



ASX Announcements  
27 February 2015

**ASX: DSB**

**Board of Directors**

Gordon Galt – Chairman

Stephen Bizzaca – Managing  
Director – CEO

Glyn Dawkins – Non Executive  
Director

Geoff Garside –Executive Director

**Company Secretary**

Geoff Garside

**Principal Contact**

Stephen Bizzaca – Managing  
Director – CEO

Phone: 02 4629 0300

**Registered office**

Suite 220, Centric

4 Hyde Parade

Campbelltown NSW 2560

Telephone: 02 4629 0300

Facsimile: 02 4629 0399

Website: [www.deltasbd.com.au](http://www.deltasbd.com.au)

To : Australian Securities Exchange

27 February 2015

Australian Stock Exchange  
Company Announcements

**HALF YEAR RESULTS**

Please find attached the following:

1. Appendix 4D – Half Year Report
2. Half Year Report incorporating the Directors' Report and the consolidated financial report.

Yours Faithfully

Geoff Garside  
Company Secretary

## Appendix 4D

1. This statement presents results for Delta SBD Limited for the half year ended 31 December 2014 and, where applicable, comparative results for the relevant previous period.

### 2. Financial Results for announcement to the market

#### Statutory profits

The Group's net loss after tax for the six months ended 31 December 2014 was \$197,357 (31 December 2013 net loss after tax: \$30,663,000).

In thousands of AUD	Half Year 31 Dec 2014	Half Year 31 Dec 2013	Change	
			Amount	%
Revenue from ordinary activities	31,206	35,351	(4,145)	(12)
(Loss) from ordinary activities after tax attributable to members	(197)	(30,663)	30,466	>500%
Net (Loss) for the period attributable to members	(197)	(30,663)	30,466	>500%

#### Adjusted Underlying Profit (not subject to review procedures)

For the six months ended 31 December 2014 Delta SBD allowed for adjustments to underlying profits, including the write-back of retrenchment costs of accrued in FY2014 of \$217,389, gain on disposal of Held for Sale assets of \$181,465 and loan termination fees associated with the asset disposal of \$368,832.

In thousands of AUD	Half Year 31 Dec 2014	Half Year 31 Dec 2013	Change	
			Amount	%
Revenue from ordinary activities	31,206	35,351	(4,145)	(12)
Adjusted underlying (Loss)/profit from ordinary activities after tax attributable to members	(227)	(1,037)	810	357
Adjusted underlying net (loss)/profit for the period attributable to members	(227)	(1,037)	810	357

### 3. Review of Results

- Revenue of \$31.2 million and underlying EBITDA of \$1.1 million.
- Underlying net loss of \$0.2 million, up 357% compared with the previous corresponding period.
- Net assets of \$16.0 million. Net debt is \$5.3 million (\$5.7 million interest bearing liabilities less \$0.4 million cash).
- Cash at bank at 31 December 2014 \$0.4 million.

### 4. Net Tangible Assets (NTA) per security:

	Half Year 31 Dec 2014	Half Year 31 Dec 2013
NTA per security	33c/share	62c/share

### 5. Other Information

All other information can be obtained from the attached Interim Financial Report, accompanying notes and Directors' Report.

### 6. Dividends

No dividend has been paid during the six months ended 31 December 2014, and no dividend has been declared for the six months ended 31 December 2014.

### 7. Independent auditors review report

The independent auditors review report for the half year period ended 31 December 2014 was issued without modification. A copy of the Audit review report is attached.



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Geoff Garside  
Company Secretary



Delta SBD Limited  
and its controlled entities

ABN 18 127 894 893

31 December 2014

Interim Financial Report

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## Directors' Report

The Directors present their report, together with the consolidated interim financial report of Delta SBD Limited ("the Company") for the six months ended 31 December 2014, and the review report thereon. The consolidated Delta SBD Group ("the Group") includes:

- Delta SBD Limited
- Delta Mining Pty Ltd
- SBD Services Pty Ltd
- Delta Coal Mining Pty Ltd

### Directors

The Directors of the Company at any time during or since the end of the interim period are:

Name	Position	Date of appointment
<b>Non-executive Directors</b>		
Gordon Thomas Galt	Chairman Non-executive Director	8 October 2007
Glyn Dawkins	Non-executive Director	8 October 2007
<b>Executive Directors</b>		
Stephen John Bizzaca	Managing Director and Chief Executive Officer	8 October 2007
Geoff Garside	Finance Director and Company Secretary	8 October 2007 (Director) 16 June 2014 (Secretary)

## Review of Operations

### Objective

Delta SBD is one of Australia's largest underground coal mining contractors servicing Australia's underground coal producers. The Group is geographically diverse and operates across NSW at the Southern, Western, Hunter Valley and Narrabri coalfields and the Bowen Basin in Queensland.

The Group's objective is to provide value-added services to clients by forging profitable long-term partnerships. Delta SBD provides each client with competent work teams, "fit for purpose" equipment and excellent site management which is backed by a supportive corporate management team. The Group uses proven safe and efficient work methods enabling on-time completion of works and services to client requirements.

### Principal activities

The principal activity of the Group during the period was the provision of contract mine services and products for the underground coal industry within Australia, embodying the following:

- Total mine operation
- Longwall relocations
- Roadway development
- Plant and Equipment rental
- Mine services including:

- Longwall and development support
  - Secondary support
  - Conveyor installation
  - Dyke excavation
  - Underground civil works
  - Supplementary labour
- Products including:
    - Longwall equipment recover mesh (Deltagrid)

Other than the sale of equipment, largely associated with longwall move transport, there were no other significant changes in the nature of the activities of the Group during the period.

### **Change of Auditors**

As announced to the market on the 28<sup>th</sup> of November 2014 the company changed its auditor from KPMG to Ernst & Young.

### **Operational Review**

The Fair Work Commission's full bench upheld the approval of Delta Coal Mining Pty Ltd's new Enterprise Agreement (approved in June 2014), which enabled this agreement to be successfully implemented in the Illawarra region, which resulted in the immediate award of three contracts (2 year duration), at BHP Billiton's Appin and Westcliff mines.

Also, Delta Mining Pty Ltd's employee's agreed to a number of variations to their current Enterprise Agreement, including reducing pay rates, which as a direct result, BHP Billiton extended the development contract at its Appin mine, with a further extension expected.

Major new services undertaken/commenced in the first half include:

- Peabody Energy – Wambo mine (NSW) completed a longwall relocation and commenced a second longwall relocation.
- Whitehaven's Narrabri mine (NSW) – Completed a longwall relocation.
- BHP Billiton's Appin mine (NSW) – Completed conveyor installation and conveyor civils, commenced and completed drill and blast excavation for various Area 9 projects.
- BHP Billiton's Dendrobium (NSW) – Completed longwall relocation equipment hire.
- Glencore's Blakefield mine (NSW) – Completed longwall relocation
- Glencore's Ulan #3 mine (NSW) – Commenced mobilisation for longwall relocation
- BMA's Broadmeadow mine (QLD) – Mining equipment hire and completed longwall relocation equipment hire
- BMA's Crinum mine (QLD) – Commenced conveyor installations and salvages.

Ongoing works consisted of:

- Boral's Berrima mine (NSW) – Whole of mine operations transitioned to care and maintenance in October 2013 and is continuing, although Boral has advised its intention to close the mine.
- BHP Billiton's Appin mine (NSW) – Roadwork development (2 units- contract extended to March 2015 with a further 12 month extension for 1 unit expected), secondary support (new contract awarded until August 2016), drill and blast excavation and other mine services activities (new contract awarded until August 2016).
- Peabody's Metropolitan mine (NSW) – Secondary support and other mine services activities continued.

Recent new contract awards, with services commencing in the second half of 2015, include:

- Longwall relocations at Glencore's Ulan #3 (NSW) and Ulan West (NSW) mines.
- CH4 pipeline for BHP Billiton's Appin mine (NSW)
- Development assistance at Whitehaven's Narrabri mine (NSW)
- Recurring longwall relations (3 over the next 2 years) at Glencore's Blakefield mine (NSW)

### **Debt reduction initiatives**

The majority of the longwall relocation equipment as well as some minor mining equipment, was successfully sold as part of the Group's debt reduction initiatives. Debt for plant and equipment reduced from \$10.530 million as at 30<sup>th</sup> of June 2014 to \$1.3 million. Some Equipment Held for Sale are currently in process of sale and further debt reduction will result.

### **Safety Performance**

Maintaining the health and safety of the Delta SBD workforce and of our clients remains a core value of the group.

Overall the company is pleased to advise that in the very turbulent labour market the Total Recordable Injury Frequency Rate is stable at 14 and continues to be in the top quartile performance for underground mines. Leading safety measures remained on target over the reporting period at 1 per 9.4 hours worked.

### **Outlook**

The company's expectations for the January to June 2015 period continue to be set against a framework of continuing general weakness in the coal industry in Australia.

The effect of the new Delta Coal Mining Enterprise Agreement and the varied Delta Mining Enterprise Agreement has made the Group significantly more competitive by offering our Clients' a more viable outsourcing solution, as well as reducing costs and improving the overall sustainability of the Group.

Notwithstanding the above, the Group forecasts improved performance for the 2015 fiscal year as the company will continue to provide value added services to Illawarra Coal as well as undertake numerous relocation projects including recurring work at Glencore's Blakefield mine, Ulan #3 and Ulan West mines, Peabody's Wambo mine and Whitehaven's Narrabri mine over the next 12 months.



## Financial results for announcement to the market:

### Statutory profits

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<i>In thousands of AUD</i>	<b>Half Year 31 Dec 2014</b>	<b>Half Year 31 Dec 2013</b>	<b>Change</b>	
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Adjusted underlying (Loss)/profit from ordinary activities after tax attributable to members	(227)	(1,037)	810	357
Adjusted underlying net (loss)/profit for the period attributable to members	(227)	(1,037)	810	357

### Events subsequent to reporting date

Subsequent to reporting date no item, transaction or event of a material or unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

## **Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the six months ended 31 December 2014.

## **Rounding**

The Company is of a kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors:

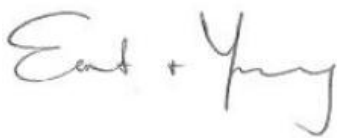
A handwritten signature in black ink, appearing to read 'Gordon Galt', with a stylized flourish at the end.

Gordon Galt  
Chairman

Dated at Campbelltown this 27th day of February 2015

## Auditor's Independence Declaration to the Directors of Delta SBD Limited

In relation to our review of the financial report of Delta SBD Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Scott Jarrett  
Partner  
27 February 2015

**Consolidated statement of financial position***As at 31 December 2014**In thousands of AUD*

	Note	Consolidated 31 Dec 2014	Consolidated 30 June 2014
<b>Assets</b>			
Cash and cash equivalents		379	1,048
Trade and other receivables		13,322	12,979
Inventories		683	863
Other current assets		325	245
Current tax assets		0	362
Assets held for sale	5	7,104	17,011
<b>Total current assets</b>		<b>21,813</b>	<b>32,508</b>
Deferred tax assets		1,350	1,696
Other non-current assets		167	192
Property, plant and equipment		8,352	8,830
Intangible assets		205	110
<b>Total non-current assets</b>		<b>10,074</b>	<b>10,828</b>
<b>Total Assets</b>		<b>31,887</b>	<b>43,336</b>
<b>Liabilities</b>			
Trade and other payables		3,976	5,175
Loans and borrowings	6	4,641	9,654
Employee benefits		5,266	5,252
Current tax payable		(148)	24
<b>Total current liabilities</b>		<b>13,735</b>	<b>20,105</b>
Loans and borrowings		1,034	5,484
Employee benefits		172	174
Deferred tax liabilities		919	1,349
<b>Total non-current liabilities</b>		<b>2,125</b>	<b>7,007</b>
<b>Total liabilities</b>		<b>15,860</b>	<b>27,112</b>
<b>Net assets</b>		<b>16,027</b>	<b>16,224</b>
<b>Equity</b>			
Share capital	7	38,591	38,591
Reserves		946	946
Accumulated losses		(35,951)	(35,754)
Retained earnings (pre June 2014)		12,441	12,441
<b>Total equity attributable to equity holders of the Company</b>		<b>16,027</b>	<b>16,224</b>
<b>Total equity</b>		<b>16,027</b>	<b>16,224</b>

The condensed notes on pages 13 to 15 are an integral part of the consolidated interim financial report.

## Consolidated statement of profit or loss and other comprehensive income

### For the six months ended 31 December 2014

*In thousands of AUD*

	Note	Consolidated 31 Dec 2014	Consolidated 31 Dec 2013
<b>Continuing operations</b>			
Revenue		31,206	35,351
Gain/(Loss) on sale of assets		155	(479)
Employee benefits expense		28,141	27,738
Materials and consumables		442	4,578
Other expenses		1,562	2,055
Depreciation		665	1,860
Amortisation		28	28
Impairment expense		-	29,247
<b>Results from operating activities</b>		<b>523</b>	<b>(30,634)</b>
Finance income		13	27
Finance costs		(832)	(803)
<b>Net finance costs</b>		<b>(819)</b>	<b>(776)</b>
<b>Loss before income tax</b>		<b>(296)</b>	<b>(31,410)</b>
Income tax (benefit)/expense	9	99	(747)
<b>Loss from continuing operations</b>		<b>(197)</b>	<b>(30,663)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(197)</b>	<b>(30,663)</b>
<b>Loss attributable to:</b>			
Owners of the company		(197)	(30,663)
Non-controlling interests		-	-
<b>Loss for the period</b>		<b>(197)</b>	<b>(30,663)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		(197)	(30,663)
Non-controlling interests		-	-
<b>Total comprehensive income for the period</b>		<b>(197)</b>	<b>(30,663)</b>
<b>Earnings per share</b>			
Basic Earnings per share (cents)		(0.41c)	(65.50c)
Diluted Earnings per share (cents)		(0.41c)	(65.50c)

*The condensed notes on pages 13 to 15 are an integral part of the consolidated interim financial report.*

## Consolidated statement of changes in equity

### For the six months ended 31 December 2014

*In thousands of AUD*

	Share capital	Options Reserve	Accumulated Profits/(loss)	Retained Earnings	Total
Balance at 1 July 2013	38,035	946	7,072	13,278	59,331
Total comprehensive income for the period					
(Loss) for the period	-	-	(30,663)	-	(30,663)
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(30,663)</b>	<b>-</b>	<b>(30,663)</b>
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Dividend to equity holders (September 2013)	-	-	-	(837)	(837)
Shares issued – dividend reinvestment plan	556	-	-	-	556
Total transactions with owners	556	-	-	(837)	(281)
Balance at 31 December 2013	38,591	946	(23,591)	12,441	28,387

*In thousands of AUD*

	Share capital	Options Reserve	Accumulated Profits/(loss)	Retained Earnings	Total
Balance at 1 July 2014	38,591	946	(35,754)	12,441	16,224
Total comprehensive income for the period					
(Loss) for the period	-	-	(197)	-	(197)
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(197)</b>	<b>-</b>	<b>(197)</b>
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Dividend to equity holders	-	-	-	-	-
Balance at 31 December 2014	38,591	946	(35,951)	12,441	16,027

*The condensed notes on pages 13 to 15 are an integral part of the consolidated interim financial report.*

## Consolidated statement of cash flows

### For the six months ended 31 December 2014

*In thousands of AUD*

	Consolidated 31 Dec 2014	Consolidated 31 Dec 2013
<b>Cash flows from operating activities</b>		
Cash receipts from customers	30,766	51,547
Cash paid to suppliers and employees	(31,152)	(51,770)
Cash generated from operations	(386)	(223)
Interest received	13	27
Interest paid	(832)	(803)
Income taxed received/paid	205	(906)
<b>Net cash from operating activities</b>	<b>(1,000)</b>	<b>(1,905)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of assets	10,038	5,081
Acquisition of property, plant and equipment	(163)	(358)
Acquisition of intangibles	(123)	(1)
<b>Net cash from investing activities</b>	<b>9,752</b>	<b>4,722</b>
<b>Cash flows from financing activities</b>		
Repayments from employee share loans	17	611
Proceeds from/(payment of) non-current security deposits	25	1,645
Payment of hire purchase loan liabilities	(8,917)	(9,448)
Repayment of loans from shareholders	(636)	(522)
Cash payment of dividends to ordinary shareholders	-	(281)
Funding received for insurance premiums	-	374
Payment of Finance Liabilities	90	(225)
<b>Net cash from financing activities</b>	<b>(9,421)</b>	<b>(7,846)</b>
Net (decrease) in cash and cash equivalents	(669)	(5,029)
Cash and cash equivalents at the beginning of the period	1,048	5,934
<b>Cash and cash equivalents at the end of the period</b>	<b>379</b>	<b>905</b>

*The condensed notes on pages 13 to 15 are an integral part of the consolidated interim financial report.*

## Condensed notes to the consolidated interim financial statements 31 December 2014

### 1 Reporting entity

Delta SBD Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2014 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2014 is available from the Company's website [www.deltasbd.com.au](http://www.deltasbd.com.au) or upon request from the Company's registered office at Suite 220, 4 Hyde Parade, Campbelltown NSW 2560.

### 2 Basis of preparation

#### *a) Statement of compliance*

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2014. The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2014.

This consolidated interim financial report was approved by the Board of Directors on 25 February 2014.

The Company is of a kind referred to in ASIC Class Order 98/100, and in accordance with the Class Order, amounts in the consolidated interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

#### *b) Going concern*

The financial report of the Group has been prepared on the going concern basis which assumes that assets will be realised and liabilities extinguished on normal terms and conditions.

The December 2014 loss is attributable to the challenging environment in the Australian Coal Mining industry which has led to a contraction in the group's revenue. To address the impact of this the Group's directors and management have continued to implement the actions identified in the 2014 Financial Year including:

- Implementation of a reduced cost structure to improve competitiveness; through the introduction of Delta Coal Mining Pty Ltd's new Enterprise Agreement and also a variation to Delta Mining Pty Ltd's current Enterprise Agreement.
- A commitment to reduce debt and improve cash flow through the sale of equipment identified as not being a part of the sustainable asset group. The funds received from the sale of assets have been used to reduce debt by \$9.23 million within the first half.

The directors have prepared a detailed cash flow forecast for the 12 month period from 1 January 2015. The cash flow forecast has been prepared having regard to:

- Revenue to be generated from continuing, and recently awarded contracts
- Cost reductions to be realised from the Group's new implemented and revised Enterprise Agreements, reduction in head count and other restructuring initiatives that have been undertaken
- The significant reduction in the Group's external borrowings following the asset sales



This cash flow forecast indicates that the Group will progressively reduce the need to draw on its current finance facility and continue as a going concern.

Had the going concern basis of preparation not been used, adjustments would need to be made relating to the recoverability and classification of certain assets and the classification and measurement of certain liabilities to reflect the fact that the Group may be required to realise its assets and settle its liabilities other than in the normal course of business and at amounts different from those disclosed.

### **c) Estimates**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2014.

## **3 Significant accounting policies**

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2014.

## **4 Operating Segments**

### **Identification of reportable segments**

The Group has only one segment being underground mining services. This includes the whole of mine operation, labour hire, equipment hire, longwall relocations and support, roadway development, conveyor installations and maintenance and mine services.

## **5 Assets Held for Sale**

During the six months ended 31 December 2014, the Group sold selected assets which had been identified for sale per 30 June 2014 as part of the Group's Debt Reduction strategy and to improve cash flow. These selected assets related to the Group's longwall mobile fleet and mining equipment. Various assets that are necessary for sustaining and expanding current operations have been retained. Efforts to sell assets commenced with a sale via auction held in August 2014 with the majority of private treaty sales being concluded by end of September 2014. The Group continues to actively pursue sales for assets not considered part of the sustainable fleet. As of 31 December 2014, there has been approx. \$10.6 million worth of asset sales.

*In thousands of AUD*

	<b>Consolidated 31 Dec 2014</b>	<b>Consolidated 30 June 2014</b>
<b>Assets Held for Sale</b>		
Plant and Equipment	4,583	2,102
Plant and Equipment under Finance	2,521	14,909
<b>Assets Held for Sale</b>	<b>7,104</b>	<b>17,011</b>

## 6 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings which are measured at amortised cost.

*In thousands of dollars*

	<b>Consolidated 31 Dec 2014</b>	<b>Consolidated 30 June 2014</b>
<b>Current</b>		
Hire purchase loans	896	6,829
Unexpired hire purchase charges	(67)	(542)
Finance lease liabilities	127	37
Finance facility	3,685	3,330
	<u>4,641</u>	<u>9,654</u>

*In thousands of dollars*

	<b>Consolidated 31 Dec 2014</b>	<b>Consolidated 30 June 2014</b>
<b>Non-current</b>		
Hire purchase loans	416	4,471
Unexpired hire purchase charges	(10)	(265)
	<u>406</u>	<u>4,206</u>

The carrying value approximates fair value.

*In thousands of dollars*

	<b>Consolidated 31 Dec 2014</b>	<b>Consolidated 30 June 2014</b>
<b>Non-current- Related Parties</b>		
Titanwood Holdings Pty Ltd	338	988
Dawkins Enterprises Pty Ltd	290	290
	<u>628</u>	<u>1,278</u>

A secured finance facility was entered into with Titanwood Holdings Pty Ltd on the 6<sup>th</sup> of June 2014 for \$650 thousand, to be repaid over a period of 4 years. The loan was repaid in full on the 12<sup>th</sup> of September 2014.

## 7 Share capital

*In thousands of AUD (except for shares)*

	<b>Consolidated 31 Dec 2014</b>	<b>Consolidated 30 June 2014</b>
Share capital		
Authorised, issued and fully paid up ordinary shares	<u>38,591</u>	<u>38,591</u>

## 8 Contingent Liabilities

No contingent liabilities have been identified.

## 9 Income tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2014 was (33.32%). (For the six months ended 31 December 2013: 2.4%).

## 10 Subsequent events

No item, transaction or event of a material or unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

## Directors' declaration

In the opinion of the Directors of Delta SBD Limited ("the Company"):

- 1 The interim financial statements and notes set out on pages 9 to 15, are in accordance with the Corporations Act 2001 including:
  - a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the six month period ended on that date; and
  - b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2 There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Gordon Galt  
Chairman



Stephen Bizzaca  
Director

Dated at Campbelltown this 27<sup>th</sup> day of February 2015

## To the members of Delta SBD Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Delta SBD Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Delta SBD Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

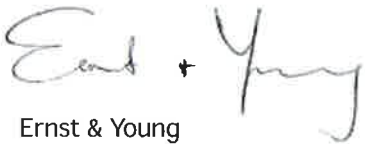
### Independence

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

## Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Scott Jarrett  
Partner  
Sydney  
27 February 2015