30 June 2013 Annual Report.

Note 20. Equity - treasury stock

	Consolidated 2014 $	Consolidated 2013 $
Treasury stock	(1,121,740)	(1,121,740)

Treasury stock represents shares bought on market for the long term incentive scheme and held in trust by the Trustee.

Note 21. Equity - reserves

	Consolidated 2014 $	Consolidated 2013 $
Share-based payments reserve	-	692,621
Convertible notes options reserve	246,425	246,425
	246,425	939,046

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible notes options reserve
The reserve is used to recognise the value of the conversion option embedded in issued convertible notes, net of tax.

Note 21. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $	Convertible notes options $	Total $
Balance at 1 July 2012	751,635	246,425	998,060
Share-based payment write-back	(59,014)	-	(59,014)
Balance at 30 June 2013	692,621	246,425	939,046
Share-based payment write-back	(692,621)	-	(692,621)
Balance at 30 June 2014	-	246,425	246,425

Note 22. Equity - accumulated losses

	Consolidated 2014 $	2013 $
Accumulated losses at the beginning of the financial year	(29,882,784)	(12,593,687)
Profit/(loss) after income tax expense for the year	3,239,798	(17,289,097)
Accumulated losses at the end of the financial year	(26,642,986)	(29,882,784)

Note 23. Equity - dividends

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	Consolidated 2014 $	2013 $
Franking credits available for subsequent financial years based on a tax rate of 30%	2,223,468	2,223,468

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 24. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Note 24. Financial instruments (continued)

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity is not exposed to any significant foreign currency risk.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity main interest rate risk arises from borrowings and cash at bank and on deposits. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value interest rate risk. Cash at bank and on deposits expose the consolidated entity to interest rate risk.

As at the reporting date, the consolidated entity had the following variable rate bank accounts and borrowings:

	2014		2013	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Bank overdraft	-%	-	9.22%	(8,347,436)
Bank bills payable	-%	-	4.69%	(6,300,000)
Cash on deposit	2.68%	7,234,574	-%	-
Net exposure to cash flow interest rate risk		7,234,574		(14,647,436)

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

An official increase/decrease in interest rates of 100 basis points (2013: 100 basis points) would have an favorable/adverse effect on profit before tax of $72,346 (2013: adverse/favorable $146,474) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

Note 24. Financial instruments (continued)

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated 2014 $	Consolidated 2013 $
Bank overdraft	-	1,652,564

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2014	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	3,290,239	-	-	-	3,290,239
Other payables	-%	757,573	-	-	-	757,573
Interest-bearing - fixed rate						
Convertible notes payable	6.00%	1,060,000	-	-	-	1,060,000
Total non-derivatives		5,107,812	-	-	-	5,107,812

Consolidated - 2013	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	25,701,299	-	-	-	25,701,299
Other payables	-%	2,524,881	-	-	-	2,524,881
Interest-bearing - variable						
Bank overdraft	9.22%	8,347,436	-	-	-	8,347,436
Bank bills payable	4.69%	6,447,735	-	-	-	6,447,735
Interest-bearing - fixed rate						
Convertible notes payable	6.00%	237,000	237,000	4,069,000	-	4,543,000
Lease liability	6.33%	86,604	43,356	-	-	129,960
Total non-derivatives		43,344,955	280,356	4,069,000	-	47,694,311

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 25. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2014	2013
	$	$
Short-term employee benefits	1,113,308	2,583,195
Post-employment benefits	77,522	129,685
Long-term benefits	(10,568)	51,014
Termination benefits	125,186	401,682
Share-based payments	193,719	23,116
	1,499,167	3,188,692

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Bird Cameron Partners, the auditor of the company:

	Consolidated	
	2014	2013
	$	$
Audit services - RSM Bird Cameron Partners (2013: PricewaterhouseCoopers)		
Audit or review of the financial statements	127,452	308,844
Other services - RSM Bird Cameron Partners (2013: PricewaterhouseCoopers)		
Tax compliance services, including review of company tax returns	3,000	59,450
Audit of Queensland BSA licence	27,000	4,000
Review of FBT systems and processes	-	6,800
Other	-	1,000
	30,000	71,250
	157,452	380,094

Note 27. Contingent liabilities

The consolidated entity has the following contingent liabilities:

Bank guarantees of $2,487,564 (2013: $6,618,121) to cover retentions and performance of project contracts. The bank holds a specific mortgage, pledged cash and a fixed and floating charge over the assets of the consolidated entity to cover this contingent liability.

Surety bonds of $90,574 (2013: $6,387,338) to cover retentions and performance contracts. The bonds are secured by deed of indemnity.

No material losses are anticipated in respect of any of the above contingent liabilities.

The consolidated entity has received claims in the normal course of business and where relevant the directors have sought appropriate legal advice. Where considered appropriate, provisions based on this advice have been included. On 24 September, 2013 the consolidated entity received a spurious claim from a sub-contractor relating to a project undertaken over 3 years ago. Management continues to dispute the claim and are of the opinion that all amounts that were due have been paid.

Note 28. Commitments

	Consolidated 2014 $	2013 $
*Lease commitments - operating**		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	4,386,844
One to five years	-	6,241,742
	-	10,628,586
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	86,604
One to five years	-	43,356
Total commitment	-	129,960
Less: Future finance charges	-	(9,476)
Net commitment recognised as liabilities	-	120,484
Representing:		
Lease liability - current (note 16)	-	80,633
Lease liability - non-current (note 18)	-	39,851
	-	120,484

* At 30 June 2014 the company had non-cancellable operating leases expiring within 1 to 2 years. Adequate provision has been included under onerous lease liabilities at 30 June 2014. As a result no disclosure has been made under operating lease commitments above.

Note 29. Related party transactions

Parent entity
THO Services Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report in the directors' report.

Note 29. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2014 $	Consolidated 2013 $
Payment for goods and services:		
Payment for corporate advisory services to Baron PartnersLimited (director related entity of P Young - resigned 30 June 2013)	-	52,444
Payments for consulting and secretarial services to Rawina Pty Limited (director-related entity of R Critchley)	288,750	-
Payment for other expenses:		
Interest on convertible note payable to R Comb	110,784	128,822
Interest on convertible note payable to J West	10,364	11,983

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2014 $	Consolidated 2013 $
Non-current borrowings:		
Convertible notes (including accrued interest) *	-	3,569,849

* R Comb and J West were not KMPs at 30 June 2014. Details of convertibale notes payable to KMPs at 30 June 2013 is provided below:

Convertible notes have a nominal value of $3,950,000 split as follows:
• 10,750,000 notes to R Comb and his related entities
• 1,000,000 notes to J West and his related entities
• 8,250,000 notes to unrelated parties

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2014 $	Parent 2013 $
Profit/(loss) after income tax	3,239,798	(17,206,000)
Total comprehensive income	3,239,798	(17,206,000)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 2014 $	Parent 2013 $
Total current assets	8,439,933	41,300,685
Total assets	9,054,234	60,622,685
Total current liabilities	6,470,195	55,105,000
Total liabilities	6,470,195	60,564,000
Equity		
Contributed equity	30,102,340	30,122,379
Treasury stock	(1,121,740)	(1,121,740)
Share-based payments reserve	-	692,621
Convertible notes options reserve	246,425	246,425
Accumulated losses	(26,642,986)	(29,881,000)
Total equity	2,584,039	58,685

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
Refer to note 27 for guarantees provided by the parent entity.

Contingent liabilities
Refer to note 27 for parent entity contingent liabilities.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2014 and 30 June 2013.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity; and
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2014 %	Ownership interest 2013 %
Thomas & Coffey Constructions Pty Limited *	Australia	-%	100.00%
Coffey Engineering Services Pty Limited *	Australia	-%	100.00%
Thomas & Coffey (QLD) Pty Limited**	Australia	-%	100.00%

* Subsidiary was de-registered on 23 September 2013
** Subsidiary sold along with other business assets on 11 February 2014

During the year the consolidated entity incorporated a subsidiary T & C Services Pty Ltd. This subsidiary was subsequently sold by the consolidated entity during the year.

Note 32. Events after the reporting period

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 33. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated 2014 $	Consolidated 2013 $
Profit/(loss) after income tax expense for the year	3,239,798	(17,289,097)
Adjustments for:		
Depreciation and amortisation	1,170,391	2,773,230
Impairment of property, plant and equipment	56,853	323,000
Net loss on disposal of property, plant and equipment	-	239,489
Share-based payments	(692,621)	(59,014)
Convertible note expenses	520,906	393,747
Treasury share issue - non-cash	-	(244,192)
Write off of deferred tax asset	-	6,931,173
Net gain on sale of business	(11,193,096)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	29,029,311	10,648,634
Decrease in inventories	10,513,877	11,262,268
Decrease/(increase) in prepayments	(396,380)	341,275
Decrease in trade and other payables	(27,114,776)	(13,644,976)
Decrease in employee benefits	(8,158,349)	(1,198,140)
Increase/(decrease) in other provisions	(256,084)	344,467
Net cash from/(used in) operating activities	(3,280,170)	821,864

Note 34. Earnings per share

	Consolidated 2014 $	Consolidated 2013 $
Profit/(loss) after income tax attributable to the owners of THO Services Limited	3,239,798	(17,289,097)
Interest on convertible note	61,622	-
Profit/(loss) after income tax attributable to the owners of THO Services Limited used in calculating diluted earnings per share	3,301,420	(17,289,097)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	115,087,277	115,174,424
Adjustments for calculation of diluted earnings per share:		
Convertible notes	5,000,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	120,087,277	115,174,424
	Cents	**Cents**
Basic earnings per share	2.82	(15.01)
Diluted earnings per share	2.75	(15.01)

Note 34. Earnings per share (continued)

No (2013: 20,000,000) convertible notes are excluded from the above calculations for the year ended 30 June 2014 as they were anti-dilutive.

Note 35. Share-based payments

Employee share option plan ('ESOP')
The establishment of the employee share option plan was approved by shareholders on 29 August 2002 and re-approved on 24 November 2011. Options are granted under the rules of the ESOP to selected senior employees as a long term incentive and retention tool.

Two types of options have been issued under the plan; regular options and performance rights:

(i) Regular options
Options are granted under the plan for no consideration, exercisable within a prescribed date range at prescribed prices. Generally, the exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Securities Exchange during the five trading days immediately before the options are granted.

The employees' entitlements to the options are vested as soon as they become exercisable. Participation in the plan ceases within a defined period on termination of employment. The exercise of vested options must occur within a defined time. Any vested options not exercised, on or before the last exercise date, will lapse.

Amounts receivable on the exercise of options are recognised as contributed equity.

(ii) Performance rights
Performance rights are granted under the plan for no consideration. The rights convert to shares only if the performance and service conditions are met.

Where the performance and service conditions are met, shares may be sourced from on-market acquisitions, new issues by the company or the allocation of shares available within the Deferred Employee Share Plan.

Participation in the plan usually ceases on termination of employment and any unvested performance rights lapse immediately.

As at 30 June 2014 there are no outstanding options or performance rights. The remaining options and performance rights have either been forfeited or cancelled. As a consequence the amount remaining in share based payment reserve has been written back.

Set out below are summaries of options granted under the plan:

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/07/2009	01/07/2014	$0.53	50,000	-	-	(50,000)	-
			50,000	-	-	(50,000)	-

Note 35. Share-based payments (continued)

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
07/10/2009	30/09/2013	$0.00	325,443	-	-	(325,443)	-
02/05/2011	30/09/2014	$0.00	744,048	-	-	(744,048)	-
02/05/2011	30/09/2014	$0.00	769,820	-	-	(769,820)	-
20/05/2011	01/01/2015	$0.00	1,116,263	-	-	(1,116,263)	-
02/05/2011	30/09/2015	$0.00	1,488,095	-	-	(1,488,095)	-
17/02/2012	01/01/2016	$0.00	1,425,991	-	-	(1,425,991)	-
12/03/2012	30/09/2015	$0.00	2,054,622	-	-	(2,054,622)	-
02/04/2013	31/12/2014	$0.00	2,300,000	-	-	(2,300,000)	-
			10,224,282	-	-	(10,224,282)	-

There were no performance rights exercisable at the end of the financial year.

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Robert Critchley
Chairman

29 September 2014
Sydney

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 8226 4500 **F** +61 2 8226 4501

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THO SERVICES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of THO Services Limited, which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of THO Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of THO Services Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 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 Note 2

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 12 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.

Opinion

In our opinion the Remuneration Report of THO Services Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 29 September 2014

THO Services Limited
(Formerly known as Thomas & Coffey Limited)
Shareholder information
30 June 2014

The shareholder information set out below was applicable as at 25 September 2014.

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

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	56	-
1,001 to 5,000	178	-
5,001 to 10,000	112	-
10,001 to 100,000	220	-
100,001 and over	132	-
	698	-
Holding less than a marketable parcel	491	-

Equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
MR JOHN EDWIN CORDUKES + MRS ELIZABETH JULIA MORETON CORDUKES	12,941,348	11.39
MR NEWTON FRANCIS MITCHELL	10,000,000	8.80
CITICORP NOMINEES PTY LIMITED	7,226,967	6.36
MR GEOFFREY FREDERICK O'BRIEN + MRS PATRICE ANNE O'BRIEN	5,350,000	4.71
PILRIFT PTY LTD	4,804,924	4.23
CLAPSY PTY LTD	3,777,843	3.33
MR ROBERT PRESTON CORDUKES	3,451,390	3.04
MRS PATRICIA JEAN COZENS	3,351,208	2.95
DEMILHAU INVESTMENTS PTY LIMITED	3,192,022	2.81
MR JONATHAN WEST + MRS SUSAN WEST	3,020,848	2.66
BOND STREET CUSTODIANS LIMITED (ANDBAR - D05527 A/C)	2,565,467	2.26
HBD SERVICES PTY LTD	2,147,000	1.89
NEJEKA PTY LTD	2,063,953	1.82
MR PAUL DEAN RAMSBOTTOM ISHERWOOD + SUZANNE RAMSBOTTOM ISHERWOOD	1,300,000	1.14
JKS SOLUTIONS PTY LTD	1,195,000	1.05
MR BRUCE MALCOLM ROBERTSON	1,149,835	1.01
K B J INVESTMENTS PTY LTD	1,139,994	1.00
AGRICO PTY LTD	1,081,353	0.95
SYNERGY HOLDINGS PTY LIMITED	1,050,000	0.92
MR PETER FALK + MRS SUZANNE FALK	1,000,000	0.88
	71,809,152	63.20

Unquoted equity securities

	Number on issue	Number of holders
Convertible Notes	2,000,000	3
Options over ordinary shares	5,000,000	2

The following persons holds 20% or more of unquoted equity securities:

Name	Class	Number held
R COMB AND RELATED PARTIES	Convertible Notes	1,033,335
D O'BRIEN AND RELATED PARTIES	Convertible Notes	841,665
R COMB	Options over ordinary shares	2,500,000
GF & PA O'BRIEN SUPERFUND	Options over ordinary shares	2,500,000

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
MR JOHN EDWIN CORDUKES + MRS ELIZABETH JULIA MORETON CORDUKES	12,941,348	11.39
MR NEWTON FRANCIS MITCHELL	10,000,000	8.80
CITICORP NOMINEES PTY LIMITED	7,226,967	6.36

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Directors	Robert K Critchley Timothy J Regan Terrence M O'Reilly
Company secretary	Timothy J Regan
Notice of annual general meeting	The details of the annual general meeting of THO Services Limited are: RSM Bird Cameron Level 12, 60 Castlereagh Street SYDNEY NSW 2000 11:00 AM on Thursday 20 November 2014
Registered office	Level 6, Suite 7 66 Hunter Street Sydney, NSW 2000 Phone: +61 2 9233 4211
Principal place of business	Level 6, Suite 7 66 Hunter Street Sydney, NSW 2000 Phone: +61 2 9233 4211
Share register	Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide, SA 5000 GPO Box 1903 Adelaide SA 5001 Enquiries within Australia: 1300 787 272 Enquiries outside Australia: +61 3 9415 4000
Auditor	RSM Bird Cameron Level 12, 60 Castlereagh Street Sydney, NSW 2000
Solicitors	Watson Mangioni 50 Carrington Street Sydney, NSW 2000
Bankers	National Australia Bank 255 George Street Sydney, NSW 2000
Stock exchange listing	THO Services Limited shares are listed on the Australian Securities Exchange (ASX code: THO)
Website	www.thoservices.com.au