



14 August 2015

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Re: Appendix 4E Final Report and 2015 Annual Report

The Directors of Tamawood Limited announce the financial results for the year ended 30 June 2015.

Find attached the Appendix 4E Final Report and 2015 Annual Report.

Yours faithfully

Geoff Acton
Company Secretary

Appendix 4E – Final Report

Name of Entity:	TAMAWOOD LIMITED
ABN:	56 010 954 499
Financial Year Ended:	30 June 2015
Previous Corresponding Period:	30 June 2014

RESULTS FOR ANNOUCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	up	17.6%	to	95,319
Profit from ordinary activities after tax attributable to members	up	27%	to	6,416
Net profit attributable to members	up	27%	to	6,416

DIVIDENDS

	Amount per security	Franking at 30% tax rate	Franked Amount per Security
2014 Final dividend (paid 4 December 2014)	13 cents	100%	13 cents
2015 Interim dividend (paid 2 June 2015)	10 cents	100%	8 cents
TOTAL	23 cents	100%	23 cents

The final dividend for the 2015 year has not been declared at the date of this report. Tamawood Limited reaffirms that it will pay a fully franked dividend of 15 cents for the half year ended 30 June 2015 with a payment date of 3 December 2015. This represents a full year dividend for the year ended 30 June 2015 of 25 cents.

Dividend reinvestment plan

The dividend reinvestment plan has been suspended until further notice.

Brief explanation of revenue, net profit and dividends to enable the above figures to be understood

A review of operations for the Group is set out in the Directors' Report of the Annual Report together with the Chairman's Report.

FINANCIAL STATEMENTS

Refer to the Annual Report for the following financial statements:

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Equity

KEY FINANCIAL PERFORMANCE INDICATORS

	2015	2014
Net tangible asset backing		
Net tangible assets per ordinary security	34.80 cents	32.20 cents
Earnings per security		
Basic earnings per share (cents)	25.10 cents	19.76 cents
Diluted earnings per share (cents)	25.10 cents	19.76 cents
Weighted average number of shares	25,559,611	25,559,611
Profits before tax as % of revenue		
Consolidated profit from continuing operations before tax as a percentage of revenue	9.91%	8.99%
Profit after tax as % of equity		
Consolidated net profit after tax as a percentage of equity	73.56%	61.57%

Operating performance, segments and performance trends

Refer to the Annual Report for a review of operating performance and segment reporting note.

AUDIT & COMPLIANCE STATEMENT

This report is based on the financial statements included in the attached 2015 Annual Report which have been audited and an unqualified audit opinion issued on.

This report, and the financial statements upon which it is based, use the same accounting policies.

Tamawood Limited

ABN 56 010 954 499

Annual Report

For the Year Ended 30 June 2015

ABN 56 010 954 499
ASX Code: TWD

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Chairman's Report

The Result

The result for the year for the members of Tamawood Limited was an after tax profit attributable to members of \$6,416 million (2014: \$5,051 million) an increase of 27% and 25.10 cents per share (2014: 19.76 cents). This result enables us to pay a fully franked dividend of 15 cents per share which will be paid on 3 December 2015. This increases the full year dividend to 25 cents per share fully franked. Tamawood remains debt free with an excess of \$3.36 million in cash reserves as at 30 June 2015.

While this is a solid result it may have been better had sales in Queensland not been negatively affected due to the protracted state election campaign.

NSW's contribution, whilst good in its first full year of operation, was affected by delays in land registration on blocks where we had made sales. This is only a timing issue as those sales will move into construction in the first half of the 2015/2016 year.

Highlights

- Continued growth in sales in South East Queensland for the year which will flow into the 2015/16 financial year.
- A significant increase in construction revenue in Dixon NSW which is likely to continue in 2015/2016.
- The rest of our franchise business has seen an increase of 16% in the number of sales and an increase of 17% in the number of franchise outlets across Australia which again will contribute to 2015/2016 result.

2015/2016 Financial Year Outlook

The board expects the improved current housing market conditions in South East Queensland to continue with approvals at levels experienced in the first half of 2015.

We anticipate that delays in land registration in NSW will ease in 2015/2016 and land supply availability should improve enabling the Sydney franchise to expand building activity and increase its positive contribution to net profit.

The Melbourne operation has just completed its first display home in May. It is not expected to make a significant contribution to net profit until 2016/2017, as the next 12 months will be an establishment phase before consolidating for future growth.

We will continue the aggressive expansion of our franchise business throughout Australia and New Zealand which should see further improvements in results in 2015/2016.



Mr Robert Lynch
Non-Executive Chairman

Dated 14 August 2015

Directors' Report

30 June 2015

The directors present their report, together with the financial statements of the Group, being Tamawood Limited (the Company) and its controlled entities, for the financial year ended 30 June 2015.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Names	Position
Mr Robert Lynch	Non-executive Chairman
Mr Lev Mizikovsky	Non-executive Director
Mr Rade Dudurovic	Non-executive Director
Mr Andrew Thomas	Non-executive Director
Mr Timothy Bartholomaeus	Managing Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

The following persons held the position of Joint Company Secretary at the end of the financial year:

- Mr Geoff Acton (B.Com, ACA, GAICD)
- Miss Narelle Lynch ["Cert(Gov Prac)"]

Principal activities

The principal activities of the Group during the financial year were:

- home design, project management services and associated activities including home contract construction activities in selected markets
- franchising and licensing operations
- generating and trading of renewable energy certificates associated with solar products

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating results and review of operations for the year

Operating results

The Group achieved an after-tax profit attributable to the owners of Tamawood Limited of \$6.416 million (2014: \$5.051 million) for the year ended 30 June 2015.

Basic earnings per share was 25.10cents (2014: 19.76cents).

	Tamawood Limited 2015	HIA Economic Data 2012 ^
	\$	\$
Profit before tax as a % of revenue	9.91%	7.00%
Wages & Salaries as a % of revenue	6.15%	16.60%
Interest expense as a % of EBITDA	0%	31.80%

^ Source: Housing Industry Australia Ltd Economic Group Industry Performance 2011-12 for residential construction industry.

Directors' Report

30 June 2015

Operating results and review of operations for the year (continued)

Review of operations

Construction (QLD and NSW)

Construction revenue in South East Queensland rose by \$17,417 million or 27.58% on previous year. This increase is despite the slowdown in approvals for the first quarter of 2015 from uncertainty surrounding the State Government election result.

Dixon NSW construction revenue increased by \$4.483 million or 174% on previous year. Dixon NSW will continue to increase its construction revenue and contribute to net profit in 2015/2016.

Renewable Energy

Solarpowerrex made a small positive contribution to the Group's result on the back of significant government uncertainty over the ongoing future of the RET Scheme.

Franchising

Franchising revenue grew 16% from the previous year despite a number of franchisees in areas affected by the mining downturn. The number of franchises currently in Australia is 21, up 17% on previous year.

Review of financial position

The net assets of the Group have increased \$663,000 from \$8.231 million at 30 June 2014 to \$8.894 million at 30 June 2015. This increase is a result of significant increase in its work-in-progress as at 30 June 2015.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Dividends paid or recommended

	\$'000s
Final ordinary dividend of 13 cents per share, paid on 4 December 2014	3,323
Interim ordinary dividend of 10 cents per share, paid on 3 June 2015	2,556

All dividends paid were fully franked.

The final dividend for the 2015 year has not been declared at the date of this report. Tamawood Limited proposes that it will pay a fully franked dividend of 15 cents for the half year ended 30 June 2015, with a payment date of 3 December 2015. This represents a full year dividend for the year ended 30 June 2015 of 25 cents.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

The Group will continue to focus on improvements to its automated construction processes and operational efficiencies whilst looking to expand and develop its franchise operations in NSW, Victoria and South Australia.

Directors' Report

30 June 2015

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia. There are various local council requirements that the Group must adhere to during the construction process.

Information on directors

Mr Robert Lynch - Non-executive Chairman **LREA, Justice of the Peace**

As Chairman of Tamawood Limited, Robert has had more than 30 years experience in residential housing construction and land development. Robert was CEO of Mirvac Homes for 17 years and Clarendon Homes for two years.

Robert is a past President of the New South Wales Housing Industry Association.

Robert has been a Non-executive Director of the Tamawood Group since 2008 and Chairman of the Group since November 2011. He is currently the Chairman of the Group's Risk Management Committee and is a member of the Nominations, Remuneration and Audit Committees.

Robert has been a Non-executive Director of AstiVita Limited since February 2011.

Mr Lev Mizikovsky - Non-executive Director **FAICD**

Lev Mizikovsky started Tamawood in July 1989. The Company was listed on the ASX in August 2000 and in December 2000 acquired Dixon Homes. Mr Mizikovsky is currently Non-executive Chairman of AstiVita Limited (AIR) and has been a director of AstiVita Limited since October 2009. AstiVita was spun off from Tamawood in December 2009 and listed on the ASX. The Company specialises in renewable energy products, hot water systems, bathroom and kitchen products. Since 1997, Mr Mizikovsky has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland Companies including Collection House Limited (CLH) and Lindsay Australia Limited (LAU). Lev is a Non-executive Director of Antaria Limited (ANO) since 10 April 2015.

He is currently the Chairman of the Group's Remuneration and Nominations Committees and is a member of the Risk Management Committee.

Mr Rade Dudurovic - Non-executive Director **B Com (Hons), LLB (Hons), CPA**

Rade has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA.

Rade is Non-executive Chairman of Antaria Limited (ANO) and QMI Pty Ltd and a Non-executive Director of AstiVita Limited (AIR).

Rade has been a Non-executive Director of Tamawood Limited since September 2007 and Chairman of the Audit Committee since 2008. He is also a member of the Group's Remuneration, Nominations and Risk Management Committees.

Directors' Report

30 June 2015

Mr Andrew Thomas - Non-executive Director

Andrew has been involved within the building industry for over 25 years and in that time has been involved with several large scale unit developments, land developments and built many spec homes. Andrew has been a member of HIA and QMBA in Queensland for almost 20 years and has a builders licence in Victoria and Queensland.

Andrew has a 24 year history with Tamawood, 18 years as a highly successful franchisor in Cairns and Townsville.

Andrew has been a Non-executive Director of Tamawood Limited for the past 14 years and is a Director of the Group's Dixon Homes NSW operations. Andrew is an active board member and keenly provides practical ideas and innovative solutions to executive management and board members on marketing and product design matters, as well as franchisee issues. Andrew is a member of the Group's Audit Committee and Risk Management Committee.

Andrew is not and has not been a director of any other publicly listed company in the past three years.

Mr Timothy Bartholomaeus - Managing Director

Timothy has been with the group since 1996 commencing as a Building Designer. Since 2001 he held a number of management positions including Design and Estimating Manager, Construction Manager, Administration Manager, Premium Brands Manager and Sales & Marketing Manager.

Timothy was Chief Operating Officer from 2010 until his appointment as Managing Director and is a Director of the Group's Dixon Homes NSW operations.

Timothy has regularly attended Board Meetings since 2010 and has significantly contributed to the Board's ability to navigate through a difficult period in the aftermath of the Global Financial Crisis.

Timothy is not and has not been a director of any other publicly listed company in the past three years.

Details of of each director's relevant interest in shares of the company can be found at page 12 of this report.

Information on company secretary

Mr Geoff Acton **B.Com, ACA, GAICD**

Geoff is a chartered accountant and has a 16 year history with Tamawood in various capacities including Director, Chief Financial Officer, Company Secretary and head of Tamawood's Renewable Energy Certificates trading business, which Geoff established in 2004.

Miss Narelle Lynch **"Cert(Gov Prac)"**

Narelle was appointed joint company secretary on 24 May 2013.

Directors' Report

30 June 2015

Meetings of directors

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

	Directors' Meetings		Audit Committee		Remuneration Committee		Risk Management Committee		Nominations Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Robert Lynch	12	11	2	2	1	1	2	2	1	1
Mr Lev Mizikovsky	12	12	-	2*	1	1	2	2	1	1
Mr Rade Dudurovic	12	12	2	2	1	1	2	2	1	1
Mr Andrew Thomas	12	10	2	2	-	1*	2	2	-	1*
Mr Timothy Bartholomaeus	12	12	-	2*	-	1*	2	2	-	1*

* Attended by invitation

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors' Report

30 June 2015

Indemnification and insurance of officers

The Directors, Secretaries and Officers of the Group and its controlled entities are insured for liabilities that include costs and expenses 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 Group.

The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

Non-audit services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees were paid or payable to the Group's external auditors, Hanrick Curran Audit Pty Ltd, for non-audit services during the year ended 30 June 2015.

No fees were paid or payable to the Group's previous external auditors, Grant Thornton (including their related entities), for non-audit services provided during their appointment as auditors of the Group for the year ended 30 June 2014.

	2015	2014
	\$	\$
Tax compliance	-	22,908
General accounting services ¹	-	14,412
	<hr/>	<hr/>
	-	37,320

¹Fees for other services are comprised of general accounting services relating to Queensland Building and Construction Commission audits and other general accounting advice.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2015 has been received and can be found on page 13 of the financial report.

ASIC class order 98/100 rounding of amounts

The Group is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

Directors' Report

30 June 2015

Remuneration report (audited)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the key management personnel of the Group, including the Directors, in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Remuneration policy

The performance of Tamawood Limited depends upon the quality of its key management personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and other key management personnel.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre key management personnel
- Link executive rewards to shareholder value

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

Structure

The Constitution and the ASX Business Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 30 November 2012 when shareholders approved an aggregate remuneration of \$300,000 per annum (inclusive of superannuation guarantee contributions).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. Each Non-executive Director receives a fee for being a Director of the Group.

Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fee is determined independently to the fees of Non-executive Directors and based on comparable roles in the market. The Chairman is not present at any discussion relating to determination of his own remuneration.

The remuneration of Non-executive Directors for the period ended 30 June 2015 is detailed in the table at page 10 to this report.

Directors' Report

30 June 2015

Remuneration report (audited) (continued)

Remuneration policy (continued)

Other Key Management Personnel

Objective

The Group aims to reward other key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Align the interests of other key management personnel with those of shareholders
- Link rewards with the strategic goals and performance of the Group
- Ensure total remuneration is competitive by market standards

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Other remuneration such as superannuation
- Discretionary bonus

Relationship between remuneration policy and company performance

The Remuneration Committee is cognisant of the link between Directors', and other key management personnel remuneration to the achievement of strategic goals and performance of the Group. In setting the remuneration policy the Group seeks to align key management personnel rewards with overall shareholder value creation.

The Board reviews senior management remuneration on a regular basis to ensure base remuneration and any performance payments are directly linked to the achievement of profit contribution targets.

The following table shows the gross revenue, net profits and dividends for the last five years for the Group, as well as the share prices at the end of the respective financial years. The Group has maintained a consistent dividend policy during the past five years.

	2011	2012	2013	2014	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	114,396	131,372	95,086	81,076	95,319
Net profit attributable to members of the parent entity	6,738	8,259	4,970	5,051	6,416
Dividends paid	7,893	8,260	5,368	5,368	5,879
Dividends per share (cents)	21.0c	21.0c	21.0c	21.0c	23.0c
Share price at year-end (not rounded)	\$2.28	\$1.92	\$2.45	\$3.18	\$3.48

Directors' Report

30 June 2015

Remuneration report (audited) (continued)

The following table of benefits and payments details, in respect to the 2015 and 2014 financial years, the components of remuneration for each member of the key management personnel (KMP) of the Group.

2015	Short-term benefits			Equity-settled share-based payments	Post employment	Long-term benefits	Termination Benefits	TOTAL
	Cash salary, fees & leave	Bonus	Non-monetary	Shares	Superannuation	LSL		
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive directors								
- R Lynch	75,000	-	-	-	15,000	-	-	90,000
- L Mizikovsky	50,000	-	-	-	-	-	-	50,000
- R Dudurovic	45,088	-	-	-	-	-	-	45,088
- A Thomas	64,204	-	-	-	-	-	-	64,204
Sub-total Non-executive Directors	234,292	-	-	-	15,000	-	-	249,292
Executive directors								
- T Bartholomaeus (Managing Director) ¹	177,944	62,500	22,760	-	20,946	13,079	-	297,229
Sub-total executive directors	177,944	62,500	22,760	-	20,946	13,079	-	297,229
Other KMP								
- P Souter-Robertson (Franchise Manager)	111,288	30,000	-	-	13,300	-	-	154,588
- P Chucherko (Quality & Maintenance Manager)	121,376	3,000	3,913	-	11,685	-	-	139,974
- K Waldron (Sales Manager)	104,097	20,750	-	-	11,358	-	-	136,205
- P Hogan (Dixon NSW General Manager & Director - DixonNSW Pty Ltd)	150,000	30,000	19,089	-	-	-	-	199,089
- G Acton (SolarpowerRex General Manager & Company Secretary)	24,135	-	-	-	2,491	2,423	-	29,049
Sub-total Other KMP	510,896	83,750	23,002	-	38,834	2,423	-	658,905
TOTAL	923,132	146,250	45,762	-	74,780	15,502	-	1,205,426
2014								
2014	Short-term benefits			Equity-settled share-based payments	Post employment	Long-term benefits	Termination benefits	TOTAL
	Cash salary, fees & leave	Bonus	Non-monetary	Shares	Superannuation	LSL		
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive directors								
- R Lynch (Chairman)	75,000	-	-	-	15,000	-	-	90,000
- L Mizikovsky	50,000	-	-	-	-	-	-	50,000
- R Dudurovic	45,088	-	-	-	-	-	-	45,088
- A Thomas	45,000	-	-	-	-	-	-	45,000
Sub-total Non-executive Directors	215,088	-	-	-	15,000	-	-	230,088
Executive directors								
- T Bartholomaeus (Managing Director) (commenced as MD from 12/5/2014)	173,364	25,000	27,523	-	15,691	2,844	-	244,422
Sub-total Executive Directors	173,364	25,000	27,523	-	15,691	2,844	-	244,422
Other KMP								
- P Souter-Robertson (Franchise Manager)	113,078	17,500	-	-	11,793	-	-	142,371
- P Chucherko (Quality & Maintenance Manager)	123,520	-	6,540	-	11,313	-	-	141,373
- K Waldron (Sales Manager)	118,785	19,000	-	-	13,146	-	-	150,931
- P Hogan (Dixon NSW General Manager & Director - DixonNSW Pty Ltd)	192,500	40,000	-	-	-	-	-	232,500
- G Acton (SolarpowerRex General Manager & Company Secretary)	40,828	-	-	-	3,750	320	-	44,898
Sub-total Other KMP	588,711	76,500	6,540	-	40,002	320	-	712,073
TOTAL	977,163	101,500	34,063	-	70,693	3,164	-	1,186,583

Remuneration report (audited) (continued)

Cash performance-related bonuses

None of the key management personnel remuneration paid is performance based, with the exception of personnel detailed below.

The terms and conditions relating to bonuses granted as remuneration during the year to key management personnel during the year are as follows:

Bonuses paid and other short-term payments	Amount paid \$	Proportion of total remuneration related to performance	Proportion of remuneration not related to performance
Executive Directors			
T Bartholomaeus (Managing Director)	62,500	21%	79%
KMP			
P Hogan (Dixon NSW General Manager & Director - Dixon NSW)	30,000	15%	85%
K Waldron (Sales Manager)	20,750	15%	85%
P Souter-Robertson (Franchise Manager)	30,000	19%	81%
P Chucherko (Quality & Maintenance Manager)	3,000	2%	98%

Cash bonuses which were granted to key management personnel were awarded at the discretion of the Remuneration Committee during the financial year ended 30 June 2015. The bonuses therefore vested 100% during the financial year.

Service Agreements

It is the Group's policy that service contracts and employment contracts for key management personnel are open-ended, but are capable of termination on two weeks notice. The Group retains the right to terminate the contract immediately by making payment equal to one month's remuneration in lieu of notice.

On termination, Directors and other key management personnel are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable.

Unless otherwise stated, service agreements and employment contracts do not provide for predetermined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined above. The manner of payment is determined on case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

Directors' Report

30 June 2015

Remuneration report (audited) (continued)

KMP Shareholdings

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
L Mizikovsky	14,004,041	-	-	(2,047,744)	11,956,297
R Lynch	532,052	-	-	-	532,052
A Thomas	590,004	-	-	-	590,004
R Dudurovic	5,459	-	-	1,300	6,759
T Bartholomaeus	595,182	-	-	(10,000)	585,182
	15,726,738	-	-	(2,056,444)	13,670,294

Other Transactions with KMP and their Related Parties

The terms and conditions, together with the amount of any transaction during the reporting period between the Group, or any of its subsidiaries, and a key management person and their related parties, are disclosed in Note 26 to the financial statements.

End of Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Mr Robert Lynch
Non-Executive Chairman

Dated 14 August 2015

Auditor's Independence Declaration to the Directors of Tamawood Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 14 August 2015

Corporate Governance Statement

30 June 2015

The objective of the Board of Tamawood Limited (“Tamawood”) is to create and deliver long term shareholder value through a range of diversified but interrelated activities around home design, project management services and home contract construction.

Tamawood and its subsidiaries operate as a single economic entity under a unified Board and management. As such, the Board’s corporate governance arrangements apply to all entities within the economic Group (“the Group”).

Tamawood Limited has adopted the recommendations of the ASX Corporate Principles Edition 3. Tamawood has completed and lodged an Appendix 4G in conjunction with the lodgement of its Annual Report. Tamawood has clearly explained in its governance strategy where principles have been adopted and if not why not.

The company's charters, committees and corporate governance principles are on our website www.tamawood.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2015

		2015	2014
	Note	\$'000s	\$'000s
Revenue	3	95,319	81,076
Other income	3	9	10
Changes in inventories of finished goods and work in progress		-	(581)
Labour, raw materials and consumables used		(73,792)	(62,505)
Employee benefits expense		(5,863)	(4,911)
Depreciation expense	12	(246)	(203)
Advertising		(1,520)	(1,595)
Consultancy		(1,494)	(1,843)
Other expenses		(2,962)	(2,152)
Finance costs		(2)	(3)
Profit before income tax		9,449	7,293
Income tax expense	6	(2,907)	(2,225)
Profit for the year		6,542	5,068
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		6,542	5,068
Profit attributable to:			
Members of the parent entity		6,416	5,051
Non-controlling interest		126	17
		6,542	5,068
Total comprehensive income attributable to:			
Members of the parent entity		6,416	5,051
Non-controlling interest		126	17
		6,542	5,068
Earnings per share			
Basic earnings per share (cents)	29	25.10	19.76
Diluted earnings per share (cents)	29	25.10	19.76

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As At 30 June 2015

	Note	2015 \$'000s	2014 \$'000s
ASSETS			
Current Assets			
Cash and cash equivalents	8	3,366	5,634
Trade and other receivables	9	3,937	2,774
Inventories	10	10,566	7,803
Other assets	11	136	19
Total Current Assets		18,005	16,230
Non-Current Assets			
Property, plant and equipment	12	713	579
Deferred tax assets	16	557	692
Total Non-Current Assets		1,270	1,271
TOTAL ASSETS		19,275	17,501
LIABILITIES			
Current Liabilities			
Trade and other payables	13	6,247	6,067
Provisions	14	513	404
Current tax liabilities	16	512	246
Other liabilities	15	-	82
Total Current Liabilities		7,272	6,799
Non-Current Liabilities			
Provisions	14	300	237
Deferred tax liabilities	16	2,809	2,234
Total Non-Current Liabilities		3,109	2,471
TOTAL LIABILITIES		10,381	9,270
NET ASSETS		8,894	8,231
EQUITY			
Issued capital	17	407	407
Reserves	18	(5)	(5)
Retained earnings		8,105	7,568
Total equity attributable to equity holders of Tamawood Limited		8,507	7,970
Non-controlling interest		387	261
TOTAL EQUITY		8,894	8,231

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2015

2015

	Ordinary Shares \$'000s	Retained Earnings \$'000s	General Reserves \$'000s	Total \$'000s	Non- controlling Interests \$'000s	Total \$'000s
Balance at 1 July 2014	407	7,568	(5)	7,970	261	8,231
Comprehensive income for the year						
Profit for the year	-	6,416	-	6,416	126	6,542
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	6,416	-	6,416	126	6,542
Transactions with owners in their capacity as owners						
Dividends paid	-	(5,879)	-	(5,879)	-	(5,879)
Total transactions with owners in their capacity as owners	-	(5,879)	-	(5,879)	-	(5,879)
Balance at 30 June 2015	407	8,105	(5)	8,507	387	8,894

2014

	Ordinary Shares \$'000s	Retained Earnings \$'000s	General Reserves \$'000s	Total \$'000s	Non- controlling Interests \$'000s	Total \$'000s
Balance at 1 July 2013	407	7,885	-	8,292	229	8,521
Comprehensive income for the year						
Profit for the year	-	5,051	-	5,051	17	5,068
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	5,051	-	5,051	17	5,068
Transactions with owners in their capacity as owners						
Transactions with non-controlling interests	-	-	(5)	(5)	15	10
Dividends paid	-	(5,368)	-	(5,368)	-	(5,368)
Total transactions with owners in their capacity as owners	-	(5,368)	(5)	(5,373)	15	(5,358)
Balance at 30 June 2014	407	7,568	(5)	7,970	261	8,231

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	2015	2014
Note	\$'000s	\$'000s
Cash flows from operating activities		
Receipts from customers (including GST)	104,765	93,586
Payments to suppliers and employees (including GST)	(99,055)	(84,795)
Interest received	201	197
Interest paid	-	(3)
Income tax paid	(1,930)	(2,513)
Net cash from operating activities	24 <u>3,981</u>	<u>6,472</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	101	43
Proceeds from disposal of interest in subsidiary	19(d) -	10
Payments for property, plant and equipment	(471)	(295)
Loans to related parties - proceeds from repayments	-	40
Net cash used by investing activities	<u>(370)</u>	<u>(202)</u>
Cash flows from financing activities		
Dividends paid by parent entity	7 <u>(5,879)</u>	(5,368)
Net cash used by financing activities	<u>(5,879)</u>	<u>(5,368)</u>
Net increase (decrease) in cash and cash equivalents	(2,268)	902
Cash and cash equivalents at beginning of year	<u>5,634</u>	<u>4,732</u>
Cash and cash equivalents at end of financial year	8 <u><u>3,366</u></u>	<u><u>5,634</u></u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2015

This financial report covers the consolidated financial statements and notes of Tamawood Limited and Controlled Entities (the 'Group'). Tamawood Limited is a for profit Company incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange Limited.

The financial statements were authorised for issue by the Board of Directors on 14 August 2015.

The separate financial statements and notes of the parent entity, Tamawood Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Parent entity summary is included in note 2.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

(b) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Non-controlling interests

Non-controlling interests (i.e. equity in a subsidiary not attributable directly or indirectly to a parent) are presented in the consolidated statement of financial position within equity separately from the equity of the owners of the parent.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(b) Principles of Consolidation (continued)

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Tamawood Limited.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

A list of subsidiaries is contained in Note 19 to the financial statements.

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

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

A list of associates is contained in Note 20 to the financial statements.

(c) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(c) Income Tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tax consolidated group

Tamawood Limited is the head entity for the income tax consolidation group. Each entity in the Group recognises its own current and deferred tax amounts which are measured using the "separate taxpayer within group" taxpayer approach for allocation. Current and deferred tax assets resulting from unused tax losses and tax credits are assumed by the parent entity. The current tax liability of each Group entity is also assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered into tax sharing and funding arrangement.

Under the terms of the arrangement, the wholly-owned entities reimburse Tamawood Limited for any current income tax payable by Tamawood Limited arising in respect of their activities. The reimbursements are payable on the date advised by Tamawood Limited after the end of the relevant financial year. In the opinion of the Directors, the tax sharing agreement is also a valid arrangement under the tax consolidation legislation and limits the joint and several liabilities of the wholly-owned entities in the case of a default by Tamawood Limited.

(d) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening consolidated statement of financial position at the earliest date of the comparative period has been presented.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(e) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(i) Construction Contracts and Work in Progress for Contract Customers

Construction work in progress is the gross unbilled amount expected to be collected from customers for work performed to date.

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

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

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

(ii) Renewable Energy Certificates

Tamawood enters into renewable energy certificate contracts with both buyers and sellers. The renewable energy certificates are valued at the lower of cost or net realisable value. Cost of inventory is determined using the weighted average costs basis and are net of any rebates and discounts received.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment comprising motor vehicles, office furniture and equipment, are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a diminishing value method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	4 - 8 years
Office Furniture and Equipment	2 - 5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are assigned to different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

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 arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial .

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the consolidated statement of profit or loss and other comprehensive income line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets' original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions for warranties

The cost of rectification work undertaken during construction is charged as an expense in the year in which it is incurred. A provision is recognised for warranty in respect of houses constructed and products sold which are still under the statutory warranty period as at balance date. The provision for warranty has been based upon total sales for the past year and the history of claims made to date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation.

(k) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(n) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Building and construction

Revenue from building design and preliminary project management services and the sale of display homes is recognised upon completion of relevant contractual terms.

Contract construction revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. 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.

Renewable energy certificates

Revenue from the sale of renewable energy certificates is recognised at the point of delivery or when renewable energy certificates have been approved and are available to meet contract obligations as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those certificates.

Franchise revenue

Franchise revenue is recognised once a franchisee has issued progress claims for the framing stage with their customer, and the franchisee charge is a percentage of the total contract. There are additional monthly charges for hardware maintenance, advertising and any other associated costs which can be charged per contracted agreements.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

(o) Research and development

(i) Expenditure incurred

Research costs are charged against profit or loss as incurred.

Development costs are deferred to future periods to the extent that the project will deliver future economic benefits and these benefits can be measured reliably and other relevant criteria met. Deferred costs are amortised from the commencement of commercial production of the product to which they relate on a straight line basis over the period of the expected benefit.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(p) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

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

(q) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(r) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(r) Critical accounting estimates and judgments (continued)

Key estimates - inventories

As discussed in Note 1(e) the Group values its inventory at the lower of cost and net realisable value.

Estimates used in the calculation of net realisable value and cost of display homes and homes available for sale are based on selling prices for comparable properties in the nearby areas. There was no impairment required to be recognised.

Key estimates - construction work in progress

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver construction services as discussed in Note 1(e). Use of the percentage-of-completion method requires the Group to estimate the work performed to date as a proportion of the total estimated cost of construction to be performed. The key management personnel regularly review actual costs against contracted budgeted costs at each milestone of the construction cycle.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

As discussed in Note 1(j), in determining the level of provisions required for warranties for construction of homes and products sold, the Group has made judgements in respect of the number of customers who will actually use the maintenance warranty and how often and the costs of fulfilling the performance of the maintenance warranty. Historical experience and current knowledge of the performance of products has been used in determining this provision. The related carrying amounts are disclosed in Note 14. The Group assesses provisions at each reporting date by evaluating conditions specific to the Group that may lead to a provision being raised. Where a future obligation for costs is to be incurred a provision is recognised.

(s) Adoption of new and revised accounting standards

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standard Board (AASB), that are relevant to their operations and effective for the current period.

During the current year, the following standards became mandatory and have been adopted retrospectively by the Group:

- AASB 1031 *Materiality*
- AASB 2012-3 *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*
- AASB 2013-3 *Amendments to Australian Accounting Standards - Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B*
- AASB 2014-1 *Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-*

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(s) Adoption of new and revised accounting standards (continued) *2012 and 2011-2013 Cycles]*

- AASB 2014-1 *Amendments to Australian Accounting Standards [Part B – Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)]*
- AASB 2014-1 *Amendments to Australian Accounting Standards [Part C – Materiality]*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below:

AASB 1031 *Materiality* is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. The adoption of this standard had no material impact on the reported financial position or performance.

AASB 2012-3 *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (AASB-132)* adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard. The adoption of this standard had no material impact on the reported financial position or performance.

AASB 2013-3 *Amendments to Australian Accounting Standards - Recoverable Amount Disclosures for Non-Financial Assets* makes amendments to AASB 136 *Impairment of Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B* makes amendments to particular Australian Accounting Standards to delete references to AASB 1031. The adoption of this standard had no material impact on the reported financial position or performance.

AASB 2014-1 *Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]* makes various amendments to Australian Accounting Standards arising from the issuance by IASB of IFRSs Annual Improvements to IFRS 2010- 2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

AASB 2014-1 *Amendments to Australian Accounting Standards [Part B – Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)]* apply to contributions from employees or third parties to defined benefit plans.

(t) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 /AASB 2012-6 /AASB 2014-7 /AASB 2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 15 Revenue from Contracts with Customers	30 June 2018	This standard provides guidance on the recognition of revenue from customers.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interest in Joint Operations	30 June 2017	The Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the operation constitutes a business.	This will only have impact to the entity if it has acquired a joint operation.
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	30 June 2017	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to provide guidance on calculation of depreciation or amortisation of property, plant and equipment and intangible assets.	It is not expected to have any material impact on the entity.
AASB 2014-10 Amendments to Accounting Standards - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	30 June 2017	The amendment addresses an inconsistency between the requirements in AASB 128 Investment in Associates and Joint Ventures and AASB 10 Consolidated Financial Statements and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the asset sold or contributed constitutes a business.	This will only have impact to the entity if there has been a sale or contribution of assets between the entity and its associate or joint venture.
AASB 2015-1 Annual improvements (2012-2014 cycle)	30 June 2017	Clarifications are made to IFRS 5, IFRS 7, IAS 19 and IAS 34	It is not expected to have any material impact on the entity.
AASB 2015-2 Disclosure Initiative - Amendment to AASB 101	30 June 2017	This amendment provides clarification regarding the disclosure requirements in AASB 101.	Minimal impact on reported financial position or performance is expected, if the entity chose to streamline or simplify some notes in the financial statements.
AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	30 June 2016	This amendment completes the withdrawal references to AASB 1031 in all Australian Accounting Standards and Interpretations.	It is not expected to have any material impact on the entity.

Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Parent entity

The following information has been extracted from the books and records of the parent, Tamawood Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Tamawood Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of the parent entity.

	2015 \$'000s	2014 \$'000s
Statement of Financial Position		
Assets		
Current assets	1,301	1,388
Non-current assets	7,106	7,895
Total Assets	8,407	9,283
Liabilities		
Current liabilities	670	306
Non-current liabilities	7,721	8,188
Total Liabilities	8,391	8,494
Equity		
Issued capital	407	407
Retained earnings	(391)	382
Total Equity	16	789
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	6,744	5,418
Total comprehensive income	6,744	5,418

Guarantees

The parent entity did not have any guarantees as at 30 June 2015 or 30 June 2014 except as detailed in Note 22.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

Contractual commitments

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2015 or 30 June 2014.

Notes to the Financial Statements

For the Year Ended 30 June 2015

3 Revenue and Other Income

Revenue from continuing operations

	Note	2015 \$'000s	2014 \$'000s
Sales revenue			
- Construction contract revenue	(a)	87,490	65,477
- Ready-to-Occupy homes	(b)	-	923
- Renewable energy certificates		5,567	12,251
- Franchise revenue		1,602	1,380
Other revenue			
- Interest revenue		201	197
- Other items		345	728
- Profit on disposal of NSW development land		114	120
Total Revenue		95,319	81,076
Other Income			
Other Income			
- Net gain on disposal of property, plant and equipment		9	10
Total other income		9	10

(a) Construction contract revenue

Construction contract revenue includes \$87.5m (2014: \$65.5m) of revenue recognised for residential construction which are accounted for as agreements for the sale of goods on a continuous basis using the percentage of completion method.

(b) Ready-to-Occupy

Included in 'Ready-to-Occupy' revenues of Nil (2014: \$0.9m) is an amount of Nil (2014: \$0.6m) for the sale of 'Ready-to-Occupy' homes to interests associated with Mr Lev Mizikovsky. Refer to Note 26 for further details.

Notes to the Financial Statements

For the Year Ended 30 June 2015

4 Expenses

The result for the year includes the following specific expenses:

	2015 \$'000s	2014 \$'000s
Defined contribution plan expenses	441	355
Bad and doubtful debts - trade receivables	5	64
Rental expense on operating leases		
- minimum lease payments	694	526

5 Remuneration of Auditors

	2015 \$	2014 \$
Remuneration of the auditor of the parent entity, Hanrick Curran Audit Pty Ltd including related entities, (previous auditor Grant Thornton Audit Pty Ltd) for:		
- auditing or reviewing the financial report	100,000	130,544
- Other services	2,000	-
	<u>102,000</u>	<u>130,544</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

6 Income Tax Expense

(a) Components of tax expense

	2015 \$'000s	2014 \$'000s
Current tax expense		
Current income tax	2,200	1,344
Adjustments in respect of current income tax of previous years	(4)	180
Deferred tax expense		
Relating to origination and reversal of temporary differences	533	711
Adjustments recognised for deferred tax of prior periods	178	-
Recoupment of prior year tax losses	-	(10)
	<u>2,907</u>	<u>2,225</u>

(b) Reconciliation of income tax to accounting profit

Profit before income tax from continuing operations	<u>9,449</u>	<u>7,293</u>
Prima facie income tax expense at the statutory income tax rate of 30% (2014: 30%)	2,835	2,188
The following items have affected income tax expense for the period:		
Tax effect of:		
- adjustments in respect of current income tax of previous years	(3)	94
- permanent differences	(102)	(36)
- adjustments in respect of deferred tax of previous years	177	-
- other items	-	(11)
Less:		
Tax effect of:		
Recoupment of prior year tax losses not previously brought to account	-	(10)
	<u>2,907</u>	<u>2,225</u>

Notes to the Financial Statements For the Year Ended 30 June 2015

7 Dividends

Dividends paid

	2015 \$'000s	2014 \$'000s
The following dividends were declared and paid:		
Final dividend of 13 cents (fully franked at 30%) per fully paid share paid 4 December 2014	3,323	-
Interim dividend of 10 cents (fully franked at 30%) per fully paid share paid 3 June 2015	2,556	-
Final dividend of 13 cents (fully franked at 30%) per fully paid share paid 3 December 2013	-	3,323
Interim dividend of 8 cents (fully franked at 30%) per fully paid share paid 3 June 2014	-	2,045
Total	5,879	5,368

Total dividends per share

	2015 Cents	2014 Cents
Total dividends per share declared and paid	23	21

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Proposed dividends

	2015 \$'000s	2014 \$'000s
Proposed final fully franked ordinary dividend of 15 cents per share (2014: 13 cents per share).	3,834	3,323

The proposed final dividend has not been declared at the date of this report and therefore no liability has been provided for in the financial statements. There are no income tax consequences arising from this proposed dividend at year end.

Franking account

	2015 \$'000s	2014 \$'000s
Balance of franking account at year end	1,232	1,831
Adjusted for franking credits arising from:		
Payment of provision for income tax	549	277
The franking credits available for subsequent financial years at a tax rate of 30%	1,781	2,108

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

Notes to the Financial Statements

For the Year Ended 30 June 2015

7 Dividends (continued)

Franking account (continued)

The impact on the franking credit of the dividends proposed after the end of the reporting period is to reduce it by \$1.643m (2014: \$ 1.424m).

The ability to use the franking credits is dependent upon the entity's future ability to declare dividends.

8 Cash and cash equivalents

	2015 \$'000s	2014 \$'000s
Cash at bank	3,366	4,634
Short-term bank deposits	-	1,000
	<u>3,366</u>	<u>5,634</u>

Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2015 \$'000s	2014 \$'000s
Cash and cash equivalents	<u>3,366</u>	<u>5,634</u>
Balance as per consolidated statement of cash flows	<u><u>3,366</u></u>	<u><u>5,634</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

9 Trade and other receivables

	Note	2015 \$'000s	2014 \$'000s
CURRENT			
Trade receivables		957	609
Construction contract progress bills receivable		2,554	2,127
Provision for impairment	9(a)	(65)	(104)
Other receivables		491	142
Total current trade and other receivables		3,937	2,774

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year		104	40
Additional impairment loss recognised		5	64
Reversal of impairment		(44)	-
Balance at end of the year		65	104

(b) Aged analysis

The ageing analysis of trade receivables and construction contract progress bills receivable is as follows:

0-30 days		2,770	2,139
31-60 days		263	282
61-90 days (past due not impaired)		33	126
91+ days (past due not impaired)		380	85
91+ days (considered impaired)		65	104
		3,511	2,736

The amounts past due date but not impaired are those customers with good credit history and are therefore not impaired.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. Refer to Note 27(a) for further details of credit risk management.

Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Inventories

	Note	2015 \$'000s	2014 \$'000s
CURRENT			
At cost:			
<i>Construction Work in Progress</i>			
- Construction work in progress	10(a)	9,220	7,273
<i>Other inventories</i>			
- Renewable energy certificates		31	412
- Display home and home available for sale		827	-
<i>New South Wales developments</i>			
- Land		488	118
		<u>10,566</u>	<u>7,803</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2014: \$ NIL).

(a) Construction Contracts

As per the Group's accounting policy detailed at Note 1(e), construction work in progress consists of construction costs incurred and recognised profits, less recognised losses and progress claims invoiced.

	2015 \$'000s	2014 \$'000s
Contract costs incurred plus recognised profits	41,072	30,735
Less: Progress claims	(31,852)	(23,462)
	<u>9,220</u>	<u>7,273</u>

11 Other assets

	2015 \$'000s	2014 \$'000s
CURRENT		
Prepayments and other deposits	136	19
	<u>136</u>	<u>19</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

12 Property, plant and equipment

	2015 \$'000s	2014 \$'000s
Motor vehicles		
At cost	758	757
Accumulated depreciation	(167)	(343)
Total motor vehicles	<u>591</u>	<u>414</u>
Office furniture & equipment		
At cost	432	413
Accumulated depreciation	(310)	(248)
Total office equipment	<u>122</u>	<u>165</u>
Total property, plant and equipment	<u><u>713</u></u>	<u><u>579</u></u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	Motor Vehicles \$'000s	Office Equipment \$'000s	Total \$'000s
Year ended 30 June 2015			
Balance at the beginning of year	414	165	579
Additions	411	60	471
Disposals - written down value	(84)	(7)	(91)
Depreciation expense	(150)	(96)	(246)
Balance at the end of the year	<u>591</u>	<u>122</u>	<u>713</u>
Year ended 30 June 2014			
Balance at the beginning of year	366	154	520
Additions	183	112	295
Disposals - written down value	(33)	-	(33)
Depreciation expense	(102)	(101)	(203)
Balance at the end of the year	<u>414</u>	<u>165</u>	<u>579</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

13 Trade and other payables

	2015 \$'000s	2014 \$'000s
CURRENT		
Unsecured liabilities		
Trade and other payables	6,247	6,067
	<u>6,247</u>	<u>6,067</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

14 Provisions

	2015 \$'000s	2014 \$'000s	
CURRENT			
Employee benefits	460	394	
Other	53	10	
	<u>513</u>	<u>404</u>	
NON-CURRENT			
Warranties	150	150	
Employee benefits	150	87	
	<u>300</u>	<u>237</u>	
	Warranties	Other	Total
	\$'000s	\$'000s	\$'000s
Opening balance at 1 July 2014	150	10	160
Additional provisions	-	53	53
Provisions used	-	-	-
Provisions reversed	-	(10)	(10)
Balance at 30 June 2015	150	53	203

Provision for Warranties

A provision of \$150,000 at 30 June 2015 (2014: \$150,000) has been recognised for estimated warranty claims in respect of houses constructed and products sold which are still under the statutory warranty period as at balance date. The statutory warranty period as stated with the Queensland Building and Construction Commission is between 6 and 7 years of completed building work. The provision for warranties has been based upon total sales for the past year and the history of claims made to date.

Refer to Note 1(j) for the relevant accounting policy and a discussion of the estimations and assumptions applied in the measurement of this provision.

Notes to the Financial Statements

For the Year Ended 30 June 2015

14 Provisions (continued)

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current as the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The measurement and recognition criteria relating to employee benefits have been discussed at Note 1(i).

15 Other liabilities

	2015 \$'000s	2014 \$'000s
CURRENT		
Unearned income	-	82
	<u>-</u>	<u>82</u>

16 Tax

(a) Current tax liabilities

	2015 \$'000s	2014 \$'000s
Income tax payable	512	246
	<u>512</u>	<u>246</u>

(b) Recognised deferred tax assets and liabilities

	2015 \$'000s	2014 \$'000s
Deferred tax assets	557	692
	<u>557</u>	<u>692</u>
Deferred tax liabilities	2,809	2,234
	<u>2,809</u>	<u>2,234</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

16 Tax (continued)

(c) Deferred tax assets

	Opening Balance \$'000s	Charged to Income \$'000s	Closing Balance \$'000s
Deferred tax assets			
Provisions	147	(68)	79
Employee benefits	95	49	144
Accrued expenses	7	10	17
Deferred tax assets attributable to tax losses	-	241	241
Plant and equipment	9	(2)	7
Other	119	85	204
Balance at 30 June 2014	377	315	692
Provisions	79	2	81
Employee benefits	144	40	184
Accrued expenses	17	(2)	15
Deferred tax assets attributable to tax losses	241	(2)	239
Plant and equipment	7	3	10
Other	204	(176)	28
Balance at 30 June 2015	692	(135)	557

(d) Deferred tax liability

	Opening Balance \$'000s	Charged to Income \$'000s	Closing Balance \$'000s
Deferred tax liability			
Work in progress	1,208	983	2,191
Accrued income	-	43	43
Balance at 30 June 2014	1,208	1,026	2,234
Work in progress	2,191	576	2,767
Accrued income	43	(1)	42
Balance at 30 June 2015	2,234	575	2,809

Notes to the Financial Statements

For the Year Ended 30 June 2015

17 Issued Capital

	2015 \$'000s	2014 \$'000s
25,559,611 (2014: 25,559,611) Ordinary shares fully paid	407	407
	<u>407</u>	<u>407</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(a) Movement in ordinary shares

	2015 \$'000s	2014 \$'000s
At the beginning of the reporting period	407	407
At the end of the reporting period	<u>407</u>	<u>407</u>

	2015 No.	2014 No.
At the beginning of the reporting period	25,559,611	25,559,611
At the end of the reporting period	<u>25,559,611</u>	<u>25,559,611</u>

(b) Capital Management

Management controls the capital of the Group in order to maintain a conservative debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group is required to maintain a current ratio greater than 1:1 under its licensing conditions with the Queensland Building and Construction Commission and the NSW Home Owners Warranty Scheme.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the statement of financial position.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

(c) Dividend Re-investment Plan

The Dividend Re-investment Plan was suspended on 24 February 2012 and has remained suspended since that date.

Notes to the Financial Statements

For the Year Ended 30 June 2015

18 Reserves

	Note	2015 \$'000s	2014 \$'000s
Transactions with Non-Controlling Interest (NCI) reserve			
Opening balance		(5)	-
Transactions with NCI - Dixon NSW Pty Ltd	19(d)	-	(5)
Ending balance		(5)	(5)

The Transactions with NCI Reserve is used to record the differences described in note 1(b) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

19 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2015	Percentage Owned (%) [*] 2014
Subsidiaries:			
Affordable Homebuilding Solutions Pty Ltd*	Brisbane, Australia	-	100
Dixon Build Pty Ltd	Brisbane, Australia	100	100
Dixon NSW Pty Ltd ¹	Sydney, Australia	75	75
Dixon Projects Pty Ltd*	Brisbane, Australia	-	100
DixonRes Pty Ltd	Brisbane, Australia	100	100
DixonSeq Pty Ltd*	Brisbane, Australia	-	100
Dixon Systems Pty Ltd	Brisbane, Australia	100	100
High Level Marketing Pty Ltd*	Brisbane, Australia	-	100
SolarpowerRex Pty Ltd	Brisbane, Australia	70	70
SolarRex Limited ²	Brisbane, Australia	70	70
Tamawood Commercial Property Pty Ltd*	Brisbane, Australia	-	100
Tamawood Finance Pty Ltd*	Brisbane, Australia	-	100
Tamawood SEQ Franchise Pty Ltd*	Brisbane, Australia	-	100
Tamawood Services Pty Ltd*	Brisbane, Australia	-	100
Tamawood Share Scheme Pty Ltd	Brisbane, Australia	-	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

¹ Dixon NSW Pty Ltd

Dixon NSW Pty Ltd was incorporated on 25 October 2012 with Tamawood Limited controlling 75% of the company.

The remaining shares are owned by the Chairman of Tamawood Limited, Mr Robert Lynch (7.5%), and the General Manager and Director of Dixon NSW Pty Ltd, Mr Paul Hogan (17.5%).

² SolarRex Limited

SolarRex Limited ('SolarRex') is an unlisted public company which owns 100% of the issued capital of SolarpowerRex Pty Ltd.

Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Interests in Subsidiaries (continued)

(a) Composition of the Group (continued)

The remaining shares of SolarRex are owned by the Mr Geoff Acton (25%) and Mr Rade Dudurovic (5%). The share allotments in prior years formed part of Mr Acton's remuneration to manage the Renewable Energy trading business and Mr Dudurovic's remuneration in his capacity as Director of SolarRex.

* Deregistration of subsidiaries

The Group wound up and deregistered Tamawood Commercial Property Pty Ltd, High Level Marketing Pty Ltd, DixonSeq Pty Ltd, Tamawood Services Pty Ltd, Affordable Homebuilding Solutions Pty Ltd, Tamawood SEQ Franchise Pty Ltd, Tamawood Finance Pty Ltd and Dixon Projects Pty Ltd.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the the Group.

(c) Non-controlling interests

None of the Group's subsidiaries have non-controlling interests that are material to the Group.

(d) Transactions with non-controlling interests

Disposal of ownership interest

There were no disposals during the 2015 financial year.

On 30 June 2014, Tamawood Limited (the parent) disposed of 7,500 shares (2.5% of the outstanding shares) of its investment in Dixon NSW Pty Ltd for cash consideration of \$10,000 to the Chairman of Tamawood Limited, Mr Robert Lynch. Control was maintained and therefore the Group structure did not change, although the non-controlling interest increased.

The effect of this transaction on the equity attributable to owners of the parent is shown below:

	2015 \$'000s	2014 \$'000s
Consideration received	-	10
Less: Increase in net assets attributable to Non-controlling Interest	-	(15)
Increase / (decrease) in parent entity equity	-	(5)

Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Interests in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2015	Percentage Owned (%)* 2014
Associates:			
Resiweb Limited	Brisbane, Australia	19.44	19.44

*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

All associates have the same year end as the parent entity.

There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the entity.

Resiweb Limited

Resiweb Limited is a public company that is developing a software system including back-office and client interface processes to support small home builders. The Group's interest in the company represents a strategic investment. During the year 2014 Resiweb Limited issued 12,773,403 shares in the company to Tamawood Limited as consideration for the acquisition of Tamawood Research and Development Pty Ltd from Tamawood Limited.

The Group's interest in Resiweb Limited is not considered to be individually material.

No dividends were received from Resiweb Limited during the year.

21 Capital and Leasing Commitments

(a) Operating Leases

	2015 \$'000s	2014 \$'000s
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	809	596
- later than one year but not later than five years	1,006	456
	<u>1,815</u>	<u>1,052</u>

Operating lease commitments are comprised of various leases for office premises. The leases are non-cancellable with varying terms of between two and five years. Provisions within the lease agreements require that minimum lease payments be increased by the change in consumer price index (CPI) on an annual basis.

(b) Other Commitments

The Group had no other significant capital expenditure or lease commitments at 30 June 2015 (30 June 2014: None).

Notes to the Financial Statements

For the Year Ended 30 June 2015

22 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2015 (30 June 2014: None) except as follows:

Tamawood Limited has entered into a Deed of Guarantee and Indemnity for the performance of the subsidiary, SolarpowerRex Pty Ltd's obligation under a Small Scale Technology Certificate Fixed Volume agreement. This agreement is due to expire in December 2015.

Dixon NSW Pty Ltd has entered into a number of put / call agreements with land developers in NSW. All agreements have corresponding signed unconditional contracts with customers and are waiting on land registration for settlement.

From time to time the Group receives claims from its customers and third parties in relation to rectification to building faults and other claims. The Directors' believe that these types of claims currently outstanding are not material to the results of the financial statements and in any case can be resolved with the respective parties. Other legal claims are adequately covered by its insurance and it is unlikely that the Group will be required to meet the costs of the claims, apart from the normal insurance excess requirements.

Contingent Assets

At the reporting date the Group had no contingent assets.

23 Operating Segments

Segment information

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

Description of segments

Management has determined the operating segments based on reports reviewed by the Board for making strategic decisions. The Board monitors the business based on the business segments as identified in the principal activities in the Directors' Report.

- Construction QLD

Home design, project management services and associated activities including home contract construction activities in selected Queensland markets;

- Construction NSW

Home design, project management services and associated activities including home contract construction activities in New South Wales;

- Franchises

Franchising and licensing operations in regional Queensland, New South Wales, ACT and New Zealand;

- Renewable Energy

Generating and trading of renewable energy certificates associated with solar products;

Notes to the Financial Statements

For the Year Ended 30 June 2015

23 Operating Segments (continued)

Basis of accounting for purposes of reporting by operating segments

(a) **Accounting policies adopted**

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) **Inter-segment transactions**

Segment revenues, expenses and results include transfers between segments but exclude intra group management fees. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group at an arm's length. These transactions are eliminated on consolidation.

(c) **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) **Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables, tax liabilities and certain direct borrowings.

(e) **Unallocated items**

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense
- other financial liabilities
- intercompany administration and management fees
- investment in associates and share of profit or loss from associates

(f) **Geographical information**

The consolidated entity only operates within Australia and New Zealand.

(g) **Major customers**

No single customer of the Group accounts for more than 10% of the Group's revenues from external customers.

Notes to the Financial Statements

For the Year Ended 30 June 2015

23 Operating Segments (continued)

(h) Segment performance

	Construction QLD		Construction NSW		Read-to-Occupy		Franchises		Renewable Energy		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE												
Revenue from external customers	80,555	63,138	7,048	2,565	-	1,341	1,602	1,383	5,567	12,394	94,772	80,821
Inter-segment revenue	-	-	-	-	-	-	1,952	1,442	-	-	1,952	1,442
Interest revenue	80	90	13	9	-	27	7	6	4	7	104	139
Total segment revenue	80,635	63,228	7,061	2,574	-	1,368	3,561	2,831	5,571	12,401	96,828	82,402
Net profit/(loss) before tax*	7,767	5,816	543	161	-	655	1,669	956	140	383	10,119	7,971
Depreciation and amortisation	57	98	37	10	-	-	70	81	2	3	166	192
Segment assets	19,818	19,616	3,171	1,499	-	492	2,039	2,244	608	1,593	25,636	25,444
Segment liabilities	8,470	7,632	2,397	1,106	-	2,260	125	145	303	1,386	11,295	12,529

*Refer to Note 23(b) for inter-segment transactions

	2015	2014
	\$'000s	\$'000s
Construction NSW - profit/(loss) before tax attributable to:		
- Members of the parent entity	407	125
- Non-controlling interests	136	36
Renewable Energy - profit/(loss) before tax attributable to:		
- Members of the parent entity	98	268
- Non-controlling interests	42	115

Notes to the Financial Statements

For the Year Ended 30 June 2015

23 Operating Segments (continued)

(i) Reconciliations

Reconciliation of segment revenue to consolidated statement of profit or loss and other comprehensive income

	2015 \$'000s	2014 \$'000s
Total segment revenue	96,828	82,402
Intersegment eliminations	(1,952)	(1,442)
Other revenue not included in segments	443	116
Total revenue	95,319	81,076

Reconciliation of segment net profit before tax to the consolidated statement of profit or loss and other comprehensive income

Segment net profit before income tax	10,119	7,971
Unallocated amounts not included segment results	(670)	(678)
Total net profit before tax	9,449	7,293

Reconciliation of segment assets to the consolidated statement of financial position

Segment assets	25,636	25,444
Intersegment eliminations	(7,994)	(9,413)
Other unallocated assets		
- Cash and cash equivalents	686	1,160
- Trade and other receivables	374	-
- Property, plant and equipment	495	68
- Deferred tax assets	76	243
- Other amounts	2	(1)
Total assets per the consolidated statement of financial position	19,275	17,501

Reconciliation of segment liabilities to the consolidated statement of financial position.

Segment liabilities	11,295	12,529
Intersegment eliminations	(1,586)	(3,570)
Other unallocated liabilities		
- Current tax liabilities	549	277
- Other liabilities	71	34
- Other provisions	50	-
- Other amounts	2	-
Total liabilities per the consolidated statement of financial position	10,381	9,270

Notes to the Financial Statements

For the Year Ended 30 June 2015

24 Cash Flow Information

Reconciliation of profit for the year to net cash from operating activities		
Note	2015 \$'000s	2014 \$'000s
Profit after income tax for the year	6,542	5,068
Adjustments for non-cash items in profit:		
- depreciation	246	203
- net (gain)/loss on disposal of property, plant and equipment	(9)	(10)
Net changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,160)	2,071
- (increase)/decrease in other assets	11	30
- (increase)/decrease in prepayments	(128)	-
- (increase)/decrease in inventories	(2,764)	581
- (increase)/decrease in deferred tax receivable	135	(315)
- increase/(decrease) in trade and other payables	176	(1,362)
- increase/(decrease) in income taxes payable	266	(999)
- increase/(decrease) in deferred tax liabilities	575	1,026
- increase/(decrease) in provisions	173	97
- increase/(decrease) in other liabilities	(82)	82
Net cash from operating activities	3,981	6,472

25 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses and consultancy expenses for the year is shown below:

	2015 \$	2014 \$
Short-term employee benefits	1,115,144	1,112,726
Long-term benefits	15,502	3,164
Post-employment benefits	74,780	70,693
Termination benefits	-	-
	1,205,426	1,186,583

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2015.

26 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Amounts receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

Notes to the Financial Statements

For the Year Ended 30 June 2015

26 Related Party Transactions (continued)

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel ('KMP').

AstiVita Limited is deemed to be related party of Tamawood Limited by virtue of Mr L Mizikovsky, Non-executive Director of Tamawood Limited, having a controlling interest in AstiVita. Transactions between the Group and the above related parties are disclosed below.

Transactions with KMP and their related parties, excluding remuneration, are shown below. Amounts disclosed below are rounded to the nearest dollar.

For details of remuneration disclosures relating to KMP, refer to Note 25 and the remuneration report in the Directors' Report.

(ii) Entities subject to significant influence by the Group (associates):

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

The Group's only associate is Resiweb Limited as detailed in Note 20.

(b) Transactions with related parties

(i) Sale of goods and services

	Note	2015 \$	2014 \$
<i>Key management personnel:</i>			
Mr L Mizikovsky - Non-executive Director			
- Sale of Ready-to-Occupy home and vacant lots of land in Queensland from Tamawood Commercial Property Pty Ltd (2 homes & 1 vacant lot)		-	632,200
- Ongoing construction contracts with Dixonbuild Pty Ltd. (2014: 20)		-	975,781
Sales to an entity controlled by Mr L Mizikovsky by Dixon Build Pty Ltd			
- construction materials and miscellaneous services		142,662	110,475
- insurances		11,000	15,530
- for recovery of refurbishment of leased property		165,215	-
- advertising and office supplies		-	7,688
Mr G Acton - Joint Company Secretary			
- Rent collected on leased property		3,209	-
Mr R Lynch - Non-executive Director			
- Sale of 7,500 shares in Dixon NSW Pty Ltd	19(d)	-	10,000
- Construction contract entered into with Dixon NSW Pty Ltd		261,077	-
Mr A Thomas - Non-executive Director			
- Franchise fees to Dixon Systems Pty Ltd		498,085	303,111
- Insurance fees charged by Dixonbuild Pty Ltd		7,000	8,336

Notes to the Financial Statements

For the Year Ended 30 June 2015

26 Related Party Transactions (continued)

(b) Transactions with related parties (continued)

	Note	2015 \$	2014 \$
<i>Related party</i>			
AstiVita Limited			
- Sales to AstiVita for advertising, IT and administration services		15,755	26,090
<i>Associates:</i>			
Resiweb Limited			
- Accounting and general services provided		27,004	-
- Rent collected on leased property		18,136	-
<i>(ii) Purchase of goods and services</i>			
		2015 \$	2014 \$
<i>Key management personnel:</i>			
Mr L Mizikovsky - Non-executive Director			
- Lease of premises from an entity controlled by Mr L Mizikovsky		353,461	299,954
- Purchase of motor vehicle		-	31,818
Mr R Lynch - Non-executive Director			
- Lease of property at Schofield NSW		30,404	5,504
Mr A Thomas - Non-executive Director			
- Purchase of renewable energy certificates from an entity controlled by Mr A Thomas		82,528	25,535
Mr P Hogan - Managing Director, Dixon NSW Limited			
- Provision of management services to Dixon NSW Limited		180,000	-
Mr R Dudurovic - Non-executive Director			
- Provision of management services to SolarpowerRex Pty Ltd (2014: Solar Rex Ltd)		4,365	19,740
Mr G Acton - Joint Company Secretary			
- Provision of management services to SolarpowerRex Pty Ltd (2014: Solar Rex Ltd)		21,826	98,700
- Provision of consulting, secretarial and payroll services to subsidiaries within the Group		169,041	81,810
Mrs P Bartholomaeus - Senior Designer, Dixon Systems Pty Ltd			
- Remuneration		86,538	48,975
<i>Related party</i>			
AstiVita Limited			
- Purchase of materials including bathroom, kitchen and solar products		2,598,946	1,244,840
<i>Associates:</i>			
Resiweb Limited			
- Computer support services provided to the Group		488,735	666,048

Notes to the Financial Statements

For the Year Ended 30 June 2015

26 Related Party Transactions (continued)

(b) Transactions with related parties (continued)

(iii) Outstanding balances

	2015	2014
	\$	\$
<i>Key management personnel:</i>		
Mr L Mizikovsky - Non-executive Director		
- Amounts receivable from building contracts with Dixonbuild Pty Ltd	-	8,606
- Work in progress inventory balance attributable to construction contracts in progress at year end (2014: 1contract)	-	27,056
- Amounts receivable for construction material supplied by Dixonbuild Pty Ltd	3,332	-
Mr A Thomas - Non-executive Director		
- Amounts receivable by Dixon Systems Pty Ltd for franchise fees	120,950	131,482
- Amounts payable to SolarpowerRex Pty Ltd	7,471	6,311
Mr R Dudurovic - Non-executive Director		
- Amounts payable for services provided to SolarRex Limited	-	3,948
<i>Related party</i>		
AstiVita Limited		
- Amounts receivable for sales	5,748	14,400
- Amounts payable for purchases from Dixonbuild Pty Ltd and Dixon Systems Pty Ltd	10,801	10,064
- Amounts receivable for IT services	1,125	-
<i>Associates</i>		
Resiweb Limited		
- Amounts payable for purchases from Dixonbuild Pty Ltd and Dixon Systems Pty Ltd	1,765	93,289
- Amounts receivable for accounting services by Dixon Build	25,564	-

27 Financial Risk Management

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group is primarily exposed to the following financial risks:

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

Objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and whilst remaining ultimately responsible for them, it has delegated the authority to management for developing and operating processes that ensure the effective implementation of the objectives and policies of the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Group where such impact may be material.

Notes to the Financial Statements

For the Year Ended 30 June 2015

27 Financial Risk Management (continued)

Objectives, policies and processes (continued)

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The objective of the Group is to minimise the risk of loss from credit risk exposure.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk with respect to current and non-current receivables as the Group has a large number of customers. The nature of the Group's business is such that 68% (2014: 78%) of the Group's current trade receivables were individual construction contracts which were secured by external lending institutions. The largest single construction receivable was \$189,590 (2014: \$140,120) and the amount was received on 7 July 2015. The remainder of the Group's current trade receivables is represented by debtors of the Renewable Energy and Franchise segments. The largest single receivable was for \$131,010 (2014: \$131,482), 100% of which has been collected subsequent to 30 June 2015. Therefore, the Group does not have any material credit risk exposure to any single receivable or group of receivables. The Board believe that the Group's receivables are adequately diversified therefore ensuring the Group does not have significant credit risk.

The Group's maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9. Refer to Note 9 for an ageing analysis and movement in provision for impairment of receivables.

The credit risk for cash and cash equivalents and deposits with banks and financial institutions is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Notes to the Financial Statements

For the Year Ended 30 June 2015

27 Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due (e.g. funding work-in-progress).

The Group's policy is to ensure, as much as possible, that it will always have sufficient cash to allow it to meet its liabilities when they become due, under normal and stressed conditions. The Group is required to maintain a current ratio of 1:1 under its licensing conditions with the Queensland Building and Construction Commission and NSW Home Owners Warranty Scheme. The Group achieves the required ratios by holding sufficient cash in liquid form and carefully monitoring the timing of its commitments.

At the reporting date, the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

	2015 \$'000s	2014 \$'000s
Current assets	18,005	16,230
Current liabilities	(7,272)	(6,799)
Working capital	10,733	9,431

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Within 1 to 6 months		6 months to 1 year		1 to 5 Years		Total *	
	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	6,247	6,067	-	-	-	-	6,247	6,067
Total contractual outflows	6,247	6,067	-	-	-	-	6,247	6,067

* The total contractual cash flows approximate the carrying amounts as presented in consolidated statement of financial position

Notes to the Financial Statements

For the Year Ended 30 June 2015

27 Financial Risk Management (continued)

(c) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising return. Market risk exposures comprise mainly interest rate risk.

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed by ensuring that any excess cash within the Group is utilised in reducing any borrowing facilities. The Group repaid its borrowing facilities during the 2012 financial year and currently have no borrowings.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/-1% (2014: +/-1%). These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

Consolidated	2015		2014	
	\$'000s		\$'000s	
	+1%	-1%	+1%	-1%
Profit	34	(34)	56	(56)
Equity	34	(34)	56	(56)

The movements in profit are due to higher/lower interest received from cash balances. The sensitivity analysis is performed on the same basis as in the prior year other than the change in relevant risk variable.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group's financial assets and financial liabilities consist only of short-term trade receivables and payables. Due to the short-term nature of trade receivables and payables, the carrying amounts as presented in the consolidated statement of financial position are assumed to approximate their fair values.

28 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2015

29 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2015	2014
	\$'000s	\$'000s
Profit attributable to members of the parent entity used in the calculation of basic and diluted EPS	6,416	5,051

(b) Weighted average number of shares used

	2015	2014
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	25,559,611	25,559,611

30 Company Details

The registered office of the company is:

Tamawood Limited
1821 Ipswich Road
Rocklea QLD 4074

The principal places of business are:

Dixon Homes
1821 Ipswich Road
Rocklea
Queensland 4106

Dixon Homes
684 Nicklin Way
Currimundi
Queensland 4572

Dixon NSW
53 Links Avenue
Concord
New South Wales 2137

Dixon Homes
Unit 1, 50 Lawrence Drive
Nerang
Queensland 4211

Dixon Homes
Suite 14, 39 Old Cleveland Rd
Capalaba Business Centre
Queensland

Dixon NSW
Unit 3/142 James Ruse Dr.
Paramatta
New South Wales

Dixon Homes
992 Gympie Road
Chermside
5082 Queensland 4032

Dixon Homes
169 James Street
Toowoomba
Queensland 4350

Dixon NSW - South Australia
Unit 2/224 Main North Road
PROSPECT
South Australia

Dixon Homes
Unit 4/19 Tamborine St.
Jimboomba
Queensland 4280

Dixon Homes
4424 Warrego Highway
Plainlands
Queensland 4341

Dixon NSW - Victoria
9 Spearys Road
Diggers Rest
Victoria

Dixon Homes
2/5 River Road, Gympie
Queensland 4570

Directors' Declaration

30 June 2015

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Managing Director has given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mr Robert Lynch
Non-Executive Chairman

Dated 14 August 2015

Independent Audit Report to the members of Tamawood Limited

Report on the Financial Report

We have audited the accompanying financial report of Tamawood Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, 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 (IFRS)*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Independent Audit Report to the members of Tamawood Limited

Opinion

In our opinion:

- (a). the financial report of Tamawood 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 2015 and of their performance for the year ended on that date; and
 - (ii). complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b). the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included on pages 8 to 12 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

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

HANRICK CURRAN AUDIT

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 14 August 2015

Tamawood Limited

Shareholder Information

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 07 August 2015.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Voting rights

Ordinary Shares

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Voting rights of shareholders are governed by the Company's Rules. In summary, a shareholder is entitled to exercise one vote for each shareholder on any question arising from a meeting of the Company.

Members wishing to appoint proxies may do so in accordance with the Corporations Act 2001 and Rules of the Company.

Distribution of equity security holders

Holding	Ordinary shares	
	No. of Shares	No. of Holders
1 - 1,000	138,047	246
1,001 - 5,000	1,413,321	495
5,001 - 10,000	1,535,446	197
10,001 - 50,000	2,974,055	145
50,001 - 100,000	762,628	10
100,000 and over	18,736,114	24
	25,559,611	1,117

There were 31 holders of less than a marketable parcel of ordinary shares.

Tamawood Limited

Shareholder Information

Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
RAINROSE PTY LTD	5,974,506	23.37
ANKLA PTY LTD	4,029,512	15.77
NOWCASTLE PTY LTD	1,172,158	4.59
CITICORP NOMINEES PTY LIMITED	1,127,020	4.41
J P MORGAN NOMINEES AUSTRALIA LIMITED	667,875	2.61
SANDHURST TRUSTEES LTD	562,309	2.20
RIPELAND PTY LTD	546,579	2.14
MIRRABOOKA INVESTMENTS LIMITED	530,000	2.07
NATIONAL NOMINEES LIMITED	515,719	2.02
MR TIMOTHY M BARTHOLOMAEUS + MS PATRESE BARTHOLOMAEUS	500,000	1.96
MR ROBERT LYNCH + MS SINEAD LYNCH	500,000	1.96
STODDART BUILDING PRODUCTS PTY LTD	473,825	1.85
AB THOMAS SUPER FUND	375,225	1.47
SUNSTAR AUSTRALIA PTY LTD	227,780	0.89
POLTICK PTY LTD	224,113	0.88
SUPERFUN SUPERFUND	208,757	0.82
GENERAL PACKAGING PTY LTD	200,000	0.78
AUST EXECUTOR TRUSTEES LTD	161,980	0.63
MR ANDREW THOMAS	160,000	0.63
ROLLEE PTY LTD	141,688	0.55
	18,299,046	71.60

Securities exchange

The Company is listed on the Australian Securities Exchange (ASX code: TWD).

Share registry

The register of security holders of the Company is kept at the office of Computershare Investor Services Pty Limited.

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