

GLOBAL CONSTRUCTION SERVICES LIMITED ABN 81 104 662 259

ANNUAL REPORT 2016




Feature Profiles

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Company Highlights

During 2016, GCS continued its commitment and focus on financial and operating discipline to deliver a strong financial performance. The GCS Group is poised to grow its footprint across Australia replicating the successful WA model.

FINANCIAL RESULTS

REVENUE ($M)
FY16 $184.5m
FY15 $150.5m
UP 23%

EBITDA ($M)
FY16 $30.3m
FY15 $27.9m
UP 8%

UNDERLYING EBIT ($M)
FY16 $19.8m
FY15 $16.2m
UP 22%

UNDERLYING NPAT ($M)
FY16 $12.0m
FY15 $8.7m
UP 38%

FINANCIAL

- Delivered strong underlying financial performance in FY16
- Revenue $184.5m, up 22.6% on FY15
- Underlying NPAT of $12.0m, up 37.5% on FY15
- Net loss of $76.9m includes one off non-cash impairment charges of $88.9m (after tax)
- Strong cash flow from operations (before tax) of $31.5m
- Net debt reduced to $13.8m, down 55% from FY15

OPERATIONS

- Diversified revenue streams and broad product offerings underpinned growth and profitability of our businesses despite variable market conditions
- Significant Commercial sector revenue and earnings growth
- Strengthening position in maintenance contracting and labour services
- Executing on strategy to continue to build annuity revenue streams
- Easing Residential sector activity levels off a peak cycle
- Tender pipeline remains robust with strong activity levels in commercial and maintenance services
- SmartScaff JV continues to exceed expectations driven by strong East coast demand

CAPITAL MANAGEMENT

- Strong balance sheet with net debt/equity of 10%
- Maintained disciplined execution of capital management strategy
- Successfully refinanced debt facilities to enhance the Group's capital structure and reduce cost of debt by circa 30%
- Final dividend declared of 1.0 cent per share fully franked

STRATEGIC PRIORITIES

- Actively exploring and assessing East coast expansion and consolidation opportunities
- Diversify revenue base from primary reliance on WA activity
    - Binding Term Sheet signed to acquire specialist services contractor operating across the Eastern Seaboard as per ASX market release 25 August 2016

Our national presence allows us to provide multi-disciplined labour and high quality equipment anywhere across Australia.

FY16
$13.8m
FY15 $30.9m
DOWN 55%

NET DEBT ($M)

FY16
10%
FY15 14%
DOWN 4pp*

NET DEBT TO EQUITY

* pp - Percentage points

FY16
6.0¢
FY15 4.7¢
UP 28%

UNDERLYING EPS(¢)

FY16
1.0¢ PER SHARE
FY15 nil
UP 1.0¢

DIVIDENDS

Letter from the Chairman & Group Managing Director

We are committed to safety – it's our primary focus and a part of our culture.

Dear Shareholders, on behalf of the Board, we are pleased to present the Global Construction Services Annual Report for the year ended 30 June 2016.

The GCS Group performed well over the past year and it was pleasing that the Company delivered a strong financial performance in 2016 with underlying net profit after tax of $12.0m - an increase of 38% from the prior year, reflecting the strength in our market positions and the diversity of our business.

During the year, the Company's national geographic expansion strategy has been a key focus to support growth for the future based on enhancing our integrated product and service offering to clients nationally. We have identified and reviewed a number of strategic acquisition opportunities to pursue in 2017.

We also continued to build on our strategy of profitable growth from our diversified portfolio of existing businesses by continuing to drive operational efficiencies, diversify our revenue streams, further strengthen the balance sheet, and manage our portfolio of businesses to safely execute the available works.

Over the past year our commercial formwork and concrete division (CASC) progressed well on its major contracts at the New Perth Stadium and the Capital Square project in the Perth CBD. Major contract work in our commercial labour division continues as scheduled on Perth Children's Hospital, Crown Hotel, New Perth Stadium, and Capital Square.

During the year, our major scaffolding contracts with Woodside (North-west Shelf Project), Kaefer (Ichthys Project), CITIC (Sino Iron Project), and FMG (Herb Elliott Port) progressed well and contributed a solid performance with increased revenue and profitability in our Resource, Industrial, Oil & Gas segment despite the challenging market conditions. These major contracts and our expansion into the maintenance services sector recognise GCS's successful delivery capabilities and safety performance with projects in the North West and are important steps in GCS building sustainable annuity revenue streams within its services business.

FINANCIAL RESULTS

In the context of the uncertain market conditions in FY16, the underlying performance and fundamentals of the Company remained strong and provides a solid foundation for the Group to build and capitalise on future opportunities as confidence and economic activity improves in the coming periods.

The Group reported an underlying net profit after tax of $12.0m (FY15: $8.7m) - 38% higher than the prior corresponding year. The reported statutory net loss after tax of $76.9m included $88.9m of one-off non-cash after-tax impairment which was principally related to a reduction in the carrying value of the Groups goodwill and property, plant, and equipment reflecting the current market conditions.

The Group achieved revenue of $184.5m (FY15: $150.5m) - 23% higher than last year underpinned by strong revenue growth in the Commercial sector and maintenance services in the Resource, Industrial, Oil & Gas segment. The Group underlying EBITDA of $30.3m (FY15: $27.9m) was 8% higher than the prior corresponding period, with Group EBITDA margin lower at 16.4% (FY15: 18.5%) reflecting the change in margin mix resulting from the increase in contract services, lower utilisation levels, and the highly competitive pricing environment. Underlying earnings per share was 6.0 cents per share (FY15: 4.7 cents per share) - an increase of 28% compared to last year.

The Company's financial position remains strong with low levels of debt and strong cash flow generation. The Group reported a reduction in net debt to $13.8m - a net debt to equity position of only 10% and cash of $20.7m. The Company also announced on 2 September 2016 the successful refinancing of the Group's debt facilities to enhance GCS's capital structure and lower its cost of debt.

Reflecting the strength of the Group's financial results in 2016 and outlook for the Company, the Board of Directors have resolved to declare a final dividend of 1.0 cent per share fully franked. The record date for entitlements to the final dividend will be 15 September 2016 and will be paid to shareholders on 14 October 2016.

OUTLOOK

The GCS Group enters the new financial year in excellent shape with strategic acquisition opportunities, a strong and substantial pipeline of tendering activity in the Commercial sector, an expanded presence in maintenance services, a platform to extract value from its existing operations, and the agility to take advantage of the anticipated improvement in sentiment and market conditions. Although uncertain conditions in certain segments of the Resources sector will continue, the Group continues to actively pursue new annuity and maintenance service opportunities in this sector. The outlook for the Residential sector is cautiously positive with activity levels and performance in FY17 expected to remain broadly steady.

The GCS Group remains committed to executing its national geographic expansion strategy and its diversification across contracting and service supply scopes of work with an integrated suite of on-site solutions. The diverse market sector presence and broad product offering underpins the growth and ongoing development of the business. This will enable the Company to take advantage of the significant opportunities which are earmarked for FY17 and beyond, and to deliver sustainable earnings growth through our existing portfolio of businesses and by strategic acquisition.

The Company is well placed to meet future growth and expansion opportunities on the back of our culture of safety, and a solid and well established integrated product and services platform.

On behalf of the Board, we wish to thank all of our employees for their commitment, dedicated efforts, and valued contribution over the past year. We also want to express our thanks for the support of our valued customers and suppliers and welcome the support of shareholders as we look forward to a more successful year in 2017 and building on our strategies for the future.

Peter Wade
Non-Executive Chairman

Enzo Gullotti
Group Managing Director

Board of Directors

The GCS Board has extensive experience in the construction and maintenance industries and is supported by a professional management team and highly motivated employees.

Peter Wade
Non-Executive Chairman

Mr Peter Wade holds a Bachelor of Engineering (Hons) and has over forty years of experience in engineering, construction, project management, mining, and infrastructure services. His early career involved the NSW Public Service and the Transfield Group, managing the construction, building, and operation of significant infrastructure projects in Melbourne, Newcastle, and Wollongong.

Mr Wade has been the Managing Director of Crushing Services Pty Ltd and PIHA Pty Ltd since 1999 and Minerals International Pty Ltd since 2002. In 2006 Mr Wade was appointed as Managing Director of Mineral Resources Limited and later as Executive Chairman in 2008. In November 2012, Mr Wade was appointed as Non-Executive Chairman of Mineral Resources Limited.

Enzo Gullotti
Group Managing Director

Mr Enzo Gullotti is an industry and community leader with over twenty-eight years of experience in the scaffolding, construction, and maintenance sectors. Mr Gullotti was a founding member of the PCH Group (now CAPE) where he was an Executive Director for approximately eight years and the Managing Director of the scaffolding subsidiary. Mr Gullotti was instrumental in growing PCH, including the establishment of operations in Karratha, Sydney, Darwin, Bunbury, Singapore, Thailand, Dubai, and the Caspian Sea.

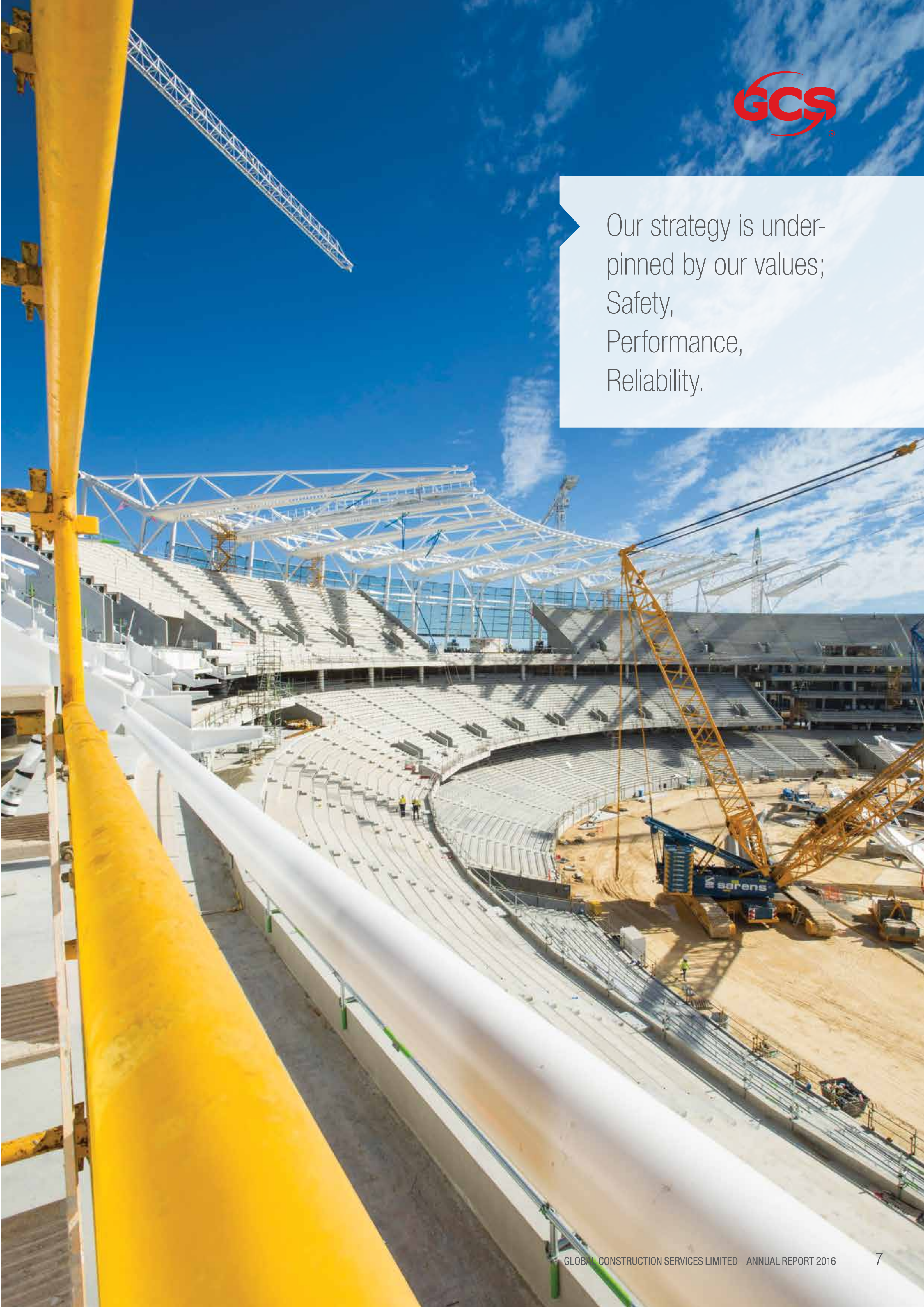
Since establishing GCS in 2003, Mr Gullotti has grown the Group significantly, including leading the successful integration of several key acquisitions and expanding the Company's footprint throughout Australia.

George Chiari
Executive Director

Mr George Chiari is a recognised industry leader in the field of commercial formwork and concrete with over forty years of experience at CASC Constructions. His skills and knowledge are invaluable as GCS builds on the success of recent times and seeks to capitalise on the significant opportunities in Western Australia.

Sam Mangione
Non-Executive Director

Mr Sam Mangione holds a Bachelor of Business degree and has been associated with the GCS Group since July 2005. Mr Mangione has over twenty-five years of experience in the construction, mining, and hire industries. Mr Mangione is co-owner of the largest privately held waste management company in Western Australia and is also a leading manufacturer of temporary site accommodation. Mr Mangione has developed state of the art processes in the recovery and recycling of waste product via purpose designed waste transfer stations.



Our strategy is under-pinned by our values;
Safety,
Performance,
Reliability.

By providing customised solutions, we ensure cost effective savings without compromising on quality and safety.

About GCS

GCS is a leading supplier of integrated on-site products and services to all industries. Our national reach, local branch network and strong industrial presence, enables us to provide for any stage of a project's lifecycle. We work in partnership with our clients, to understand their needs and allocate the appropriate resources to deliver the best outcome. By providing customised solutions, we ensure cost effective savings without compromising on quality and safety. Our wide-ranging experience and result-driven strategies makes us the supplier of choice and a reliable industry partner.

GCS is a diverse Australian company operating under the strict corporate governance requirements of the Australian Stock Exchange, ISO 9001:2008 Quality Management System, ISO/TS 29001:2010 Oil & Gas Quality Management System, and AS/NZS 4801:2001 OH&S Management System.

The GCS Group provides high quality products and services including:- On-Site Workforce; Scaffold and Access Solutions; Plant and Equipment; Formwork and Concreting; Site Accommodation; and Specialised Site Services.

Our business is underpinned by operations at strategic metropolitan and regional bases whilst utilising the financial, operational, and logistical infrastructure of a national group. This unique structure promotes unparalleled economies of scale, and ensures that we operate nationally but supply locally.

With a number of key divisions throughout Australia, GCS is committed to helping our clients complete both large and small scale projects by delivering practical, economical, and result-driven solutions.

Clients choose us for our proven reliability, combined with our multi-disciplined service capabilities. Our dedicated team can provide project management, estimating, design, engineering, maintenance, servicing and transport, to all of our industry sectors – and all as part of our integrated service package.

STRENGTHS & CAPABILITIES

- Locally run with operations across Australia.
- Dedicated, energetic and highly experienced team.
- Personalised service, exceeding customer expectations.
- Cultivation of strong relationships with our clients and suppliers.
- Innovative processes and systems with continual evaluation and updates.
- Synergies in the products and services we offer.

GOALS & VALUES

- Excel in our field of expertise.
- Be a leader in terms of our people, products, and reputation.
- Support the region in which we operate today, tomorrow, and in the future.
- Share our success within our communities.
- Be a responsible corporate entity and make direct contributions to the community.
- Provide value to both shareholders and customers.

Products & Services

GCS is uniquely positioned in the Australian market place to provide a comprehensive range of products and services throughout the lifecycle of a project.

Our multi-disciplinary capabilities allow us to complete large-scale projects whilst working within internationally recognised safety standards. Combined with an understanding of our clients' wider businesses, we are able to continually identify and implement improved working strategies and new solutions.

This means our clients can reduce costs and we provide safer and more efficient operations.

We offer a complete range of equipment and a specialised workforce to customers in all market sectors.

ON-SITE WORKFORCE

We supply and manage a national workforce for projects across Australia, giving our clients the capability and flexibility for rapid expansion when required. Above all, we assist in increasing the productivity and business performance of the companies we work with.

GCS is actively involved in the industry and we understand our clients requirements for a wide range of projects from the ground up. Our workforce is assessed on their competency, experience, and capability to supply services, ensuring our people are not just qualified, but excel in the roles required.

Our staffing solutions include:- Tradesmen (such as carpenters, electricians, welders); Labour (such as scaffolders, riggers, rope access, dogmen, crane drivers); and Professionals (such as HSE staff, nurses, project managers).

PLANT & EQUIPMENT

Our ever-expanding fleet features well-known brands that offer the latest in safety and technological innovation. We offer a comprehensive range of the latest plant and equipment to customers in all market sectors and our equipment is maintained to the highest standard.

Our sales and service professionals can offer you knowledgeable advice about the equipment you need and our service centres can provide on-site mechanical maintenance.

Our plant and equipment solutions include:- Access Equipment; Compressors and Air Power Tools; Compaction Equipment; Generators, Power and Lighting; Skid Steers and Excavators; Materials Handling; Hydraulic Power Tools; and Temporary Fencing.

FORMWORK & CONCRETING

By offering hire, sale, and contracting services, GCS can supply a flexible, all-inclusive Formwork and Concreting package.

Our mix of Australian and International equipment coupled with both our experienced on-site workforce and innovative work practices enable us to complete structures faster, safer, and more cost effectively.

GCS can provide hire or sale on all its equipment as well as packaged concrete contracting solutions for formwork, concrete pumping, and concrete placement. Above all, we offer our clients reliability, flexibility, and experience in formwork and concrete construction.

Our integrated solutions include:- Formwork Contracting; Concrete Pumping; Concrete Placement; Wall Formwork; Falsework and Propping; Timber and Plywood; and Column Formwork.

SCAFFOLD & ACCESS SOLUTIONS

With unparalleled management experience and superior quality equipment, GCS is a leading supplier and contractor of Scaffolding and Access Solutions. We offer a complete range of scaffold equipment and a specialised workforce to customers in all market sectors.

Our experienced industry professionals utilise customised management packages to deliver projects on time and on budget. GCS's innovative operational systems can facilitate any obstacle, including off-shore requirements and satellite yards to the most remote parts of Australia.

Our scaffold and access solutions include:- Scaffolders; Modular Scaffold; Tube and Fitting Scaffold; Scaffold Accessories; Aluminium Mobile Scaffold; A-Frame Scaffold; Swing Stages; Material Hoists; and Rope Access.

SITE ACCOMMODATION

Our temporary site units provide flexibility, comfort, and security to meet all our customers' needs. We supply high quality, durable, site accommodation units across Australia including cyclonic regions. These robust, multi-purpose units can satisfy every application.

Our site accommodation solutions include:- Lunch Rooms; Site Offices; First Aid Huts; Ablution Blocks; Shower Blocks; Accommodation Quarters; Chemical and Sewer Toilets; Storage Containers; and Temporary Fencing.

SPECIALISED SITE SERVICES

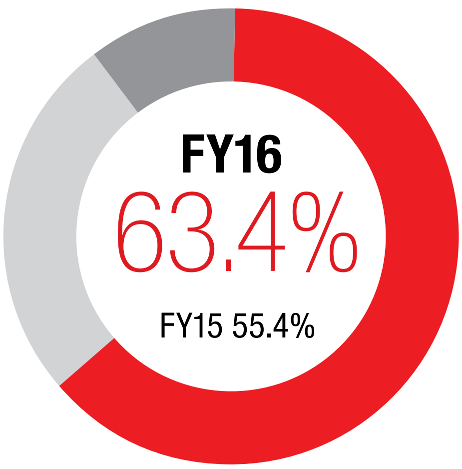
We provide a range of specialised site services under the strict governance of a quality accredited company. Together with our other integrated solutions, we offer a multi-disciplinary approach that enables our clients to lower operational costs while enhancing output and safety. GCS can apply our vast capabilities and proven experience to add value, streamline on-site operations, and maximise the performance of every project.

Our specialised site services include:- Façade and Window Installation; Rope Access; HSE Management and Personnel; Traffic Management; Security Services; and Painting Services.

Commercial Market

Our operations in the Commercial market consist of supplying a range of products and services to customers involved in the construction or maintenance of commercial and mixed-use developments. These typically include office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings, and hospitals. Contracts are typically medium to long term.

SEGMENT SIZE
(BY REVENUE SHARE)



REVENUE

FY16

$117.1m

FY15 $83.5m
UP 40.3%

ADJUSTED EBITDA(1)

FY16

$17.7m

FY15 $12.8m
UP 38.3%

NET ASSETS

FY16

$45.9m

FY15 $116.3
DOWN 60.5%

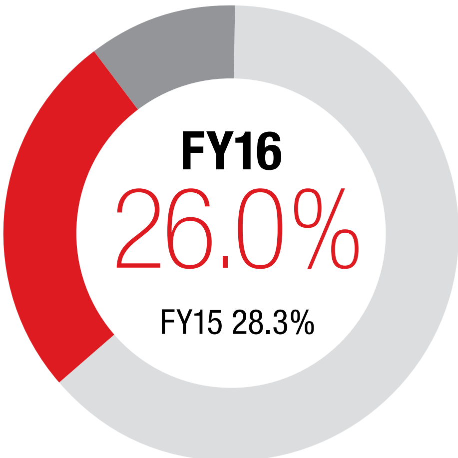
(1) Adjusted EBITDA is EBITDA derived from the operating segments and excludes investments, other income, and GCS support functions including corporate office and treasury which are included in corporate/other.

Current major contracts are progressing well. Work continues as scheduled on Perth Children's Hospital, Crown Hotel, New Perth Stadium, and Capital Square.

Resource, Industrial, Oil & Gas Market

Our operations in the Resource, Industrial, Oil & Gas market consist of supplying a range of products and services to customers involved in either construction or maintenance of the following types of projects: Oil and gas, energy, major infrastructure, mining, power generation, water treatment plants, decommissioning, shutdowns, and civil works. Contracts vary in length from short to long term.

SEGMENT SIZE
(BY REVENUE SHARE)



REVENUE

FY16

$47.9m

FY15 $42.5m
UP 12.7%

ADJUSTED EBITDA[1]

FY16

$12.0m

FY15 $10.6m
UP 13.2%

NET ASSETS

FY16

$32.2m

FY15 $51.5m
DOWN 37.4%

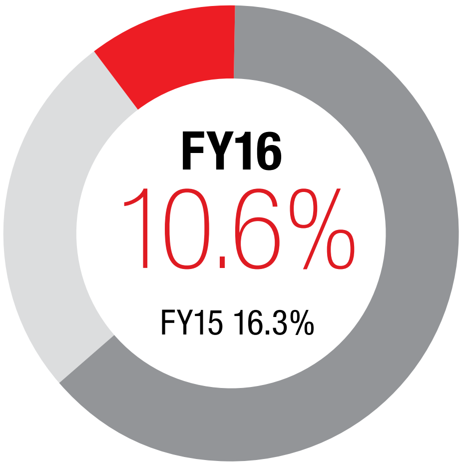
(1) Adjusted EBITDA is EBITDA derived from the operating segments and excludes investments, other income, and GCS support functions including corporate office and treasury which are included in corporate/other.

Current major scaffolding contracts, including Woodside (North-west Shelf Project), Kaefer (Ichthys Project), CITIC (Sino Iron Project), and FMG (Herb Elliott Port) are progressing well.

Residential Market

Our operations in the Residential market consist of supplying a range of products and services to customers involved in the construction or maintenance of single and multi-story residential developments. These typically include houses, townhouses, units, and apartments. Contracts are generally short to medium term.

SEGMENT SIZE
(BY REVENUE SHARE)



REVENUE

FY16

$19.6m

FY15 $24.5m
DOWN 20.0%

ADJUSTED EBITDA[1]

FY16

$5.0m

FY15 $7.0m
DOWN 28.6%

NET ASSETS

FY16

$18.9m

FY15 $24.7m
DOWN 23.5%

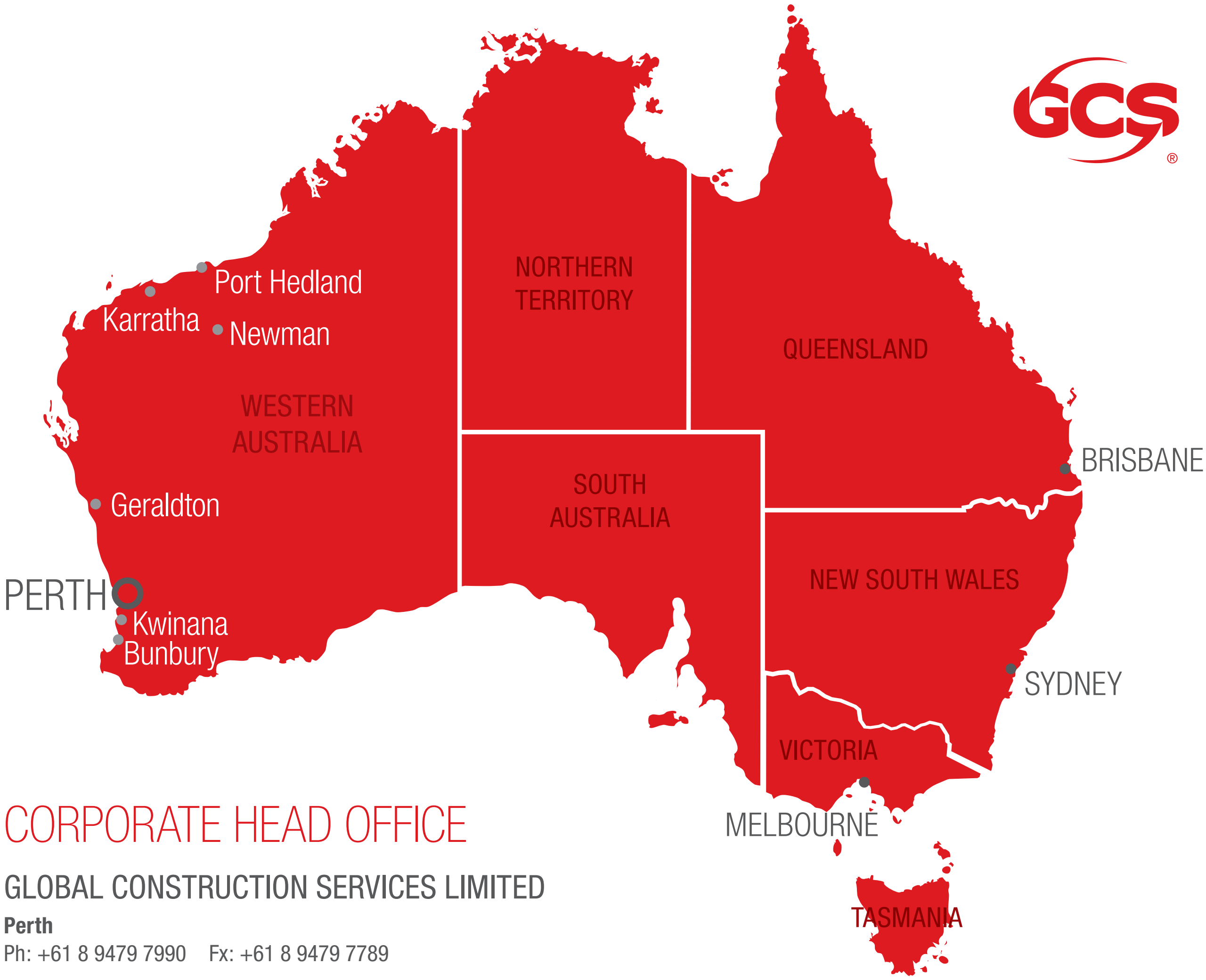
(1) Adjusted EBITDA is EBITDA derived from the operating segments and excludes investments, other income, and GCS support functions including corporate office and treasury which are included in corporate/other.

Cautiously positive, with residential building activity anticipated to remain broadly steady for the remainder of this calendar year.

Division Locations

With strategic bases across Australia, GCS is uniquely positioned to service a wide range of industry sectors through its local branch network.

Our national presence allows us to provide multi-disciplined labour and high quality equipment to all industries anywhere across Australia. GCS's success lies in its ability to react quickly and mobilise wherever the demand may rise. Having established metropolitan and regional bases in key locations across Australia, GCS is able to fully service its clientele both onshore and offshore. We are committed to helping our clients complete large and small scale projects by delivering practical and result-driven products and services.



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RESOURCE, INDUSTRIAL, OIL & GAS, COMMERCIAL, RESIDENTIAL

All Enquiries: **Ph: 139 GCS (139 427)** **www.gcs-group.com.au**

Health, Safety, Environment & Quality

Our professional reputation is built on delivering integrated products and services across multiple markets and sectors at industry-leading standards. Central to growing and exceeding this ethic, is our Integrated Management System. Developed to communicate our Health, Safety, Environment, and Quality objectives and apply consistent standards across our Australian network.

QUALITY ASSURANCE

The ISO 9001:2008 Quality Management System Standard has received widespread international acclaim and is the world's most recognised business management standard. It offers a comprehensive business framework and ensures key management objectives are achieved.

At GCS, Quality forms part of our Integrated Management System which provides a stable platform across all business operations. This system incorporates Health; Safety; Environment; and Quality, driving measurable, cost-saving performance initiatives whilst providing a mechanism from which improvement actions are launched.

GCS businesses that have been certified thus far to ISO 9001:2008 Quality Management System Standard are, Global Construction Services Limited, GCS Integrated Services Pty Ltd, and GCS Hire Pty Ltd.

HEALTH & SAFETY

At GCS, Health & Safety is the number one priority in conducting our business. The well-being of our employees is of the utmost importance and we continually work to ensure all staff follow this edict. GCS has a practical and effective safety management system which is used to direct and assist staff in working safely in accordance with our high standards.

The co-operation of all employees is essential in achieving a high level of accident prevention and, by engaging input from staff at all levels, we continually improve our processes. We empower our staff to continually spread the safety message by ensuring they themselves work safely in accordance with the Group's safety procedures and all legislative requirements.

GCS businesses that have been certified thus far to AS/NZS 4801:2001 Occupational Health & Safety Management System Standard are, Global Construction Services Limited, GCS Integrated Services Pty Ltd, and GCS Hire Pty Ltd.

ENVIRONMENT

GCS has developed its environmental policy to ensure environmental issues and risks are central to our strategic planning process. GCS fosters a strong environmental ethic amongst its workforce and looks to highlight valuable, sustainable initiatives within the industry.

As a company, we strive to minimise any harmful effects on the environment, meet legal environmental requirements, and achieve continual improvement of our environmental performance. We believe it is everybody's responsibility to look after the environment in which we work and to continually improve on procedures to ensure minimal environmental impact.

OIL & GAS

The ISO/TS 29001:2010 Oil & Gas Quality Management System Standard is industry specific, and used for the petroleum, petrochemical, and natural gas industries. It offers a comprehensive business framework for the Oil & Gas industry and ensures key management objectives are achieved. The system was developed by a partnership between ISO and the international Oil & Gas industry to provide global consistency and quality assurance in product and service supplies. ISO/TS 29001 is based on the ISO 9001 Quality Management System Standard which has received widespread international acclaim and is the world's most recognised business management standard.

GCS businesses that have been certified thus far to ISO/TS 29001:2010 Oil & Gas Quality Management System Standard are, Global Construction Services Limited, GCS Integrated Services Pty Ltd, and GCS Hire Pty Ltd.

Certified System TM
Quality
ISO 9001
SAI GLOBAL

Certified System TM
Oil & Gas
ISO 29001
SAI GLOBAL

Certified System TM
Health & Safety
AS 4801
SAI GLOBAL

At GCS, Health & Safety is the number one priority in conducting our business.

Community

GCS is committed to supporting the regions in which it operates today, tomorrow, and in the future. The Group is dedicated to working honourably, consistently, and responsibly within our community's social framework and we endeavour to share our success.

GCS is a major contributor to community-benefiting activities through direct contributions and in addition to the general social and economic benefits flowing from our activities. The Company provides support by way of donations and sponsorships through both the corporate office and the businesses we own.

Our goal is to be a responsible corporate entity with a true social conscience and cultivate strong relationships with our employees, our clients, and the community at large. Our approach is based on a premise that individual development enhances community capacity. In short, empowering people to achieve what they believe they cannot.

In addition to the major events highlighted, GCS provided sponsorship and support to many other Australian community organisations and sporting clubs in 2015/16. GCS is proud to have provided support for Boral Golf Classic, Cancer Council, Cottesloe Rugby Union Football Club, Dampier Classic, Dardanup Bull & Barrel Festival, Dreamfit Foundation, ICEA Classic, John Cummins Memorial Fund, Jordan Love Racing, Meadow Springs Open Air Cinema, Perth Disc Golf, Pilbara Regional Cricket Board, Rose Hill Golf Club, Telethon, Veterans Retreat of WA Inc, WA Charity Direct, WA ex-State and International Soccer Team, WA Special Children's Christmas Party, and "We Care" South West Bush Fire Relief Concert.

RONALD MCDONALD HOUSE CHARITIES

Ronald McDonald House Charities (RMHC) is an independent, non-profit organisation that helps seriously ill children and their families when they need it most. McDonald's is the charity's largest corporate donor and continue to be very generous supporters of the charity, a relationship spanning over 40 years. Since opening the first Ronald McDonald House in 1981, RMHC have helped over 100,000 families and 1 in 8 Australian's have been helped or know someone who has used one of their programs.

GCS was proud to support the construction of the new Ronald McDonald House in Perth - donating a range of products and services to the value of nearly $700,000.

THE STARLIGHT CHILDREN'S FOUNDATION

Since being formed as an Australian children's charity in 1988, the Starlight Children's Foundation has brightened the lives of seriously ill and hospitalised children, and their families, throughout Australia. Starlight provides programs integral to the total care of seriously ill children. While health professionals focus on treating the illness, Starlight is there to lift the spirits of the child, giving them the opportunity to laugh, play, and be a child again.

GCS is honoured to support The Starlight Children's Foundation and their partners through various events and in-kind donations.

MCDONALD'S COMMUNITY CINEMA

McDonald's Community Cinemas (formerly McDonald's Movies by Burswood) is Perth's family-friendly outdoor cinema raising funds for childrens' charities in WA. Their goal is simple; assist charities that seek to improve the quality of life of children in a health or physical ability crisis. Through 15 seasons, Community Cinemas has raised close to $6,000,000 for its Charity Partners and has assisted many other charities in their fund raising activities. Over 700 volunteers annually contribute their time and energy to make McDonald's Community Cinemas Perth's most affordable, enjoyable, and family-friendly outdoor cinema. Over the years Community Cinemas have assisted Ronald McDonald House Charities, Starlight Children's Foundation, Camp Quality, Noah's Ark, Youth Focus WA, Speakeasy WA, St George Foundation, Youthcare, and Princess Margaret Hospital amongst others.

For the sixth year running, GCS is delighted to support this event as a Principle Partner.

WARREN JONES INTERNATIONAL YOUTH REGATTA

'The Warren Jones' is an official World Tour Qualifier event from which many young competitors have launched their match racing careers. Held in WA since 2003, the event provides a challenging platform for young sailors to develop and showcase their skills. The regatta was established in memory of yachting legend, Warren Jones through the Western Australian Yachting Foundation (Inc.) and the Warren Jones Foundation (Inc.). The timing and format of the annual event makes it appealing for both competitors and spectators, drawing the best of the world's youth match racing competitors.

GCS has been a supporter of the Warren Jones Foundation since 2013 and is once again providing sponsorship in 2016.

SPECIAL AIR SERVICE RESOURCES TRUST

Australia's Special Air Service Regiment has a unique and hazardous role within the Australian Defence Force. Tasks undertaken are frequently beyond the range and capability of conventional forces and usually have strategic consequences at the national level. They demonstrate unbounded levels of boldness in the execution of their missions, a relentless pursuit of excellence, and unyielding levels of perseverance. The Special Air Service Resources Trust is a perpetual trust fund which provides relief to current and former members of the Special Air Service Regiment (and their dependants) who become deceased or permanently disabled in, or as a result of, active service or operational training.

For the third year in a row, GCS is honoured to support the Special Air Service Resources Trust.

MURLPIRRMARRA CONNECTION

The Murlpirrmarra Connection supports indigenous youth in the areas of education, sporting development, health, rehabilitation, discipline, self-confidence, and employment opportunities. By building strong relationships with families, the Murlpirrmarra Connection seeks to create community and educational activities to increase the health and wellbeing of the Indigenous population. Its indigenous engagement program supports the region by assisting the Wiluna and Murchison youth to contribute constructively to the community and the wider society.

GCS is pleased to have been a supporter of the Murlpirrmarra Connection once again in 2015/16.

FEATURE PROFILE

GCS® HIRE Pty Ltd

GCS Hire is a Western Australian plant and equipment company operating as part of the GCS Group. As a leading supplier, we deliver a comprehensive fleet of the latest on-site equipment to customers in the Resource, Oil & Gas, Industrial, Commercial, and Residential markets. We work in partnership with our clients to understand their requirements and allocate the most appropriate services and equipment to ensure cost effective solutions without compromising on quality and safety.

PRODUCTS & SERVICES


ACCESS EQUIPMENT


SITE ACCOMMODATION


SKID STEERS & EXCAVATORS


GENERATORS


COMPRESSORS & AIR TOOLS


TEMPORARY FENCING


LIGHTING TOWERS


MATERIAL HANDLING


HYDRAULIC POWER TOOLS


AND MUCH MORE

BRANCH LOCATIONS

PERTH
23 Destiny Way, Wangara 6065

BUNBURY
10 Hawkins St, Bunbury 6230

GERALDTON
8 Bradford St, Geraldton 6530

KARRATHA
Lot 61 Lambert Rd, Karratha 6714

KWINANA
26 Macedonia St, Naval Base 6165

NEWMAN
62 Woodstock St, Newman 6753

PORT HEDLAND
16 Manganese St, Wedgefield 6721

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Global Construction Services Limited (the **Company**) and the entities it controlled (referred to hereafter as the **Group**, the **GCS Group**, or **GCS**) at the end of, or during the year ended 30 June 2016.

DIRECTORS AND OFFICERS

The following persons were Directors and Officers of Global Construction Services Limited during the whole of the financial year and up to the date of this report.

Peter Wade	Board Chairman and Non-Executive Director
Enzo Gullotti	Group Managing Director
Sam Mangione	Non-Executive Director
George Chiari	Executive Director
Gabriel Chiappini	Company Secretary

EXPERIENCE, QUALIFICATIONS AND RESPONSIBILITIES

Peter Wade
Non-Executive Chairman

Mr Peter Wade holds a Bachelor of Engineering (Hons) and has over forty years of experience in engineering, construction, project management, mining, and infrastructure services. He started his career with the NSW Public Service managing the construction, building, and operation of significant infrastructure projects such as the Port Kembla coal loader and grain terminals in Newcastle and Wollongong. Mr Wade was also a Deputy Director for the Darling Harbour Redevelopment construction project. Subsequently, as an Executive of the Transfield Group, Mr Wade was responsible for a number of significant construction, building, and operation projects including, the Melbourne City Link, the Airport Link, the Northside Storage Tunnel, and the Collinsville and Smithfield Power Plants. Mr Wade has been the Managing Director of Crushing Services Pty Ltd and PIHA Pty Ltd since 1999 and Minerals International Pty Ltd since 2002 (now all wholly owned subsidiaries of Mineral Resources Limited). In 2006, with the formation and listing of Mineral Resources Limited, Mr Wade was appointed as Managing Director and has overseen a sustained period of successful development and growth. In 2008, Mr Wade was appointed the Executive Chairman of Mineral Resources Limited. On 16 November 2012, Mr Wade was appointed as Non-Executive Chairman of Mineral Resources Limited.

Qualifications	BE (Hons), LGE
Other Current Directorships	Non-Executive Chairman of Mineral Resources Limited
Former Directorships (3 years)	None
Special Responsibilities	Chairman of Board of Directors Chairman of Audit and Risk Management Committee Chairman of Nomination and Remuneration Committee
Interests in Shares	221,361
Interest in Options	None

Enzo Gullotti
Group Managing Director

Mr Enzo Gullotti is an industry and community leader with in excess of twenty 28 years of experience in the scaffolding, construction, and maintenance sectors. Mr Gullotti was a founding member of the PCH Group (now CAPE) where he was an Executive Director for approximately eight years and the Managing Director of the scaffolding subsidiary. Mr Gullotti was instrumental in growing PCH, including the establishment of operations in Karratha, Sydney, Darwin, Bunbury, Singapore, Thailand, Dubai and the Caspian Sea. Since establishing GCS in 2003, Mr Gullotti has grown the Group significantly, including leading the successful integration of several key acquisitions and expanding the Company's footprint throughout Australia.

Qualifications	B.Bus
Other Current Directorships	None
Former Directorships (3 years)	None
Special Responsibilities	Group Managing Director
Interests in Shares	6,326,349
Interest in Options	None

Sam Mangione
Non-Executive Director

Mr Sam Mangione holds a Bachelor of Business degree and has been associated with the GCS Group since July 2005. Mr Mangione has over twenty five years of experience in the construction, mining, and hire industries. Mr Mangione is co-owner of the largest privately held waste management company in Western Australia and is also a leading manufacturer of temporary site accommodation. Mr Mangione has developed state of the art processes in the recovery and recycling of waste product via purpose designed waste transfer stations.

Qualifications	B.Bus
Other Current Directorships	None
Former Directorships (3 years)	None
Special Responsibilities	Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee
Interests in Shares	4,767,518
Interest in Options	None

George Chiari
Executive Director

Mr George Chiari is a recognised industry leader in the field of commercial formwork and concrete with over forty years of experience at CASC Constructions. His skills and knowledge are invaluable as GCS builds on the success of recent times and seeks to capitalise on the significant opportunities in Western Australia.

Other Current Directorships	None
Former Directorships (3 years)	None
Special Responsibilities	Executive Director
Interests in Shares (1)	4,768,472
Interest in Options	None

(1) CASC Services Pty Ltd held 6,297,612 shares (2015: 6,297,612) which are held in the Chiari Used Trust in which G. Chiari has an interest.

Gabriel Chiappini
Company Secretary

Mr Gabriel Chiappini was appointed Company Secretary of the GCS Group on 12 December 2013. Mr Chiappini is a member of the Australian Institute of Company Directors and Institute of Chartered Accountants. Mr Chiappini has experience as a Finance Director, Chief Financial Officer and Company Secretarial roles in both local and international environments and holds the position of Company Secretary with several ASX listed and unlisted companies. Mr Chiappini has experience in diverse and varied industry sectors including Investment Banking (UK), Property Development & Investment (UK), Oil & Gas (Australia), Telecommunications (Australia), and Biotechnology (Australia).

Qualifications	B.Bus, GAICD, CA
Special Responsibilities	Member of Audit and Risk Management Committee

DIRECTORS' REPORT
CONTINUED

MEETINGS OF DIRECTORS

The number of meetings of GCS's Board of Directors and each Board Committee held during the year ended 30 June 2016 and the number of meetings attended by each Director was:

	Full meetings of Directors		Meetings of committees: Audit and Risk Management		Meetings of committees: Nomination and Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Peter Wade	11	10	2	2	2	2
Enzo Gullotti	11	11	0	2 (1)	0	0
Sam Mangione	11	10	2	1	2	2
George Chiari	11	10	0	2 (1)	0	0

(1) Attended by invitation

COMMITTEES

As at the date of this report, the Company has established an Audit and Risk Committee and a Nomination and Remuneration Committee.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Group consisted of delivering a range of products and services to a diverse set of customers in the Commercial; Residential; and Resource, Industrial, Oil & Gas sectors of the construction and maintenance industries. These activities include the provision of equipment and on site specialised labour services including scaffolding, formwork, material hoists, temporary site accommodation, general plant hire, temporary fencing, concrete pumping, concrete placement, and related engineering and design services.

STRATEGY

The GCS Group's strategic focus is on profitable growth and improving and optimising the returns from our diversified portfolio of businesses by continuing to drive operational efficiencies, diversify our revenue streams, reduce costs, and maintain a disciplined approach to managing the balance sheet. The Company's national geographic diversification is a key strategy to support growth for the future and will focus on enhancing our integrated product and service offering to clients nationally. The Group continues to focus on productivity improvements and aligning our resources to meet the changing needs of our clients and market conditions. Our overall Group strategy is underpinned by our values and the proposition of 'Safety, Performance, Reliability' and is executed by our integrated 3 plus 3 business model entailing:

Three key services comprising:

1. Large scale formwork and concrete contracting;
2. Supply of onsite equipment and materials encompassing scaffold and access solutions, formwork, site accommodation, plant and equipment, and
3. Provision of on-site workforce, including curtain wall installation.

Three key market sectors covering:

1. Commercial;
2. Resource, Industrial, Oil & Gas; and
3. Residential

The formwork, concrete, and scaffolding businesses are the Company's foundation businesses. GCS continues as one of the leading companies in Western Australia in this sector. The plant and equipment hire business represents the Group's platform to increase its on-site presence by adding complementary customer solutions. The nature of this business is an enabler to increasing GCS's geographic reach throughout Western Australia and nationally. The labour contracting and maintenance services markets represent significant growth areas for the Group.
The Company's integrated contracting, labour, and equipment hire business model differentiate GCS as a true agile, end to end, on-site solution provider compared to its peers. Our wide-ranging experience and results driven strategies make GCS a supplier of choice and a reliable industry partner.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

OVERVIEW AND FINANCIAL RESULTS

Overall Market

The FY16 financial and operational performance of GCS was characterised by the underlying market conditions in Western Australia.

The Perth CBD is currently undergoing a substantial transformation with significant investment committed by the private sector in new projects. Momentum in the commercial sector is increasing with a substantial pipeline of opportunities and tender activity in this sector remaining strong. The Board remains optimistic on this investment pipeline activity increasing in financial year 2017 with recent major contracts awarded to main contractors. GCS's proven track record and reputation will ensure its successful involvement in these opportunities.

OVERVIEW AND FINANCIAL RESULTS (continued)

The Western Australian resources investment cycle continued to soften during the year on the back of historically low commodity prices and a slowdown in mining capital investment as major projects moved from construction to production phase. Notwithstanding the challenging conditions in this segment, GCS has successfully expanded into maintenance services and secured contract wins that will continue to deliver solid returns. The GCS businesses and existing integrated product and services offering are well placed to capitalise and support future growth opportunities in this sector.

The Western Australian housing market, after a period of strong demand, has come off peak levels and reverted back to more normal levels. It is anticipated the ongoing strong population growth and low interest rate environment will continue to maintain and support the confidence and investment in housing which will provide a positive benefit to our operations in the Residential sector.

Despite the variable market conditions in GCS's core businesses, the Board and management has continued to successfully monitor and responded to the changed external environment by adjusting its business strategies. During the year, we remained focused on the Company's national geographic growth strategy, managing our portfolio of existing businesses more efficiently and strengthening the balance sheet.

Financial Performance

Global Construction Services Limited (GCS, GCS Group) delivered a strong performance in 2016 with underlying profit after tax of $12.0m (FY15: $8.7m) - an increase of 38%. Overall this was a very strong earnings result in variable market conditions and reflects the strength in our market position and the diversity of our business.

The reported net loss after tax of $76.9m included $88.9m of one-off non-cash after-tax impairment which was principally related to a reduction in the carrying value of the Group's goodwill and property, plant, and equipment reflecting the current market conditions.

The Group achieved revenue of $184.5m (FY15: $150.5m) - 23% higher than last year underpinned by strong revenue growth in the commercial sector and maintenance services in the Resource, Industrial, Oil & Gas segment despite the impact of the challenging market conditions in the Western Australian economy and the general slowdown in demand in the Pilbara. The continued focus on reducing costs through operating efficiencies and productivity improvements, lower finance costs driven by lower gross debt, and the strong contribution from east coast associated entity SmartScaff Pty Ltd also contributed to the increase in earnings.

The Group underlying EBITDA of $30.3m (FY15: $27.9m) was 8% higher than the prior corresponding period, with Group EBITDA margin lower at 16.4% (FY15: 18.5%) reflecting the change in margin mix from the increase in contract services, lower utilisation levels, and the highly competitive pricing environment. Group underlying EBIT of $19.8m (FY15: $16.2m) was 18% higher than the prior corresponding period reflecting the improved earnings. Underlying earnings per share was 6.0 cents per share (FY15: 4.7 cents per share) - an increase of 28% compared to last year.

Balance Sheet and Cash Flow

With the continued strong balance sheet focus, the Group reported a reduction in net debt to $13.8m - $17.1m (55%) lower than the prior corresponding period. This has been achieved through generating strong operating cash flow before tax of $31.4m and focus on working capital management initiatives with cash and cash equivalents maintained at $20.7m compared to the prior corresponding period. Total capital expenditure (cash and hire purchase) for the year of $6.1m was $1.4m lower than the prior corresponding year and reflects primarily growth capex for the supply of scaffold equipment for the Ichthys project and formwork equipment for the Capital Square and Stadium projects. The company net debt to equity position has continued to improve and decreased to 10% from 14% in the prior corresponding year.

Capital Management

The Group maintained a disciplined execution of its capital management strategy, strong balance sheet, and cash position that provides flexibility to support the growth and expansion of the business. Reflecting the strength of the Group's financial results in 2016, the Board of Directors have resolved to declare a full year dividend of 1.0 cent per share fully franked.

The Board continues to respond to market conditions by reviewing its operating segments and rationalising and aligning resources to match activity levels. Additionally, the company has continued to execute its strategy of diversifying its revenue base geographically and to more sustainable annuity streams which offer integrated labour and equipment solutions to customers over the long term project life cycle. The company continues to focus on improving and optimising the returns from our portfolio of businesses by continuing to drive operational efficiencies, diversifying our revenue streams, reducing costs, and maintaining a disciplined approach to managing the balance sheet.

The company is well placed to meet future growth and expansion opportunities on the back of a solid and well established integrated product and services platform.

The following table is a reconciliation of non IFRS financial information (underlying net profit after tax, EBITDA, EBIT, and underlying EBIT) disclosed in this operational and financial review of the Directors' Report.

	30 June 2016 $'000	30 June 2015 $'000
Profit/(loss) for the year after income tax	(76,882)	8,741
Add back finance costs	3,542	4,629
Add back income tax expense/(benefit)	(12,596)	2,826
EBIT	(85,936)	16,196
Add back impairment	105,735	-
Underlying EBIT	19,799	16,196
Add back depreciation	10,348	11,567
Add back amortisation	103	120
EBITDA	30,250	27,883
Profit/(loss) for the year after income tax	(76,882)	8,741
Add back impairment after tax	88,897	-
Underlying net profit after tax	12,015	8,741

DIRECTORS' REPORT
CONTINUED

OVERVIEW AND FINANCIAL RESULTS (continued)

Commercial

The Commercial formwork and concrete division (CASC) is progressing well on Tower 1 of the Capital Square project in the Perth CBD ($46.2m) and also commenced work on the Podium ($20.0m) in the second half. The New Perth Stadium formwork and concrete contract for Brookfield Multiplex ($30.5m contract) and the exclusive equipment and labour hire agreement for Brookfield Multiplex in WA are also progressing well. The Commercial labour division successfully completed installation of the façade on Brookfield Place Tower 2 and Kings Square projects. Work is continuing on the Perth Children's Hospital project being constructed by John Holland and Crown Hotel being constructed by Brookfield Multiplex. The façade work on Tower 1 of the Capital Square and the New Perth Stadium project commenced in the second half of this year. There has also been a general improvement in plant and equipment utilisation in this segment.

Overall, this segment achieved strong profitability with revenue increased by 40% to $117.1m and EBITDA increased by 38% to $17.7m underpinned by the continuing strong momentum from work on major projects awarded to GCS and the suite of other products and services offered.

Resource, Industrial, Oil & Gas

Revenue was up 13% to $47.9m and EBITDA also increased 13% to $12.0m. The improvement in revenue and earnings reflects the growth in operational and maintenance services and realignment initiatives to match market demand. The contract for the principal management and supply of scaffolding for Woodside Energy Limited's North-west Shelf Project continues to progress well. The scaffolding services contract for the Sino Iron Project by CITIC Pacific Mining (for an initial 2 year term with renewal options) increased momentum during the year. In the second half of the year, GCS commenced a scaffolding service and hire equipment agreement for FMG's port facility for an initial 12 month term. These contracts recognise GCS's successful delivery capabilities in the North West and are important steps in GCS building sustainable annuity revenue streams within its services business. Also during the year, GCS Integrated Services Pty Ltd continued the supply of scaffold equipment on the Ichthys project as Kaefer's exclusive supply chain partner.

Residential

The Western Australian housing market, after a period of strong demand, has softened during the year with segment revenue and profitability lower than the prior corresponding period. Revenue was down 20% to $19.6m and EBITDA down by 28% to $5.0m. Management is continually monitoring this business to rationalise and align resources to service this market.

Corporate

The Group is actively pursuing its geographic expansion and growth strategy with the assessment and shortlisting of a number of key target acquisition opportunities on the East Coast.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Pursuant to the Group's geographic expansion strategy, GCS announced on 25 August 2016 the signing of a binding term sheet to acquire a 51% stake in a specialist services contractor in the commercial construction sector operating across the East coast.

On 2 September 2016, the Company announced the successful refinancing of the Group's debt facilities to enhance the GCS's capital structure and lower the cost of debt by circa 30%. The new secured working capital and equipment finance facilities of $40m with CBA and $22m equipment finance with Toyota have replaced the $60m GE Capital cash advance and equipment finance facilities. These new facilities extend the company's average debt maturity profile, lower the cost of debt and provide a more flexible and sustainable debt structure to support and respond to growth opportunities and market conditions.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS IN OPERATIONS

The Group anticipates stability in the short term and an overall improvement in market conditions in the forthcoming years which will improve GCS's performance in FY17 and the periods beyond.

The pipeline of opportunities and tendering activity in the Commercial sector remains strong and continues to be substantial. The Board remains optimistic on this investment pipeline activity increasing in financial year 2017 with further major contract awards expected. GCS has a proven track record and reputation that will ensure its successful involvement in these opportunities.

The outlook and level of activity in the Resource, Industrial, Oil & Gas sector is expected to remain stable. It is pleasing that major contracts secured and the successful expansion into maintenance services sector, combined with further new contract opportunities, will continue to deliver solid returns. Our businesses and existing integrated product and services offering are well placed to support future growth opportunities in this sector.

The outlook for the Residential segment is cautiously positive with activity levels and performance in FY17 expected to remain broadly steady. Whilst the overall outlook in the Western Australia housing market has come off peak levels and reverted back to more normal levels, we are anticipating the ongoing strong population growth and low interest rate environment will continue to maintain and support the confidence and investment in housing which will provide a positive benefit to our operations in this sector.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS IN OPERATIONS (continued)

The GCS Group remains committed to executing its national geographic expansion strategy and diversifying its revenue base to more sustainable annuity streams which offer integrated labour and equipment solutions to customers over the long term project life cycle. The Company remains focused on improving and optimising the returns from our portfolio of businesses by continuing to drive operational efficiencies, reducing costs, and maintaining a disciplined approach to managing the balance sheet.

The Company is well placed to meet future growth and expansion opportunities on the back of a solid and well established integrated product and services platform.

ENVIRONMENTAL REGULATIONS

The operations of the consolidated entity are subject to environmental regulation under Commonwealth, State, and Territory legislation.

The Group has implemented policies which require all operations to be conducted in a manner to comply with regulation, protect, and preserve the environment. The Directors are not aware of any breaches of environmental regulations during the year or as at the date of this report. The Company has met all its reporting requirements under the relevant legislation during the year and continually aims to improve its environmental performance.

The Company does not currently meet the thresholds of the *National Greenhouse and Energy Reporting Act 2007* and is therefore not currently subject to its reporting requirements.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company, nor have any applications been made in respect of the Company under Section 237 of the *Corporations Act 2001*.

CORPORATE GOVERNANCE

The Board is committed to achieving the highest standards of corporate governance. The Board reviews and improves it policies and procedures to ensure they are effective for the Group and fulfil the expectations of stakeholders. The Board's Corporate Governance Statement can be located on the Company's website via the following URL: http://www.gcs-group.com.au/investors/corporate-governance/

DIVIDENDS

Reflecting the strength of the Group's financial results in 2016 and outlook for the company, the Board of Directors have resolved to declare a final dividend of 1.0 cent per share fully franked. The record date for entitlements to the final dividend will be 15 September 2016 and will be paid to shareholders on 14 October 2016.

The Board will continue to monitor and review its dividend position in line with its capital management framework and strategy.

REMUNERATION REPORT (AUDITED)

The Directors present the remuneration report of Global Construction Services Limited for the year ended 30 June 2016, which sets out the remuneration arrangements of the Group for each Director and other Key Management Personnel in accordance with the requirements of the Corporations Act 2001 and its regulations. Key Management Personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the main activities of the Company and the Group.

The Directors and Key Management Personnel disclosed in this report are:

Directors	Position
Peter Wade	Chairman and Non-Executive Director
Enzo Gullotti	Group Managing Director
George Chiari	Executive Director
Sam Mangione	Non-Executive Director

Key management personnel	Position
Graeme Hearn	Divisional Managing Director
Carlo Genovesi	Chief Financial Officer

REMUNERATION PHILOSOPHY

The objective in setting remuneration levels is to attract and retain qualified, experienced, and high quality employees. Remuneration packages are structured to encourage improved performance and to align the employee's interests with the short term and long term objectives of the Company. The Group benchmarks remuneration packages at least annually to ensure competitive positioning within the market. Short term incentives are designed to incentivise individual contributions to achieving results.

REMUNERATION COMMITTEE

The objective of the Nomination and Remuneration Committee of the Board is to make recommendations on policies, strategies, and structures on compensation arrangements for Directors and Key Management Personnel. The committee is charged with the development and review of the Company's remuneration framework which:

- Recommends remuneration levels for Directors and Key Management Personnel;
- Proposes Non-Executive Director fees;
- Establishes incentive plans which apply to Executives;
- Devises key performance indicators to align remuneration and incentives to performance and achievement; and
- Formulates identification of talent, development, retention, and succession planning strategies for Key Executives.

DIRECTORS' REPORT
CONTINUED

REMUNERATION COMMITTEE (continued)

The Nomination and Remuneration Committee formally meets twice per annum but as often as required to discharge its responsibilities. The committee is chaired by an independent Non-Executive Director.

The Corporate Governance statement on the Company's website provides further information on this committee's role.

REMUNERATION CONSULTANTS

During the year ended 30 June 2016, Global Construction Services Limited did not engage the services of a remuneration consultant in respect of its remuneration matters. The company reserves the right to engage with a remuneration consultant to provide market analysis and benchmarking guidelines.

VOTING AND COMMENTS AT PREVIOUS ANNUAL GENERAL MEETINGS

The Company did not generate a strike against the adoption of its remuneration report for FY15. The FY15 Remuneration Report received positive shareholder support at the FY15 AGM with a vote of 98% in favour. However following the feedback from shareholders at the previous AGM, we identified a number of key areas for improvement which resulted in a review of remuneration practices, policies, and plans associated with KMP remuneration. To develop an appropriate foundation for future practices, the Remuneration Committee has introduced a formal Remuneration Governance Framework which consists of:

- A revised Remuneration Committee Charter which now mandates the ongoing development and maintenance of all Remuneration Governance Framework elements;
- A Senior Executive Remuneration Policy;
- A Short Term Incentive (STI) Policy and Procedure document; and
- A Long Term Incentive (LTI) Policy and Procedure document.

Going forward, the Nomination and Remuneration Committee will continue to implement the above items with appropriate assistance from external remuneration consultants as considered necessary.

There were no salary increases during FY16 for current Directors and Key Management Personnel (KMP) above current contractual requirements and/or CPI and contractual terms. The executive directors have retained significant equity positions in the Company which the Board considers provides sufficient incentive to strive towards their STI Key Performance Indicator (KPI) objectives.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate fees paid to a level which reflects the responsibilities and demands made on Non-Executive Directors and provides the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution of Global Construction Services Limited and the ASX Listing Rules specify that the Company may remunerate Non-Executive Directors for their services with a fixed sum not exceeding the aggregate maximum of $300,000 per annum. The Constitution entitles each Director to superannuation contributions in addition to their fees.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is evaluated by the Nomination and Remuneration Committee annually.

The remuneration of Non-Executive Directors for the year ended 30 June 2016 is detailed in Table 2 of this report and has not been increased for the past three (3) years.

EXECUTIVE REMUNERATION INCLUDING GROUP MANAGING DIRECTOR

The current Executive remuneration framework is made up of two components:

- Base pay and benefits, including superannuation; and
- Short-term incentives in the form of cash bonus.

Global Construction Services Limited, as at the date of this report, has not implemented a long term incentive scheme for Key Executives. However as part of the Remuneration Committee's engagement with shareholders and proxy advisors, there was strong feedback that Global Construction Services Limited should introduce a LTI Policy. At present, key management individually hold a large number of shares in the Company by virtue of their historical association to the Company upon its initial ASX listing. The Nomination and Remuneration Committee and the Board holds the view that a long term scheme based on the equity participation of key management will not be an effective incentive in linking performance as the interests of key management, who already hold significant shares in the Company, and are therefore aligned to the Company by virtue of their shareholdings.

However, as a result of the Nomination and Remuneration Committee's engagement with shareholders and proxy advisors, the Company will develop and formulate an improved short term and long term incentive scheme which will meet the remuneration objectives of the Company and its stakeholders.

BASE PAY AND BENEFITS

Executive base pay is competitively structured and comprises the fixed component of the remuneration package. The fixed component may include cash, superannuation, and non-financial benefits to comprise the employee's total employee cost. Non-financial benefits generally consist of items to enable the effective discharge of the Executive's duties and may include the provision of motor vehicles, mobile phones, and notebooks.

Base pay is reviewed annually by the Nomination and Remuneration Committee and benchmarked against a number of indicators and market data.

SHORT-TERM INCENTIVES (STI)

The objective of a variable STI remuneration is to link the achievement of the Group's operational targets with the remuneration received by the Executives charged with meeting those targets. The Company's STI objectives are to:

- Motivate Senior Executives to achieve the short-term annual objectives linked to Company success and shareholder value creation;
- Create a strong link between performance and reward;
- Share Company success with the Senior Executives that contribute to it; and
- Create a component of the employment cost that is responsive to short and medium term changes in the circumstances of the Company.

Short-term incentives currently take the form of a cash bonus and are designed to encourage performance and align the interest of the employee to those of the Company's strategic and business objectives based upon specific outcomes. The key STI measures for the Group in FY16 consist of a number of targets tied to the performance on the GCS Group's major contracts - namely safety performance, financial performance, scheduling performance, and customer satisfaction. The STI is currently a discretionary 'bonus' arrangement and its quantum is determined by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible for determining the achievement of targets and assessing as to whether a bonus amount is paid. The committee also has the discretion to adjust short-term incentives downwards or make no payments in response to unexpected or unintended circumstances and where market issues dictate such a decision. Any STI payments to Key Management Personnel during the 2016 financial year were based on achieving strategic and/or business objectives.

OTHER INCENTIVES

During FY15, the Company, through the Nomination and Remuneration Committee, agreed terms with the majority of the Key Executives to extend their service agreements through to 30 June 2017. As noted above, through engagement with key non-related shareholders and proxy advisors, the Nomination and Remuneration Committee will continue to work on a long term incentive component of remuneration for Key Executives and to drive the succession planning of the Company. As part of the long term incentive component, the Company sought and received approval for a Performance Rights Plan at its 2014 AGM incorporating LTI performance hurdles that will include performance measured against TSR and EPS objectives.

DIRECTORS' REPORT
CONTINUED

COMPANY PERFORMANCE AND SHAREHOLDER WEALTH

Table 1: Sets out information about the Company's consolidated earnings and shareholder wealth over the last five years.

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Profit/(loss) for the year attributable to holders of Global Construction Services Limited	(76,882)	8,741	8,165	15,340	22,843
Dividends paid/payable	2,003	-	-	3,405	10,152
	Cents	**Cents**	**Cents**	**Cents**	**Cents**
Earnings/(loss) per share	(38.4)	4.70	4.80	9.70	19.70
Share price at start of the year	49.00	46.00	44.00	125.00	100.52
Share price at end of the year	38.00	49.00	46.00	44.00	125.00
Dividends per share paid/payable (cents)	1.00	0.00	0.00	2.00	4.25
	%	**%**	**%**	**%**	**%**
Increase/(decrease) in share price	(22)	7	5	(65)	24
Dividend payout ratio	(3)	-	-	21	22

PERFORMANCE EVALUATION

The remuneration committee reviews the performance of Executives at least annually. There is currently no at risk performance remuneration other than the STI.

SERVICE AGREEMENTS

Except as disclosed below, Directors and Executives are employed under contracts of employment with standard commercial terms, such as having no fixed term of expiry, notice periods of between one and three months, and termination payments in lieu of notice.

Mr Enzo Gullotti, Group Managing Director

An employment agreement has been entered into between Enzo Gullotti and Global Construction Services Limited as the Group Managing Director of the GCS Group for an additional term of two years, commencing 1 July 2015. The terms of this agreement are all as per the previous 3 year agreement and include:

a. Salary payable is $589,580 inclusive of superannuation from 1 July 2015;
b. Entitlement to thirty days of annual leave per annum;
c. Provision of a fully maintained vehicle, mobile phone, and income protection insurance;
d. Mr Gullotti must exercise the utmost good faith in the best interests of the Group;
e. GCS may terminate the agreement at will and, upon termination, the employee will be entitled to 50% of his salary for the period remaining in the employment agreement;
f. If the employee terminates the employment he must give at least six months' notice of termination. On resignation, the employee will not be entitled to any further payment other than for services provided during the notice period;
g. The agreement may also be terminated for serious misconduct, in which event the Company is not required to pay compensation; and
h. A one year non-compete and non-solicitation covenant on termination of the agreement, whereby Mr Gullotti will not engage directly or indirectly or through any person in an enterprise, company, or firm to carry on a substantially similar activity to that of GCS. The Company may elect to allow him to work as an employee in the restricted area in lieu of paying him during the restraint period and, in these circumstances, the Company will not continue to pay his salary during this restraint period. If 50% or more of the shares are acquired by a party as a result of a takeover or scheme of arrangement, the employment agreement, including the above restrictive covenants, shall cease to apply to Mr Gullotti.

Mr George Chiari, Executive Director

An employment agreement has been entered into between C.A.S.C. Constructions Pty Ltd (CASC) and George Chiari.
The terms of this agreement are all as per the previous three (3) year agreement and include:

a. The term of employment is two years from 1 July 2015;
b. Salary payable is $476,964 per annum inclusive of superannuation commencing 1 July 2015 plus the use of a mobile phone;
c. The employee must exercise the utmost good faith in the best interests of the Group and CASC;
d. CASC may terminate the agreement at will and, upon termination, the employee will be entitled to 50% of his salary for the period remaining in the employment agreement;
e. The agreement may also be terminated for serious misconduct, in which event CASC is not required to pay compensation; and
f. George Chiari has provided CASC with a three year restrictive covenant on termination of the agreement, whereby the employee will not engage directly or indirectly or through any person in an enterprise, company, or firm to carry on a substantially similar activity to that of CASC (including formwork and scaffolding). Each employee will not entice away (or attempt to entice away) any clients, suppliers, or other employees of CASC.

DIRECTORS' REPORT
CONTINUED

DETAILS OF REMUNERATION

Details of the amount and nature of each element of the remuneration of the Directors and Key Management Personnel of the consolidated entity are set out in the following tables.

Table 2: Directors and Key Management Personnel's remuneration of the Company and the Group for the year ended 30 June 2016 and 30 June 2015.

	Short-term employee benefits				Post employment benefits	Long-term benefits		
2016	**Cash salary and fees $**	**Short-term Incentives $**	**Retention Incentives $**	**Non monetary benefits $**	**Superannuation $**	**Long Service Leave $**	**Total $**	**Performance Based %**
Non-Executive Director								
P Wade	84,121	-	-	-	-	-	84,121	-
S Mangione	55,125	-	-	-	5,237	-	60,362	-
Executive Directors								
E Gullotti [(1)]	644,280	-	-	63,571	25,000	-	732,851	-
G Chiari	438,523	-	-	9,242	38,441	-	486,206	-
Key Management Personnel								
C Genovesi	320,000	-	-	-	25,000	-	345,000	-
G Hearn	406,965	-	-	-	35,000	-	441,965	-
Total	**1,949,013**	**-**	**-**	**72,813**	**128,678**	**-**	**2,150,505**	**-**
2015								
Non-Executive Director								
P Wade	84,121	-	-	-	-	-	84,121	-
S Mangione	55,125	-	-	-	5,237	-	60,362	-
Executive Directors								
E Gullotti	566,086	-	-	66,253	25,000	-	657,339	-
G Chiari	418,400	-	-	-	35,000	-	453,400	-
Key Management Personnel								
C Genovesi	305,000	50,000	-	10,291	25,000	-	390,291	13
G Hearn	441,965	-	-	-	35,000	-	476,965	-
Total	**1,870,697**	**50,000**	**-**	**76,544**	**125,237**	**-**	**2,122,478**	**-**

(1) Annual leave cashed out during the period of $79,700.

SHARE HOLDINGS

The number of shares in the Company held directly or indirectly during the financial year by each Director and members of the Key Management Personnel of the Group, including their related parties, are set out below. There were no shares granted during the reporting period as compensation.

2016	Balance as at 1 July 2015	Other changes during the year	Balance as at 30 June 2016
Directors			
P Wade	221,361	-	221,361
E Gullotti	7,326,349	(1,000,000)	6,326,349
S Mangione	4,767,518	-	4,767,518
G Chiari [(1)]	4,768,472	-	4,768,472
Other key management personnel			
G Hearn	809,151	-	809,151
C Genovesi	30,000	-	30,000

(1) At 30 June 2016, CASC Services Pty Ltd held 6,297,612 shares (2015: 6,297,612) which are held in the Chiari Used Unit Trust by G Chiari.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

GCS Hire Pty Ltd purchased a number of site accommodation units from Aussie Modular Solutions Pty Ltd on arms length commercial terms. Sam Mangione, a Director of GCS, is a Director of Aussie Modular Solutions Pty Ltd. Aussie Modular Solutions Pty Ltd has been paid approximately $514,115 (2015: $368,658) for these services.

GCS Hire Pty Ltd leases yard spaces on arms length commercial terms in Muchea from Aussie Modular Solutions Pty Ltd. The rental amount paid during the year was $295,083. The rental amount from 1 July 2016 is $300,000 per annum. Sam Mangione, a Director of GCS, is a Director of Aussie Modular Solutions Pty Ltd and Karratha Enterprises Pty Ltd.

The GCS Group utilises services provided by AV Truck Services Pty Ltd. AV Truck Services Pty Ltd has been paid approximately $221,910 (2015: $99,822) for its services which are provided on arms length commercial terms on an 'as needs' basis. George Chiari, a Director of GCS, has an interest in AV Truck Services Pty Ltd.

GCS Personnel Services Pty Ltd leases premises on arms length commercial terms in Balcatta from Blackadder Superannuation Fund. The rental amount paid during the year was $98,000. The rental amount from 1 July 2016 is $98,000 per annum. Graeme Hearn, a Director of Global Industrial Services (Aust.) Pty Ltd, has an interest in Blackadder Superannuation Fund.

GCS Rapid Access Pty Ltd has an agreement to hire various plant and equipment from CASC Hire Pty Ltd at arms length commercial terms for 11 years and two months commencing 1 July 2004 for $516,972 per annum. George Chiari is a Director of GCS, C.A.S.C. Constructions Pty Ltd, and CASC Hire Pty Ltd. The agreement was finalised in August 2015.

GCS Personnel Services Pty Ltd leases premises on arms length commercial terms in Rockingham from Crompton Rd Property Trust. The rental amount paid during the year was $90,480. The rental amount from 1 July 2016 is $90,480 per annum. Graeme Hearn, a Director of Global Industrial Services (Aust.) Pty Ltd, has an interest in Crompton Rd Property Trust.

GCS Integrated Services Pty Ltd leases premises in Port Kennedy on arms length commercial terms from Miromiro Pty Ltd. The rental amount paid during the year, including outgoings, was $283,630. George Chiari, a Director of GCS, is a Director of Miromiro Pty Ltd. The rental amount from 1 July 2016 is $259,726 per annum.

The GCS Group utilises the waste management services provided by Instant Waste Management at its metropolitan locations. Sam Mangione, a Director of GCS, is a related party of Instant Waste Management. Instant Waste Management has been paid $136,325 (2015: $176,959) for its services which are provided on arms length commercial terms on an 'as needs' basis.

GCS Hire Pty Ltd leases premises on arms length commercial terms in Embleton from Forrestview Investments. Sam Mangione, a Director of GCS, has an interest in Forrestview Investments. The rental amount paid during the year, including outgoings, was $280,837. The rental amount from 1 July 2016 is $267,411 per annum.

C.A.S.C. Constructions Pty Ltd leases premises on arms length commercial terms in Embleton from Keppel Holdings Pty Ltd. Sam Mangione, a Director of GCS, has interest in Keppel Holdings Pty Ltd. The rental amount paid during the year, including outgoings, was $633,399. The rental amount from 1 July 2016 is $583,443 per annum.

GCS Integrated Services Pty Ltd leases premises in Redcliffe at arms length commercial terms from Mar Pty Ltd. The rental amount paid during the year, including outgoings, was $992,691. The rental amount from 1 July 2016 is $882,000 per annum. George Chiari, a Director of GCS, has an interest in Mar Pty Ltd.

DIRECTORS' REPORT

CONTINUED

Aggregate amounts of each type of transactions with key management personnel of the Group	2016 $'000	2015 $'000
Amounts recognised in expenses	2,848	2,616
Purchases and hire of equipment and services	784	886
Sales of goods and services	44	186
Outstanding balances arising from sales/purchases of goods and services. The following balances are outstanding at the reporting date in relation to transactions with related parties and Key Management Personnel:		
Current receivables (sales of goods and services) – Related parties	2	2
Current payables (purchases of goods and services) – Related parties	62	53

SHARE BASED COMPENSATION

Options may be granted under the Global Construction Services Limited Employee Option Plan. The plan is designed to align the interests of employees to shareholders in the Company and for staff retention purposes. No options were granted during the year and no Director, Secretary, or member of Key Management Personnel is a participant or currently holds an interest or right to any options under Global Construction Services Limited Employee Option Plan.

No ordinary shares of Global Construction Services Limited were issued during the year ended 30 June 2016 under the Global Construction Services Limited Employee Option Plan.

There are no unissued ordinary shares of Global Construction Services Limited under option at the date of this report.

End of Audited Remuneration Report

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITORS

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

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

NON AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 32 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in Note 32 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporation Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 42.

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

Peter Wade
Non-Executive Chairman

30 September 2016

FEATURE PROFILE

GCS® FACADES Pty Ltd

GCS Facades is a West Australian curtain wall and façade installation company operating as part of the GCS Group. We supply and manage a highly skilled, specialised on-site workforce for commercial projects with a focus on large scale glass and aluminium systems. By utilising modern techniques and industry best practices, GCS can deliver projects on time and to the highest standard.

GCS Facades is committed to providing high-quality service through a multi-disciplined on-site workforce. This approach enables us to provide the right team for the job and deliver superior efficiencies and attention to detail.

PRODUCTS & SERVICES

INSTALLATION

ON-SITE WORKFORCE

PLANNING AND LOGISTICS

SPECIALISED EQUIPMENT

MAINTENANCE AND CLEANING

SUPPLEMENTARY SERVICES

BRANCH LOCATION

PERTH
Unit 10/160 Balcatta Rd, Balcatta 6021

AUDITOR'S INDEPENDENCE DECLARATION

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF GLOBAL CONSTRUCTION SERVICES LIMITED

As lead auditor of Global Construction Services Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Global Construction Services Limited and the entities it controlled during the period.

Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2016

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   b. give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of the performance for the year ended on that date of the Group.
2. 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.
3. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
4. The Directors have been given the declarations by the Group Managing Director and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Peter Wade
Non-Executive Chairman

30 September 2016

FEATURE PROFILE

INTEGRATED SERVICES Pty Ltd

GCS Integrated Services is a Western Australian scaffold and formwork company operating as part of the GCS Group. As a principle supplier and sub-contractor, we provide a diverse range of the latest equipment and on-site workforce solutions to customers in all sectors. We work in partnership with our clients to understand their needs and allocate the most appropriate resources to ensure cost effective solutions without compromising on quality and safety.

PRODUCTS & SERVICES

SCAFFOLD & ACCESS SOLUTIONS

FORMWORK

ON-SITE WORKFORCE

FALSEWORK & PROPPING

MATERIAL HOIST

TIMBER & PLYWOOD

CHEMICAL TOILETS

ROPE ACCESS

BRANCH LOCATIONS

PERTH
29 Parri Rd, Wangara WA 6065

BUNBURY
17 Smokebush Ave, Davenport WA 6230

KARRATHA
Lot 1103 Lambden Rd, Karratha WA 6714

SITE LOCKERS

AND MUCH MORE

INDEPENDENT AUDITOR'S REPORT

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Global Construction Services Limited

Report on the Financial Report

We have audited the accompanying financial report of Global Construction Services Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

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

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PO Box 700 West Perth WA 6872
Australia

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 Global Construction Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

a. the financial report of Global Construction Services Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 38 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Global Construction Services Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien
Director

Perth, 30 September 2016

FEATURE PROFILE

GCS PERSONNEL SERVICES Pty Ltd

GCS Personnel Services is an Australian construction and maintenance service company operating as part of the GCS Group. We supply and manage a national on-site workforce for commercial projects with a focus on specialised site services. GCS Personnel Services offer a multi-disciplinary approach that enables our clients to lower operational costs while enhancing output and safety.

PRODUCTS & SERVICES

ON-SITE WORKFORCE

TRAFFIC MANAGEMENT

BRANCH LOCATION

PERTH
U10/160 Balcatta Rd, Balcatta WA 6021

SPECIALISED PAINTING

ROPE ACCESS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Continuing operations			
Revenue from hire of equipment, provision of labour and contracting services		178,523	143,070
Sale of goods		6,026	7,438
	5(a)	**184,549**	**150,508**
Other income	5(b)	869	1,136
Raw materials, consumables and services		(58,960)	(36,214)
Personnel expenses		(77,683)	(68,533)
Other expenses		(11,144)	(10,837)
Occupancy		(7,609)	(7,531)
Repairs and maintenance		(2,034)	(2,362)
Depreciation and amortisation expense	5(d)	(10,451)	(11,687)
Impairment expense	5(f)	(105,735)	-
Finance costs		(3,542)	(4,629)
Share of profit of equity accounted investees (net of tax)	11	2,262	1,716
Profit/(loss) before income tax expense		**(89,478)**	**11,567**
Income tax (expense)/benefit	6	12,596	(2,826)
Profit/(loss) after income tax for the year		**(76,882)**	**8,741**
Other comprehensive income/(loss) for the year, net of income tax		-	-
Total comprehensive income/(loss) for the year		**(76,882)**	**8,741**
Profit/(loss) and total comprehensive income/(loss) for the year attributable to			
Owners of the Company		**(76,882)**	**8,741**
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company			
Basic earnings/(loss) per share	22	(38.4) cents	4.7 cents
Diluted earnings/(loss) per share	22	(38.4) cents	4.7 cents

The above statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016 $'000	2015 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	20,722	20,702
Trade and other receivables	8	29,665	29,046
Prepayments		3,297	4,354
Inventories	9	2,641	7,154
Total current assets		**56,325**	**61,256**
Non-current assets			
Other receivables	10	7,129	7,634
Investments accounted for using the equity method	11	10,603	8,341
Property, plant and equipment	12	104,916	171,652
Intangible assets	13	17,469	58,986
Deferred tax assets	14	5,072	3,264
Total non-current assets		**145,189**	**249,877**
TOTAL ASSETS		**201,514**	**311,133**
LIABILITIES			
Current liabilities			
Trade and other payables	15	15,810	17,043
Borrowings	16	12,350	18,157
Deferred income	17	2,936	3,722
Current tax liabilities		643	1,017
Total current liabilities		**31,739**	**39,939**
Non-current liabilities			
Borrowings	16	22,180	33,490
Provisions	18	3,979	3,567
Deferred tax liabilities	19	212	13,848
Total non-current liabilities		**26,371**	**50,905**
TOTAL LIABILITIES		**58,110**	**90,844**
NET ASSETS		**143,404**	**220,289**
EQUITY			
Issued capital	20	142,105	142,108
Reserves	20	140	140
Retained profits	20	1,159	78,041
TOTAL EQUITY		**143,404**	**220,289**

The above statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Receipts from customers		186,272	152,815
Payments to suppliers and employees		(154,828)	(123,030)
Income taxes paid/(refunded)		(3,221)	372
Net cash inflow from operating activities	27	**28,223**	**30,157**
Cash flows from investing activities			
Payments for property, plant and equipment		(6,068)	(5,728)
Proceeds from sale of property, plant and equipment		488	108
Interest received		661	825
Loans from related parties		609	2,129
Net cash outflow from investing activities		**(4,310)**	**(2,666)**
Cash flows from financing activities			
Proceeds from borrowings		1,937	25,431
Repayment of borrowings		(22,403)	(55,032)
Interest paid		(3,427)	(4,280)
Proceeds from issue of ordinary shares		-	14,026
Transaction costs from issue of ordinary shares		-	(742)
Net cash outflow from financing activities		**(23,893)**	**(20,597)**
Net increase in cash and cash equivalents		**20**	**6,894**
Cash and cash equivalents at the beginning of the year		20,702	13,808
Cash and cash equivalents at the end of the year	7	**20,722**	**20,702**

The above statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Ordinary $'000	Option Reserve $'000	Retained Earnings $'000	Total $'000
FOR THE YEAR ENDED 30 JUNE 2015				
Balance at 1 July 2014	128,601	140	69,300	198,041
Profit for the year	-	-	8,741	8,741
Total comprehensive income for the period	**-**	**-**	**8,741**	**8,741**
Transactions with owners in their capacities as owners				
Issue of ordinary shares, net of transactions costs	13,284	-	-	13,284
Tax-effect on share based transaction costs	223	-	-	223
Balance at 30 June 2015	**142,108**	**140**	**78,041**	**220,289**
FOR THE YEAR ENDED 30 JUNE 2016				
Balance at 1 July 2015	142,108	140	78,041	220,289
Loss for the year	-	-	(76,882)	(76,882)
Total comprehensive loss for the period	**-**	**-**	**(76,882)**	**(76,882)**
Transactions with owners in their capacities as owners				
Issue of ordinary shares, net of transactions costs	-	-	-	-
Tax-effect on share based transaction costs	(3)	-	-	(3)
Balance at 30 June 2016	**142,105**	**140**	**1,159**	**143,404**

The above statement should be read in conjunction with the notes to the financial statements.

FEATURE PROFILE

CASC FORMWORK Pty Ltd

CASC Formwork is a Western Australian formwork and concreting company operating as part of the GCS Group. As a primary contractor, we offer a broad range of equipment and on-site workforce solutions to the commercial and industrial sectors. Our mix of Australian and International equipment coupled with both our experienced on-site workforce and innovative work practices enable us to complete structures faster, safer and more cost effectively.

PRODUCTS & SERVICES

FORMWORK CONTRACTING

CONCRETE PLACEMENT

CONCRETE PUMPING

BRANCH LOCATION

PERTH
159 Beechboro Rd South, Embleton WA 6062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. REPORTING ENTITY

Global Construction Services Limited is a company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

These financial statements are general purpose financial statements. It includes separate financial statements for Global Construction Services Limited (the 'Company' or 'Parent Entity') and its subsidiaries (together referred to as the 'consolidated entity' or 'Group') and the consolidated entity's interests in jointly controlled entities.

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to all the years presented. The Group is a for-profit entity for the purpose of the preparation of the financial statements.

The Financial Report was authorised for issue in accordance with a resolution of the Directors on 30 September 2016.

NOTE 2. STATEMENT OF COMPLIANCE

Basis of preparation

This Financial Report has been prepared in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*.

The consolidated financial statements also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of measurement

The Financial Report has been prepared on a historical cost basis, except for non-current provisions for employee benefit liabilities and the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of consideration given in exchange for assets.

New and amended standards adopted by the Group

The Group has applied all of the standards and amendments to accounting standards that are applicable for the first time for their annual reporting period commencing 1 July 2015.

None of the new Standards and amendments to Standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods. Additionally, they did not significantly affect the Group's accounting policies or any of the disclosures.

Functional and presentation currency

The amounts contained in the Financial Report are presented in Australian dollars; the functional currency of Global Construction Services Limited and each of its subsidiaries and jointly controlled entities.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporation Legislative Instrument 2016/191 and in accordance with the class order has elected to round amounts to the nearest thousand dollars ($'000) unless otherwise stated.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

a. Principles of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Company. The consolidated financial statements are prepared by consolidating the financial statements of all the entities that comprise the Group, being Global Construction Services Limited ("Company" or "Parent Entity") and its subsidiaries as defined in AASB 10: Consolidated Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. Acquisitions of entities are accounted for using the acquisition method of accounting.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position respectively. Total comprehensive income is attributable to the owners of Global Construction Services Limited and non-controlling interests even if this results in the non-controlling interests having a debit balance.

Transactions eliminated on consolidation

All intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the consolidated entity's interest in the entity with adjustments made to the 'Investments accounted for using the equity method' and 'Share of profit of equity accounted investees' accounts.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised as the contributed assets are consumed or sold by the associate or, if not consumed or sold by the associate, when the consolidated entity's interest in such entity is disposed of.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a. 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 interest in the subsidiary. Any differences between the amount of the adjustment to non-controlling interests and any consideration paid or received are transferred to retained earnings.

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

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

ii. Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

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

b. Business combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the Group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the Group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the Group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

- Revenue from hire of equipment is recognised when the service is provided.
- Revenue from the sale of goods is recognised when the product is delivered to the customer.
- Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying value amount of the financial asset.
- Dividends are recognised when the Group's right to receive payment is established.
- Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. For fixed price contracts, the stage of completion is measured by reference to quantity of formwork installed, the concrete poured and costs incurred to date compared to the total construction contracted work. When the outcome of the fixed price construction contract cannot be estimated reliably, revenues are recognised to the extent that costs are recoverable and costs are recognised in the period they are incurred.
- Where it is probable that a loss will arise from the contract, the excess of total costs over revenue is recognised immediately as an expense in the statement of profit or loss.

d. Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

e. Tax consolidation legislation

Global Construction Services Limited and its wholly-owned Australian subsidiaries have implemented the tax consolidation legislation with effect from 1 July 2007.

The parent entity, Global Construction Services Limited and the controlled entities in the tax consolidation group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Global Construction Services Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from controlled entities within the tax consolidated group.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in its subsidiaries' intercompany accounts with the Group parent entity, Global Construction Services Limited.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except where the GST is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable and receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the 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 an operating cash flow.

g. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts with original maturities of three months or less.

h. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less an allowance for any uncollectible amounts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is made on an ongoing basis. An allowance account for impaired trade receivables is made when there is objective evidence that the Group will not be able to collect the amounts owed according to the original terms. When a trade receivable is deemed uncollectible for which an impairment allowance has been recognised, it is written off against the allowance account.

The amount of impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

i. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity. Costs are assigned to inventories using the weighted average cost method. Costs of purchased inventories are determined on deducting discounts but not rebates. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

j. Work in progress

Construction work in progress is stated at the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amount is shown under Current Liabilities as Deferred Income.

Contract costs include all costs that relate directly to the specific contract, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overheads incurred in connection with the Group's construction activities in general.

k. Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

l. 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 when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets.

Loans and receivables are carried at amortised cost using the effective interest rate method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired.

m. Fair value estimation

The entity has applied fair value measurement in accordance with AASB 13 *Fair Value Measurement*. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Property, plant and equipment

Land is measured at cost. Buildings are measured at cost less accumulated depreciation. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated as the revalued amount of the asset.

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment. Subsequent costs are included in the assets carrying amount insofar it is probable future economic benefits will flow to the Group and can be measured reliably. Repairs and maintenance are charged to the profit and loss as incurred.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Buildings 25-50 years
- Equipment 4-40 years
- Vehicles 3-8 years
- Furniture and fittings 3-8 years

Hire plant and equipment is depreciated based on a 'units of use' basis to reflect the expected patterns of consumption of these assets. The 'units of use' is determined based upon equipment utilisation measured by the number of days on hire within a month against the total number of days available in the month.

The application of the 'units of use' basis is as follows:

Utilisation %	% of straight line depreciation
0-25	25
26-75	26-75
76-100	100

Increases in the carrying amount arising on the revaluation of land and buildings are recognised, net of tax in other comprehensive income and credited to a reserve in equity. Decreases that reverse previous increases of the same asset are recognised in other comprehensive income to the extent of the surplus attributable to the asset. All other decrements are charged to the profit and loss.

The residual values and useful lives of the assets are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of profit or loss and other comprehensive income in the year that the item is derecognised. Any revaluation reserve relating to sold assets is transferred to retained earnings.

o. Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

p. Impairment

The Group makes assessments at least twice a year for an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are identifiable cash flows – cash generating units. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Intangible assets

i. Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets at the time of acquisition of a combination. Goodwill is not amortised but is assessed at least twice a year for impairment or more frequently where events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill is measured at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Impairment losses on goodwill cannot be reversed.

ii. Identifiable intangible assets

Intangible assets acquired separately or in a business combination are initially measured at the lower of cost or fair value cost at the time of acquisition. The Group assesses identifiable intangible assets as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end. Changes in the expected useful life or flow of economic benefits intrinsic in the asset are an accounting estimate. The amortisation charge on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income. The Group amortises identifiable intangible assets with finite lives for periods between one and twenty years.

Intangible assets with indefinite useful lives are not amortised but assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The assets are assessed either individually or at cash generating unit level. The expected useful life or flow of economic benefits intrinsic in the asset are reviewed at least each financial year end to ascertain whether the indefinite useful life continues to be supportable.

If the indefinite useful life does not continue to be supportable the asset is reclassified as an intangible asset with a definite useful life and will be amortised on a prospective basis. This change is an accounting estimate.

iii. Customer contracts

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Where customer contracts useful lives are assessed as finite, the customer contracts are amortised over their estimated useful lives.

r. Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

s. Borrowing costs

Borrowing costs incurred for the construction of a qualifying asset are capitalised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period they are incurred.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate on the Group's borrowings outstanding during the year.

t. Trade and other payables

Liabilities for trade creditors and other payables are initially measured at fair value and subsequently carried at amortised cost which is the amount of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The amounts are unsecured and are usually paid within 30 days. Payables to related parties are carried at the principal amount.

u. Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave crystallising or expected to be settled within twelve months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and re-measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Employee benefits payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments based on the contractual due date to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

w. Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x. Share-based payments

Share-based benefits may be provided to directors and employees via the Global Construction Services Limited Employee Option Plan as set out in Note 24.

The fair value of options granted is independently determined using the Black-Scholes Option Valuation model. The option is recognised as an expense with a corresponding increase in equity. Share-based payments are measured at grant date and recognised over the period during which option holders become unconditionally entitled to the options.

The fair value of the options granted is adjusted to reflect market vesting conditions. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The benefit recognised each period reflects the most recent estimate. The impact of any revision if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

y. Segment reporting

The Group has identified and reports its operating segments based on internal reports provided and used by the Group Managing Director to assess performance and allocate resources. The segments identified and reported are by the customer segments Commercial, Residential, and Resource, Industrial, Oil & Gas.

The Group's operations are managed separately and with each segment serving a particular customer base. The Group operates in one geographical segment Western Australia.

The segment results include the allocation of assets where attribution is by segment utilisation irrespective of entity ownership or physical location.

Corporate overheads are not allocated to segments as they are not considered a core function of the operations but a support function.

Investments in shares or financial assets at fair value held by the Group are not allocated to operating segments but are managed as part of the activities of Corporate.

A portion of the Group's borrowings are not allocated to individual segments as they are a component of the overall Group's treasury and funding function.

z. Earnings per share

i. Basic earnings per share

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

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares outstanding plus the weighted average number of ordinary shares that would be issued on the conversion of all potential ordinary shares into ordinary shares.

aa. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future.

Estimates and assumptions are continuously and rigorously evaluated based on historical experience, research and other factors including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Estimated impairment of assets and intangibles

The Group tests at least twice a year whether assets and intangibles has suffered any impairment in accordance with the accounting policy stated in Note 3(p) and Note 3(q). The recoverable amounts of intangibles allocated to each cash generating unit have been determined on value in use calculations, and fair value less costs to sell for property, plant and equipment. Refer to Note 12 and 13(c) for details of the assumptions used in these calculations.

ii. Construction contracts

The Group enters into construction contracts to undertake formwork supply and installation for a fixed sum and price. When the outcome of the fixed price construction contract can be estimated reliably, revenue and costs are accounted for on a stage of completion method. The stage of completion is established by comparing costs incurred to date against estimated cost to complete and total cost which requires the use of estimates and assumptions.

When the outcome of the fixed price construction contract cannot be estimated reliably, revenues are recognised to the extent that costs are recoverable and costs are recognised in the period they are incurred.

iii. Depreciation

The depreciation estimate of hire, plant and equipment assets is on a 'units of use' basis, which reflects the expected pattern of consumption of these assets. The 'units of use' are determined based upon equipment utilisation measured by the number of days on hire within a month, against the total number of days available in the month. Refer to Note 3(n) for further details on depreciation.

ab. New accounting standards and interpretations not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

- *AASB 9 Financial Instruments and its consequential amendments.*

  This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Group will adopt this standard and the amendments from 1 July 2018. As the Group does not have any financial liabilities measured at fair value through profit or loss, the amendments will not require any changes in fair value attributable to liabilities.

- *AASB 15 Revenue from Contracts with Customers*

  The AASB has issued this new standard for the recognition of revenue. This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 15 and due to the replacement of AASB 111, it is expected to have an impact on the presentation and disclosure of construction contracts that are in place when application of the standard becomes mandatory.

- *AASB 16 Leases*

  AASB 16 will replace AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The Standard will provide a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

  The new Standard introduces three main changes:

  - Enhanced guidance on identifying whether a contract contains a lease;
  - A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets; and
  - Enhanced disclosures.

  Lessor accounting will not significantly change.

  The Group will adopt this standard and the amendments from 1 July 2019. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 4. SEGMENT INFORMATION

a. Description of segments

Management has determined that strategic decision making is facilitated and enhanced by evaluation of operations on the customer segments of Commercial, Residential and Resource, Industrial, Oil & Gas. For each of the strategic operating segments, the Group Managing Director reviews internal management reports on a monthly basis.

The Managing Director assesses the performance of the operating segments based on a measure of adjusted EBITDA.

This measurement excludes certain non-recurring expenditures which are of an isolated nature such as equity settled share-based payments and corporate activities pertaining to the overall group including the treasury function which manages the cash and funding arrangements of the group.

GCS Group supplies an extensive range of specialised labour services and equipment including hire and sales of scaffolding, formwork, material hoists, and temporary site accommodation, chemical toilets, general plant hire, temporary fencing. Together with delivery and pick up, installation and dismantling and related estimating, design and engineering services, plus supply and installation of concrete in the Commercial segment.

CUSTOMER SECTORS

Our strong market presence and customised solutions, makes us one of the leading supplier to the Commercial, Residential, Resource, Industrial, Oil & Gas sectors. The following summary describes the operations in each of the Group's reportable segments:

Commercial

The operations in the Commercial sector consist of supplying a range of products and services to customers involved in the construction or maintenance of commercial and mixed-use developments. These typically include office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings, and hospitals. Contracts are typically medium to long term.

Resource, Industrial, Oil & Gas

The operations in the Resource, Industrial, Oil & Gas sector consist of supplying a range of products and services to customers involved in either construction or maintenance of the following types of projects; Oil and gas, energy, major infrastructure, mining, power generation, water treatment plants, decommissioning, shutdowns, and civil works. Contracts vary in length from short to long term.

Residential

The operations in the Residential sector consist of supplying a range of products and services to customers involved in the construction or maintenance of single and multi-story residential developments. These typically include houses, townhouses, units, and apartments. Contracts are generally short to medium term.

NOTE 4. SEGMENT INFORMATION (continued)

b. Segment information provided to the Group Managing Director

Year ended 30 June 2016	Commercial $'000	Residential $'000	Resource, Industrial, Oil & Gas $'000	Total $'000
Total segment revenue	117,077	19,556	47,916	184,549
Intersegment revenue*	-	-	-	-
Revenue from external customers	**117,077**	**19,556**	**47,916**	**184,549**
Other revenue	239	10	7	256
Total revenue	**117,316**	**19,566**	**47,923**	**184,805**
Adjusted EBITDA	**17,734**	**5,015**	**11,956**	**34,706**
Depreciation and amortisation	(6,922)	(558)	(2,617)	(10,097)
Impairment expense	(77,239)	(648)	(21,397)	(99,284)
Unallocated amounts: Depreciation and amortisation				(354)
Unallocated amounts: Other revenue				1,544
Unallocated amounts: Impairment expense				(6,451)
Unallocated amounts: Corporate				(8,262)
Finance costs				(3,542)
Share of profit of equity accounted investees				2,262
Loss before income tax expense				**(89,478)**
Income tax benefit				12,596
Loss after Income tax expense				**(76,882)**
Segment assets	**87,743**	**24,276**	**48,104**	**160,123**
Unallocated assets:				
Intersegment eliminations				(9,595)
Corporate assets:				
Cash and cash equivalents				16,931
Receivables				10,975
Prepayments				305
Property, plant and equipment				6,725
Intangibles				375
Share of equity accounted investees (net of income tax)				10,603
Deferred tax assets				5,072
Total assets per statement of financial position				**201,514**
Segment liabilities	**41,779**	**5,419**	**15,892**	**63,090**
Unallocated Liabilities:				
Intersegment eliminations				(9,594)
Corporate liabilities:				
Trade and other payables				938
Current loans and borrowings				(640)
Income tax (benefit) payable				643
Provisions				3,461
Deferred tax liabilities				212
Total liabilities per statement of financial position				**58,110**

An impairment charge of $105,735m was recorded during the period, relating to all segments. Refer to notes 12 and 13 for further information.

*Through significant rationalisation of operations, revenue is now recorded in the segment in which it is derived.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 4. SEGMENT INFORMATION (continued)

b. Segment information provided to the Group Managing Director (continued)

Year ended 30 June 2015	Commercial $'000	Residential $'000	Resource, Industrial, Oil & Gas $'000	Total $'000
Total segment revenue	134,967	25,467	57,578	218,012
Intersegment revenue	(51,511)	(937)	(15,056)	(67,504)
Revenue from external customers	**83,456**	**24,530**	**42,522**	**150,508**
Other revenue	213	133	20	366
Total revenue	**83,669**	**24,663**	**42,542**	**150,874**
Adjusted EBITDA	**12,836**	**7,002**	**10,598**	**30,436**
Depreciation and amortisation	(5,224)	(1,516)	(4,640)	(11,380)
Unallocated amounts: Depreciation and amortisation				(307)
Unallocated amounts: Other revenue				2,036
Unallocated amounts: Corporate				(6,305)
Finance costs				(4,629)
Share of profit of equity accounted investees				1,716
Profit before income tax expense				**11,567**
Income tax expense				(2,826)
Profit after Income tax expense				**8,741**
Segment assets	**155,989**	**34,787**	**76,232**	**267,008**
Unallocated assets:				
Intersegment eliminations				(8,207)
Corporate assets:				
Cash and cash equivalents				14,801
Receivables				11,800
Prepayments				325
Property, plant and equipment				13,351
Intangibles				450
Share of equity accounted investees (net of income tax)				8,341
Deferred tax assets				3,264
Total assets per statement of financial position				**311,133**
Segment liabilities	**39,659**	**10,084**	**24,756**	**74,499**
Unallocated Liabilities:				
Intersegment eliminations				(8,207)
Corporate Liabilities:				
Trade and other payables				3,481
Current loans and borrowings				2,373
Non-current loans and borrowings				3,494
Income tax (benefit) payable				1,017
Provisions				339
Deferred tax liabilities				13,848
Total liabilities per statement of financial position				**90,844**

There was no impairment charge or other significant non-cash item recognised in 2015.

NOTE 5. REVENUE, OTHER INCOME AND EXPENSES

	2016 $'000	2015 $'000
a. Revenue from continuing operations		
Hire of equipment and related services	112,079	117,499
Contracting	66,444	25,571
Sale of goods	6,026	7,438
	184,549	**150,508**
Approximately 18% (2015: 11%) of the consolidated entity's revenue is derived from a single customer.		
b. Other revenue		
Management service fees	-	20
Interest received	667	826
	667	**846**
Other income		
Net (loss) on disposal of plant and equipment	(173)	(1)
Property rental income	30	136
Other	345	155
	202	290
	869	**1,136**
c. Other expenses		
Other impaired trade receivables	266	343
d. Depreciation and amortisation		
Depreciation:		
Buildings and leasehold improvements	455	364
Office and computer equipment	309	351
Motor vehicles	616	690
Plant and rental equipment	8,968	10,162
Total depreciation	**10,348**	**11,567**
Amortisation:	103	120
	10,451	**11,687**
e. Operating leases expensed through profit or loss		
Properties	5,851	6,165
Motor vehicles and mobile equipment	406	594
	6,257	**6,759**
f. Impairment of other assets		
Property, plant and equipment (Note 12)	(64,287)	-
Intangible assets (Note 13)	(41,448)	-
	(105,735)	**-**
g. Employee benefit expenses		
Defined contribution superannuation expense	5,779	3,167
	5,779	**3,167**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

NOTE 6. INCOME TAX EXPENSE

	2016 $'000	2015 $'000
a. Income tax expense		
Current tax	3,288	2,299
Deferred tax	(16,380)	687
Adjustment for tax of prior periods	496	(160)
Aggregate income tax (benefit)/expense	**(12,596)**	**2,826**
Deferred income tax (benefit)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	(2,745)	87
(Decrease)/increase in deferred tax liabilities	(13,635)	600
	(16,380)	**687**
b. Numerical reconciliation of tax expense to prima facie tax payable		
Profit/(loss) from operations before income tax expense	(89,478)	11,567
Tax at the Australian tax rate of 30% (2015: 30%)	(26,843)	3,470
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	13,751	(484)
Adjustment for tax of prior periods	496	(160)
Income tax (benefit)/expense	**(12,596)**	**2,826**
c. Amounts recognised directly in equity		
Net deferred tax – debited (credited) directly to equity	-	223

d. Tax consolidation

Global Construction Services Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2007. The accounting policy in relation to this legislation is set out in Note 3(e).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which in the opinion of the Directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the parent entity, Global Construction Services Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Global Construction Services Limited for any current tax payable assumed and are compensated by Global Construction Services Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits transferred to Global Construction Services Limited.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the parent entity. The parent entity may also require payment of interim funding amounts to assist with the payment of instalment obligations.

The funding amounts are recognised as non-current intercompany receivables.

NOTE 7. CASH AND CASH EQUIVALENTS

	2016 $'000	2015 $'000
Cash at bank and in hand	20,722	20,702
	20,722	**20,702**

Reconciliation to cash at the end of the year

The cash and cash equivalents reconcile to the cash at the end of the financial year as shown in the statement of cash flows as follows:

	2016 $'000	2015 $'000
Balances as above		
Cash at bank and in hand	20,722	20,702
Balances as per statement of cash flows	20,722	20,702

The Group's exposure to interest rate risk is discussed in Note 31. The Group's exposure to foreign currency risk is discussed in Note 31.

NOTE 8. TRADE AND OTHER RECEIVABLES

Current

	2016 $'000	2015 $'000
Trade receivables	25,172	29,025
Allowance for impairment	(340)	(368)
	24,832	**28,657**
Other receivables	4,833	389
	29,665	**29,046**

a. Terms and conditions relating to the above financial instruments

i. Trade receivables are non-interest bearing and generally on 30 day terms; and

ii. Other receivables relate to minor Group transactions arising outside normal operating activities. Interest may be charged at commercial rates and terms are generally 30 days.

b. Impaired trade receivables

The Group recognised a loss of $266,343 in impaired trade receivables during the year ended 30 June 2016 (2015: $343,338). The Group carries an allowance for impaired trade receivables of $339,878 (2015: $367,725). The individual allowance for impaired receivables are segmented as Commercial; $339,878 (2015: $311,839), Residential; Nil (2015: $49,563), Resource, Industrial, Oil & Gas; Nil (2015: $6,323). It is anticipated a portion of these receivables will be recoverable. Refer to Note 31 for additional information and ageing on impaired trade receivables.

Movements in the allowance for impaired trade receivables are as follows:

	2016 $'000	2015 $'000
At the beginning of the financial year	368	666
Allowance for impairment, recognised during the year	238	45
Receivables written off as uncollectable	(266)	(343)
	340	**368**

The establishment of the allowance for impaired receivables is included in 'other expenses' in the profit and loss. Amounts charged to the provision are written off when there is no expectation of recovery.

c. Credit risk

Refer to Note 31 for information on credit risk policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

NOTE 9. INVENTORIES

Current	2016 $'000	2015 $'000
Inventory	1,023	1,589
Construction work in progress	1,618	5,565
	2,641	**7,154**

Inventories recognised as an expense during the year ended 30 June 2016 amounted to $5,196,538 (2015: $5,426,711). Provision for obsolete stock was included in this amount of $577,406 (2015: $701,092).

NOTE 10. NON-CURRENT RECEIVABLES

Non-current	2016 $'000	2015 $'000
Loans to related parties	7,000	7,607
Other	4	3
Deposits held in trust	125	24
	7,129	**7,634**

As at 30 June 2016, Global Construction Services Ltd had a loan outstanding of $7,000,000 (2015: $7,500,000) from SmartScaff Pty Ltd which is being utilised by the business as working capital. The loan is secured and accrues interest at the rate of the Commercial Bill rate plus 2% margin per annum. Global Construction Services Limited holds a 50% interest in SmartScaff Pty Ltd.

NOTE 11. INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

Global Construction Services Limited was previously party to a joint venture in GCS Concrete Pumping Pty Ltd. Global Construction Services Limited had a 50% Interest in the issued shares and equity of the entity. GCS Concrete Pumping Pty Ltd has ceased trading and was deregistered during FY16.

Global Construction Services Limited holds an interest in an associate entity SmartScaff Pty Ltd, a scaffolding company with operations and facilities in Melbourne, Sydney and Brisbane. Global Construction Services Limited has a 50% Interest in the issued shares and equity of the entity.

The interest of Global Construction Services Limited is accounted in the consolidated financial statements using the equity method of accounting. Global Construction Services Limited share of results, assets and liabilities are as follows:

Movements in carrying amounts	2016 $'000	2015 $'000
Carrying amount at the beginning of the financial year	8,341	6,625
Share of profits after income tax:		
Smartscaff Pty Ltd	2,263	1,716
GCS Concrete Pumping Pty Ltd	(1)	-
Carrying amount at the end of the financial year	**10,603**	**8,341**

Name of Entity	Place of Business/Country of Incorporation	Ownership interest held by the Group 2016	Ownership interest held by the Group 2015	Nature of relationship	Measurement method	Fair value
SmartScaff Pty Ltd	Australia	50%	50%	Associate	Equity Method	N/A*
GCS Concrete Pumping Pty Ltd	Australia	0%	50%	Joint Venture	Equity Method	N/A*

*Private company – no share price available

NOTE 11. INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The table below provides summarised financial information on the material associate of the Group, SmartScaff Pty Ltd.

Summarised statement of financial position	SmartScaff Pty Ltd 2016 $'000	SmartScaff Pty Ltd 2015 $'000
ASSETS		
Total Current Assets	6,163	7,169
Non-Current Assets	42,442	36,094
TOTAL ASSETS	**48,605**	**43,263**
LIABILITIES		
Total Current Liabilities	7,412	7,712
Total Non-Current Liabilities	21,322	20,206
TOTAL LIABILITIES	**28,734**	**27,918**
NET ASSETS	**19,871**	**15,345**
Fair value adjustment on acquisition	1,336	1,336
Closing net assets	**21,207**	**16,681**
Groups share	50%	50%
Carrying Amount	**10,604**	**8,341**

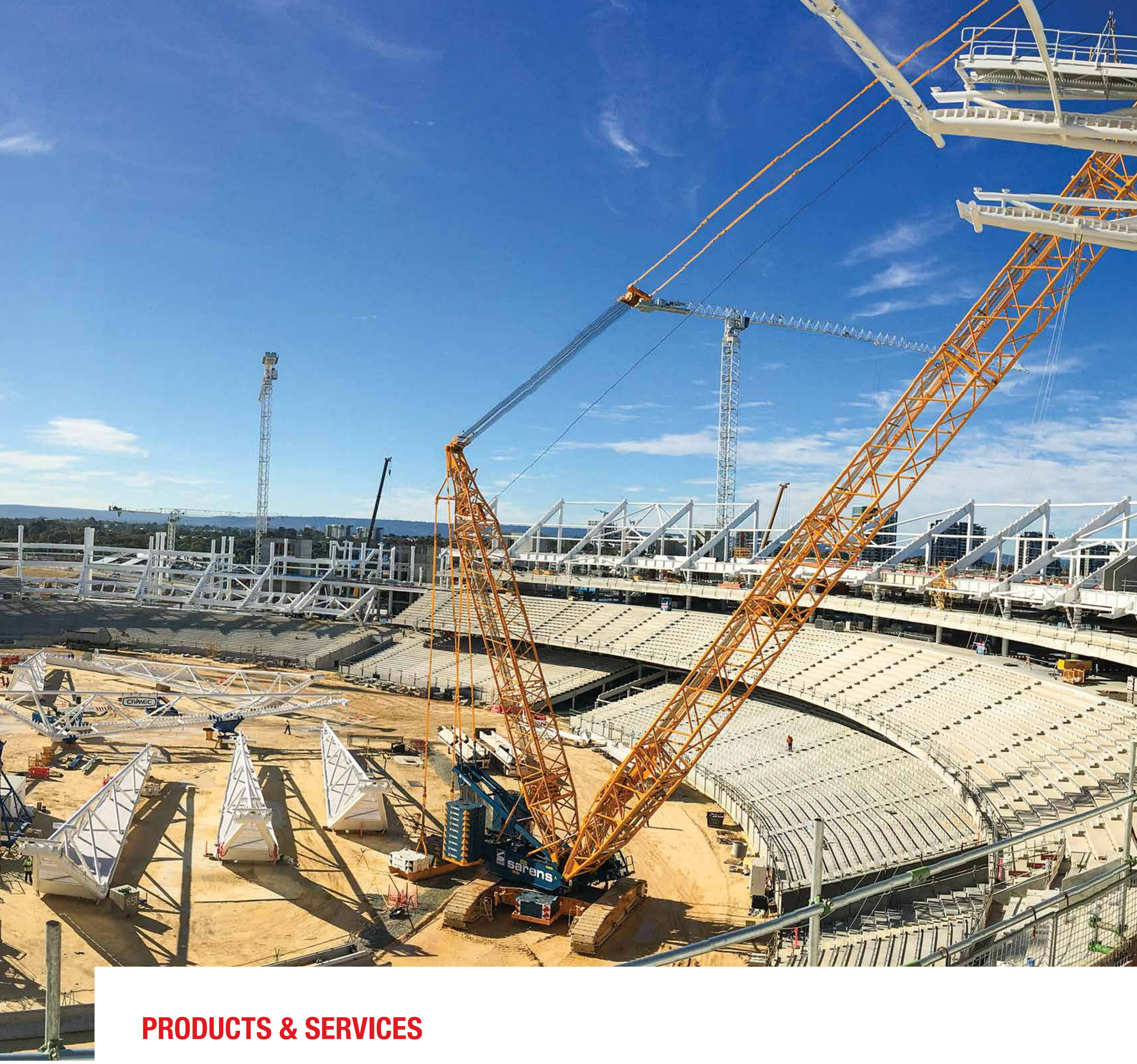
Summarised statement of profit or loss and other comprehensive income	SmartScaff Pty Ltd 2016 $'000	SmartScaff Pty Ltd 2015 $'000
Revenue	**20,180**	**15,226**
Profit for the period	**4,526**	**3,754**
Other comprehensive income	-	-
Total comprehensive income	**4,526**	**3,754**
Groups share in profit	**2,263**	**1,877**

As at 30 June 2016, Global Construction Services Limited had a loan outstanding of $7,000,000 (2015: $7,500,000) from SmartScaff Pty Ltd which is being utilised by the business as working capital. The loan is secured and accrues interest at the rate of the Commercial Bill rate plus 2% margin per annum. Global Construction Services Limited holds a 50% interest in SmartScaff Pty Ltd.

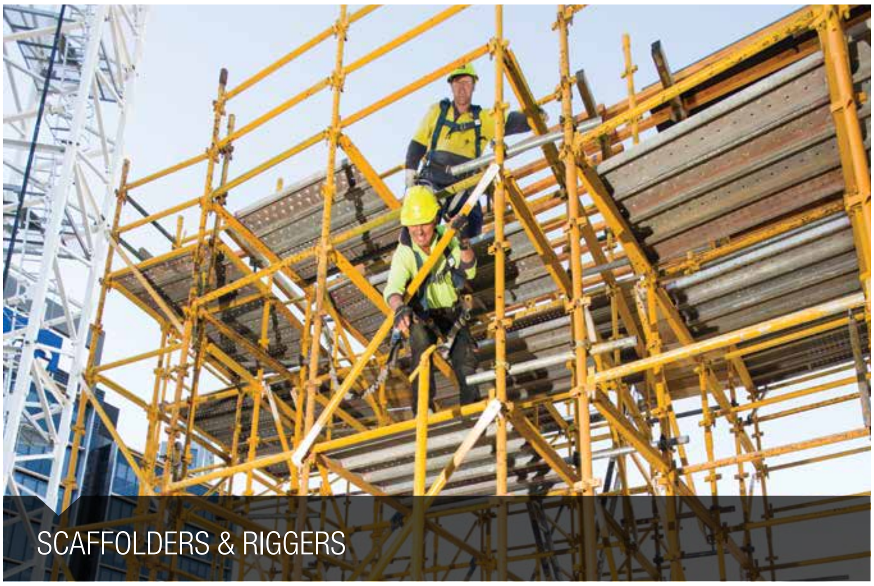
FEATURE PROFILE

SAFE AND SOUND SCAFFOLDING Pty Ltd

Safe and Sound Scaffolding is an Australian construction and maintenance service company operating as part of the GCS Group. We supply and manage a national on-site workforce for commercial projects with a focus on labour and access services. Safe and Sound Scaffolding offer a multi-disciplinary approach that enables our clients to lower operational costs while enhancing output and safety.



PRODUCTS & SERVICES



SCAFFOLDERS & RIGGERS

BRANCH LOCATION

PERTH
23 Destiny Way, Wangara 6065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	Land $'000	Buildings and Leasehold Improvement $'000	Office and Computer Equipment $'000	Motor Vehicles $'000	Plant and Rental Equipment $'000	Total $'000
YEAR ENDED 30 JUNE 2015						
Opening net book amount	9,749	4,741	1,018	2,756	155,465	173,729
Additions	-	525	99	340	11,563	12,527
Disposals	-	(116)	(16)	(50)	(2,855)	(3,037)
Depreciation charge	-	(364)	(351)	(690)	(10,162)	(11,567)
Closing net book amount	**9,749**	**4,786**	**750**	**2,356**	**154,011**	**171,652**
AS AT 30 JUNE 2015						
Cost	9,749	5,724	2,102	4,640	195,887	218,102
Accumulated depreciation	-	(938)	(1,352)	(2,284)	(41,876)	(46,450)
Net book amount	**9,749**	**4,786**	**750**	**2,356**	**154,011**	**171,652**
YEAR ENDED 30 JUNE 2016						
Opening net book amount	9,749	4,786	750	2,356	154,011	171,652
Additions	-	183	116	56	11,028	11,383
Disposals	-	-	(3)	(10)	(3,471)	(3,484)
Depreciation charge	-	(455)	(309)	(616)	(8,968)	(10,348)
Impairment expense	(4,453)	(1,997)	-	-	(57,837)	(64,287)
Closing net book amount	**5,296**	**2,517**	**554**	**1,786**	**94,763**	**104,916**
AS AT 30 JUNE 2016						
Cost	9,749	5,840	2,177	3,465	187,965	209,196
Accumulated depreciation	-	(1,327)	(1,622)	(1,679)	(35,366)	(39,994)
Impairment of assets	(4,453)	(1,997)	-	-	(57,837)	(64,287)
Net book amount	**5,296**	**2,516**	**555**	**1,786**	**94,763**	**104,916**

Impairment of property, plant and equipment

During the current year, an impairment charge of $64.287m was recorded on property, plant and equipment. Of this amount, $57.836m related to the Hire Cash Generating Unit (CGU) plant and rental equipment, which operates across all operating segments of the Group.

The remaining balance of the impairment expense of $6.450m primarily relation to freehold land and buildings held in remote Western Australia.

These impairments were recognised following a review of the fair value less costs to sell as a result of a downturn in current market conditions and the identification of certain underperforming assets of the Group. Refer to note 23: fair value measurement for further details on fair value less costs to sell.

Valuation of property, plant and equipment

Plant and rental equipment (Hire CGU)

During the current year, the Group engaged in refinancing the Group's debt facilities to enhance the Group's capital structure and lower the cost of debt, this was approved subsequent to year end (refer to Note 34). As a result of the refinancing process, independent valuations were commissioned on behalf of CBA on a range of high value assets across the Hire CGU asset portfolio. The valuations received contained a high and low range for each asset valued, which was based on market value.

Based on the independent valuations received, the Directors performed a Director's valuation and adopted a carrying value of $24.787m. The remaining plant and rental equipment balance relates to scaffolding ($69.976m) for which no impairment indicators were identified by management in the current year.

Due to the general uncertainty in the Hire industry and the identification of certain underperforming assets, the Directors used the lower range contained in the independent valuations, and applied these valuations across the portfolio of Hire assets.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT (continued)

Land and buildings (other corporate assets)

Due to the weakness within property values in remote Western Australia, in which majority of the Group's land and buildings are located, the very low level of any comparable sales in the market, and the general uncertainty on the future outlook, the Directors undertook a Director's valuation on the properties and adopted a carrying value of $6.450m. This valuation was based on publicly available market data.

Leased assets

Plant and rental equipment includes the following amounts where the Group is a lessee under a finance lease or hire purchase agreement.

	2016 $'000	2015 $'000
Net carrying amount	54,864	109,723

NOTE 13. INTANGIBLE ASSETS

a. Intangible asset movement

30 June 2015	Goodwill $'000	Customer Contracts $'000	Other Intangibles $'000	Total $'000
Opening net book amount as at 1 July 2014	58,535	-	74	58,609
Additions	-	-	497	497
Amortisation expense	-	-	(120)	(120)
Closing net book amount as at 30 June 2015	**58,535**	**-**	**451**	**58,986**
Cost	58,535	2,750	681	61,966
Accumulated amortisation and impairment	-	(2,750)	(230)	(2,980)
Closing net book amount as at 30 June 2015	**58,535**	**-**	**451**	**58,986**

30 June 2016				
Opening net book amount as at 1 July 2015	58,535	-	451	58,986
Additions	-	-	34	34
Amortisation expense	-	-	(103)	(103)
Impairment expense	(41,448)	-	-	(41,448)
Closing net book amount as at 30 June 2016	**17,087**	**-**	**382**	**17,469**
Cost	58,535	2,750	712	61,997
Accumulated amortisation and impairment	(41,448)	(2,750)	(330)	(44,528)
Closing net book amount as at 30 June 2016	**17,087**	**-**	**382**	**17,469**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 13. INTANGIBLE ASSETS (continued)

b. Impairment test for goodwill

Goodwill is monitored by management at a Cash Generating Unit ('CGU') level.

Previously, the Group assessed the CGU levels consistent with the segment reporting, however due to the significant change in current market conditions in the current year and the identification of certain underperforming assets of the Group, the Group assessed the CGU's based on the underlying nature of the service offerings. The customer segment-level of goodwill is as follows:

The customer segment-level of goodwill is allocated to the CGU Groups as follows:

Allocation to CGU Groups 30 June 2015	Commercial	Residential	Resource, Industrial, Oil & Gas	Total
Hire	6,153	25	827	7,005
Labour	34,443	-	-	34,443
Construction	10,218	6,869	-	17,087
	50,814	**6,894**	**827**	**58,535**
30 June 2016				
Hire	-	-	-	-
Labour	-	-	-	-
Construction	10,218	6,869	-	17,087
	10,218	**6,869**	**-**	**17,087**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use discounted cash flow projections based upon managements projected EBITDA and financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates below.

The discount rate used is the Group's weighted average cost of capital and reflects the specific risks relating to the individual segment.

The growth rates are applied to each CGU based on the associated operating segment to which it belongs and are consistent with current and forecasted conditions, the nature of fixed contracts in place and reflect management's outlook on growth. The same growth rate is applied across all CGUs under the segment. This is consistent with the customer and industry base in which the CGU operates.

c. Key assumptions used for value-in-use calculations

	Growth Rate		Discount Rate	
Customer segment level	2016 %	2015 %	2016 %	2015 %
Commercial	5	6	15.21	12.80
Residential	3	3	15.21	12.80
Resource, Industrial, Oil & Gas	3	5	15.21	12.80

A long term growth rate of 1% has been applied across all segments.

NOTE 13. INTANGIBLE ASSETS (continued)

d. Impairment expense

Impairment testing as outlined above resulted in an impairment of goodwill amounting to $41.448m.

Property, Plant and Equipment allocated to the Hire CGU was also impaired based on a fair value less cost to sell basis. Refer to Note 12 for further details. No class of asset other than goodwill was impaired for the Labour CGU.

Hire

During the current financial period a decline in the market resulted in utilisation rates of the CGU's assets being lower than originally forecast or anticipated. These changes, along with an increase in the discount rate and a decrease in growth rates (refer to Note 13 (c)), have had a significant impact over the five year projection period as well as on the terminal value, resulting in an impairment of $7.005m. The impairment charge recognised resulted in the carrying value of the Hire GCU goodwill at 30 June 2016 of nil (2015: $7.005m).

As at 30 June 2016, the recoverable amount of the goodwill allocated to this CGU was nil.

Labour

An increase in the discount rate (refer to Note 13 (c)), has had a significant impact over the five year projection period as well as on the terminal value, resulting in an impairment of $34.443m. The impairment charge recognised resulted in the carrying value of the Labour CGU goodwill at 30 June 2016 of nil (2015: $34.443m).

As at 30 June 2016, the recoverable amount of the goodwill allocated to this CGU was nil.

e. Sensitivity

As disclosed in Note 3(aa), management have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the resulting goodwill may vary in carrying amount.

The sensitivities are as follows;

Hire

- Discount and growth rate - increase or decrease by 2% would not result in a change to the current impairment charge recognised.
- Year one cash flow forecast - increase or decrease by 5% would not result in a change to the current impairment charge recognised.
- Terminal cash flow forecast - increase or decrease by 5% would not result in a change to the current impairment charge recognised.

Labour

- Discount and growth rate - increase or decrease by 2% would not result in a change to the current impairment charge recognised.
- Year one cash flow forecast - increase or decrease by 5% would not result in a change to the current impairment charge recognised.
- Terminal cash flow forecast - increase or decrease by 5% would not result in a change to the current impairment charge recognised.

Construction

Adjusting the discount and growth rate and cash flow forecast for the above key assumptions would not result in an impairment within the Construction CGU and therefore management has concluded that no reasonable possible change in the key assumptions would result in an impairment in respect of this CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 14. NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	2016 $'000	2015 $'000
The balance comprises temporary differences attributable to:		
Plant and equipment	2,481	-
Employee benefits	1,511	1,930
Doubtful debts	102	110
	4,094	**2,040**
Other	978	1,224
Subtotal other	**978**	**1,224**
Total deferred tax assets	**5,072**	**3,264**
Deferred tax assets to be recovered within 12 months	4,094	2,040
Deferred tax assets to be recovered after more than 12 months	978	1,224
	5,072	**3,264**

Movements **Consolidated**	Property, Plant and Equipment $'000	Employee Benefits $'000	Doubtful Debts $'000	Other $'000	Total $'000
AT 30 JUNE 2014	**-**	**1,401**	**200**	**1,258**	**2,859**
(Charged)/credited: to profit or loss					
Provision	-	338	-	(69)	269
Profit or loss	-	191	(90)	(188)	(87)
Directly to equity	-	-	-	223	223
AT 1 JULY 2015	**-**	**1,930**	**110**	**1,224**	**3,264**
(Charged)/credited: to profit or loss					
Provision	-	(779)	-	(157)	(937)
Profit or loss	2,481	361	(8)	(88)	2,745
Directly to equity	-	-	-	-	-
AT 30 JUNE 2016	**2,481**	**1,511**	**102**	**979**	**5,072**

NOTE 15. TRADE AND OTHER PAYABLES

Current	2016 $'000	2015 $'000
Trade payables [(a)]	11,843	14,342
Other payables [(b)]	3,967	2,701
	15,810	**17,043**

(a) Trade creditors are non-interest bearing and normally settled on terms ranging from 14 to 30 days.

(b) Other payables include accruals for employee benefits of annual leave and sick leave. Annual leave and sick leave is measured and presented as current.

The Group does not have an unconditional right to defer settlement, however based on past experience, the Group does not anticipate the full amount of the accrued annual leave to be taken within the next twelve months. Accrued sick leave will be settled within the current period in accordance with the Enterprise Bargaining Agreement applicable to those employees.

The following amounts reflect the annual leave benefits evaluated not to be settled within the next twelve months. This Is the leave obligation payable today, the balance has not been discounted to the present value as the change has been considered to be immaterial after factoring in both pay increases and the time value of money.

	2016	2015
Annual leave obligations evaluated as likely to be settled after twelve months	141	158

NOTE 16. BORROWINGS

Current	2016 $'000	2015 $'000
Unsecured		
Borrowings	2,385	2,373
Total unsecured current borrowings	**2,385**	**2,373**
Secured		
Debt financing	(3,025)	3,494
Hire purchase finance	12,990	12,205
Lease liability	-	85
Total secured current borrowings	**9,965**	**15,784**
Total current borrowings	**12,350**	**18,157**

Non-current		
Secured		
Hire purchase finance	22,180	33,490
Total secured non-current borrowings	**22,180**	**33,490**

a. Unsecured borrowings

Current unsecured borrowings are repayable in 10 monthly instalments and bear interest at a flat rate of 1.69% (2015: 2.05%) per annum.

b. Lease & HP liabilities

The lease & HP liabilities are secured by the rights to the asset in the event of a default. The carrying value of assets pledged as security is disclosed in Note 12.

c. Secured borrowings

The secured debt finance facility of $20.0m (in credit at 30 June 2016 of $3.025m) has been secured by a floating charge over the assets of the Group. The facility was due to expire 23 December 2019, and has been replaced subsequent to year end. Refer to Note 34 for further details.

d. Risk exposures

Details of the Group's exposure to risks on borrowings are set out in Note 31.

e. Fair Value

The fair value of borrowings is not materially different from its carrying amount since interest payable on these borrowings are either close to current market rates or the borrowings are of a short term nature.

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NOTE 17. DEFERRED INCOME

Current	2016 $'000	2015 $'000
Deferred income	2,936	3,722
Total deferred income	**2,936**	**3,722**

GCS recognises contract revenue in accordance with the percentage of completion method where the outcomes can be reliability measured. Construction work in progress is stated at the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amount is classified as deferred income.

NOTE 18. PROVISIONS

Non-current	2016 $'000	2015 $'000
Employee benefits	3,979	3,567
Total provisions	3,979	3,567

The provision for long service leave is recognised as a present value of expected future payments in respect of services provided up to the reporting date using the projected current unit method.

Of the total provision, $1,326,000 (2015: $504,000) of long service leave is current as the Group does not have the right to defer settlement.

NOTE 19. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	2016 $'000	2015 $'000
The balance comprises differences attributable to:		
Plant and equipment	-	13,251
Other	212	597
Total deferred tax liabilities	**212**	**13,848**
Deferred tax liabilities to be recovered within 12 months	212	13,848
Deferred tax liabilities to be recovered after more than 12 months	-	-
Total deferred tax liabilities	**212**	**13,848**

Movements

Consolidated	Plant and Equipment $'000	Other $'000	Total $'000
AT 30 JUNE 2014	**11,417**	**638**	**12,055**
(Charged)/credited to:			
Provision	1,158	36	1,193
Profit or loss	676	(77)	600
AT 1 JULY 2015	**13,251**	**597**	**13,848**
(Charged)/credited to:			
Provision	(8)	7	(1)
Profit or loss	(13,243)	(392)	(13,635)
AT 30 JUNE 2016	**-**	**212**	**212**

NOTE 20. CONTRIBUTED EQUITY

a. Number of ordinary shares and value of contributed equity

Ordinary shares	2016	2015
Contributed equity – number of shares	200,284,332	200,284,332
Contributed equity – **$'000**	142,105	142,108

b. Movements in ordinary share capital

		Number of shares	Issue Price $	$'000
1 July 2014	**Opening**	**170,441,966**		**128,601**
21 November 2014	Placement issue	25,566,294	0.47	12,016
3 February 2015	Placement issue	4,276,072	0.47	2,010
	Deferred tax previously recognised directly in equity			223
	Less: Transactions costs arising on share issue			(742)
	Movement during the year	**29,842,366**		**13,507**
30 June 2015	**Balance**	**200,284,332**		**142,108**
	Movement during the year	**-**		**(3)**
30 June 2016	**Balance**	**200,284,332**		**142,105**

c. Ordinary shares

Fully paid ordinary shares carry one vote per share and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Ordinary shares have no par value and the Company does have a limit on the amount of authorised capital.

d. Options

Information relating to the Global Construction Services Limited Employee Option Plan, including details of options issued, exercising and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 24.

e. Capital risk management

The Group's objective when managing capital is to safeguard its ability to operate as a going concern, provide returns for shareholders and stakeholders, continue as a going concern and to maintain a capital structure that optimises the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group and the parent entity monitor capital via a number of methods including:

i. The economic gearing ratio (EGR)

- The EGR is calculated as net debt divided by total capital.
- Net debt is calculated as the total secured borrowings less fixed charge asset backed facilities and hire purchase facilities less cash and cash equivalents.
- Total capital is calculated as equity (including non-controlling interest) plus net debt.

ii. The gearing ratio

- The gearing ratio is calculated as net debt divided by total capital.
- Net debt is total borrowings including trade and other payables and deferred income, less cash and cash equivalents.
- Total capital is calculated as equity (including non-controlling interest) plus net debt.

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NOTE 20. CONTRIBUTED EQUITY (continued)

Economic gearing ratio	2016 $'000	2015 $'000
Total secured borrowings	32,145	49,274
Less: asset backed leases and hire purchase facilities	(35,170)	(45,780)
Less: cash and cash equivalents	(20,722)	(20,702)
Net debt	**(23,747)**	**(17,208)**
Equity	143,404	220,289
Total capital	**119,657**	**203,081**
Economic gearing ratio	**(20%)**	**(8%)**

Gearing ratio	2016 $'000	2015 $'000
Total borrowings	53,276	72,412
Less: cash and cash equivalents	(20,722)	(20,702)
Net debt	**32,554**	**51,710**
Total equity	143,404	220,289
Total capital	**175,958**	**271,999**
Gearing ratio	**18%**	**19%**

Compliance with externally imposed capital requirements

The Group has a secured debt financing facility agreement that require it to satisfy certain financial ratio covenants during the financial year. The Group monitors these covenants and it has complied with its externally imposed capital requirements during the reporting period.

f. Reserves

Share Option Reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

Movements in reserves	2016 $'000	2015 $'000
Share option reserve		
Balance 1 July	140	140
Options issued during the year	-	-
Balance 30 June	**140**	**140**

g. Retained earnings

Movements in retained earnings	2016 $'000	2015 $'000
Balance 1 July	78,041	69,300
Net profit/(loss) for the year	(76,882)	8,741
Dividends and other equity distributions	-	-
Balance 30 June	**1,159**	**78,041**

NOTE 21. DIVIDENDS

a. Dividends paid or payable

Reflecting the strength of the Group's financial results in 2016 and outlook for the company, the Board of Directors have resolved to declare a final dividend of 1.0 cent per share fully franked. The record date for entitlements to the final dividend was 15 September 2016 and will be paid to shareholders on 14 October 2016. (2015: Nil)

The Board will continue to monitor and review its dividend position in line with its capital management framework and strategy.

b. Dividends not recognised at year end

With expectations of increased activity and associated investment in the forthcoming period, the Board has determined to declare a dividend of $0.01 for the financial year ended 30 June 2016. (2015: Nil).	2016 $'000	2015 $'000
Franking credits available at the reporting date based on a tax rate of 30%	24,245	19,967
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	(649)	2,299
Franking credits available for subsequent financial years based on a tax rate of 30%	**23,596**	**22,266**

NOTE 22. EARNINGS/(LOSS) PER SHARE

	2016 Cents	2015 Cents
a. Basic earnings/(loss) per share		
Profit/(loss) from operations attributable to the ordinary equity holders of the Company	(38.4)	4.7
Profit/(loss) attributable to the ordinary equity holders of the Company	(38.4)	4.7
b. Diluted earnings/(loss) per share		
Profit/(loss) from operations attributable to the ordinary equity holders of the Company	(38.4)	4.7
Profit/(loss) attributable to the ordinary equity holders of the Company	(38.4)	4.7

	2016 $'000	2015 $'000
c. Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit/(loss) from operations	(76,882)	8,741
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings (loss) per share	(76,882)	8,741

	2016 Number	2015 Number
d. Weighted average number of shares used as the denominator		
Basic earnings (loss) per share		
Weighted average number of shares used as the denominator in calculating basic earnings per share	200,284,332	187,725,736
Diluted earnings per share		
Weighted average number of options outstanding	-	-
Weighted average number of shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	200,284,332	187,725,736

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NOTE 23. FAIR VALUE MEASURMENT

Fair value hierarchy

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2016 and 30 June 2015 on a non-recurring basis. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

No other assets and liabilities, other than those tabled below, have been required to be assessed for fair value adjustments as they are carried at amortised/depreciated costs.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
AS AT 30 JUNE 2016				
Property, plant and equipment	-	-	31,237	31,237
AS AT 30 JUNE 2015				
Property, plant and equipment	-	-	-	-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 3 fair value

The fair value measurement of plant and rental equipment ($24.787m) and land and buildings ($6.451m) has been categorised as a level 3 fair value based on the valuation technique used, fair value less costs to sell.

As a result of the directors valuations performed, which was based on an independent valuation, market data and management's experience and knowledge of market conditions, there was an impairment of $64.287m in the Group's property, plant and equipment portfolio.

NOTE 24. SHARE-BASED PAYMENTS

a. Employee option plan

Global Construction Services Limited established an Employee Option Plan on 2 May 2008.

The purpose of the Employee Option Plan is to:

- Recognise the ability and efforts of the employee's contribution to the success of the Group;
- Provide an incentive to employees to achieve the long term objectives of the Group;
- Attract and retain persons of experience and ability to the Group;
- Promote employee loyalty and improve performance of the Group; and
- Enable employees the opportunity to acquire shares in the Group.

Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options are granted under the plan for no consideration and carry no dividend or voting rights.

When exercisable, each option will be converted into one ordinary share within twenty business days after the receipt of a properly executed Notice of Exercise and payment for the exercise price of each option being exercised.

There were no options granted or held at any time during the 30 June 2016 financial year (2015: no options granted).

NOTE 25. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

	2016 $'000	2015 $'000
Key management personnel compensation		
Short term employee benefits	2,022	1,997
Post employment benefits	129	125
Termination benefits	-	-
	2,151	**2,122**
Aggregate amounts of each type of transactions with key management personnel of the Group		
Amounts recognised in expenses	2,848	2,616
Purchases and hire of equipment and services	784	886
Sales of goods and services	44	186
Outstanding balances arising from sales/purchases of goods and services. The following balances are outstanding at the reporting date in relation to transactions with related parties and Key Management Personnel:		
Current receivables (sales of goods and services) – Related parties	2	2
Current payables (purchases of goods and services) – Related parties	62	53

Additional detail is contained in the Remuneration Report contained within the Directors' Report.

NOTE 26. RELATED PARTY TRANSACTIONS

a. Key management personnel

Disclosures relating to Key Management Personnel are set out in Note 25 and the remuneration report.

b. Related parties

Other than those disclosed in Note 25, there are no further related party transactions. No provisions have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

c. Loans to/from related parties

Loans to related parties	2016 $'000	2015 $'000
Beginning of the year	7,607	9,736
Loans advanced	-	90
Loan repayments	(533)	(2,219)
Loans forgiven	(74)	-
Interest charged	469	589
Interest paid	(469)	(589)
End of the year	**7,000**	**7,607**

A loan of $7,000,000 is provided to SmartScaff Pty Ltd and is being utilised by the business as working capital. The loan is secured and accrues interest at the rate of the Commercial Bill rate plus 2% margin per annum. Global Construction Services Limited holds a 50% interest in SmartScaff Pty Ltd.

There were no loans from related parties during the financial year ended 30 June 2016 (2015: Nil).

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NOTE 27. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2016 $'000	2015 $'000
Profit/(loss) for the year	**(76,882)**	**8,741**
Adjusted for:		
Depreciation and amortisation of non-current assets	10,451	11,687
Interest received	(667)	(826)
Interest paid	3,542	4,629
(Gain)/loss on disposal of property, plant and equipment	173	1
Impairment of PPE and goodwill	105,735	-
Impairment of debtors	266	(343)
Increase/(decrease) in capital raising costs tax effect	-	223
Changes in assets		
(Increase)/decrease in trade debtors	(701)	(3,483)
(Increase)/decrease in other debtors	(2,616)	602
(Increase)/decrease in prepayments	4,038	3,161
(Increase)/decrease in inventory	(1,439)	(5,026)
(Increase)/decrease in WIP	3,947	(1,987)
(Increase)/decrease deferred tax assets	(1,808)	(405)
Changes in liabilities		
Increase/(decrease) in trade payables	(3,462)	4,072
Increase/(decrease) in other creditors and accruals	353	1,019
Increase/(decrease) in other payables	(375)	2,675
Increase/(decrease) in employee provisions	1,677	2,036
Increase/(decrease) in deferred tax liability	(13,636)	1,793
Increase/(decrease) in income tax liability	(373)	1,588
Net cash flow from operating activities	**28,223**	**30,157**

NOTE 28. NON CASH INVESTING AND FINANCING ACTIVITIES

Acquisition of property plant and equipment by means of finance lease/hire purchase	1,829	1,938

NOTE 29. COMMITMENTS

	2016 $'000	2015 $'000
a. Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
Plant and equipment	496	1,521
b. Lease commitments: Group as lessee		
Operating lease commitments are payable:		
– Within one year	6,050	6,960
– One year but not later than five years	19,032	19,479
– Greater than five years	11,262	15,199
Total lease liability	**36,344**	**41,638**
Consists of:		
– Cancellable operating lease	447	1,393
– Non cancellable operating lease	35,897	40,245
Total lease liability	**36,344**	**41,638**
Finance lease commitments are payable:		
– Within one year	15,080	15,418
– One year but not later than five years	24,569	37,693
– Greater than five years	-	-
Minimum lease payment	39,649	53,111
Future finance charges	(4,479)	(7,331)
Total lease liability	**35,170**	**45,780**
Consists of:		
– Current	12,990	12,290
– Non-current	22,180	33,490
Total lease liability	**35,170**	**45,780**

Operating leases

The Group leases various offices, warehouses and yards under non-cancellable operating leases expiring within one to ten years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The Group also leases various plant and vehicles under cancellable operating leases. Varying periods of notice are required to terminate these leases.

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NOTE 30. PARENT ENTITY DISCLOSURES

As at and throughout the year ended 30 June 2016 Global Construction Services Limited ("The Company") was the parent entity of the consolidated entity.

The following information presented in respect of the Company is prepared using consistent accounting policies per Note 3.

Interest of participant: Global Construction Services Limited	2016 $'000	2015 $'000
Result of the parent entity		
Profit/(loss) for the year	(4,799)	(5,912)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	**(4,799)**	**(5,912)**
Financial position of the parent entity at year end		
Current assets	24,235	19,316
Non-current assets	99,178	122,137
Total assets	**123,414**	**141,453**
Current liabilities	(3,564)	(7,102)
Non-current liabilities	(3,227)	(12,927)
Total liabilities	**(6,791)**	**(20,029)**
Contributed equity	142,105	142,108
Reserves	140	140
Accumulated (losses)/retained profits	(25,623)	(20,823)
Total equity	**116,623**	**121,424**

The parent entity has provided financial guarantees in respect of the bank facility of SmartScaff Pty Ltd, the guarantee is limited to $2.324m.

NOTE 30. PARENT ENTITY DISCLOSURES (continued)

As at 30 June 2016 the Company has no material contingent liabilities or contingent assets. The Group's principal subsidiaries at 30 June 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

		Ownership interest held by the group	
Name of Entity	**Place of business**	**2016**	**2015**
BFA Investments Pty Ltd	Australia	100%	100%
CASC Constructions Pty Ltd	Australia	100%	100%
CASC Formwork Pty Ltd	Australia	100%	100%
Central Management Services (WA) Pty Ltd	Australia	0%	100%
Coastal Hire Pty Ltd	Australia	100%	100%
GCS Access Pty Ltd	Australia	100%	100%
GCS Budget Portables Pty Ltd	Australia	100%	100%
GCS Facades Pty Ltd	Australia	100%	100%
GCS Hire Pty Ltd	Australia	100%	100%
GCS Industrial Services Pty Ltd	Australia	100%	100%
GCS Integrated Services Pty Ltd	Australia	100%	100%
GCS Personnel Services Pty Ltd	Australia	100%	100%
GCS Rapid Access Pty Ltd	Australia	100%	100%
GCS Security Scaffolding Pty Ltd	Australia	100%	100%
Global Construction Services Ltd	Australia	100%	100%
Global Industrial Services (Aust) Pty Ltd	Australia	100%	100%
Global Integrated Resources Pty Ltd	Australia	0%	100%
Rappel Pty Ltd	Australia	0%	100%
Safe and Sound Labour Hire Pty Ltd	Australia	100%	100%
Safe and Sound Scaffolding Pty Ltd	Australia	100%	100%
Safe Labour Hire Pty Ltd	Australia	100%	100%
Site Services Pty Ltd	Australia	100%	100%

During the year, the three companies Rappel Pty Ltd, Global Integrated Resources Pty Ltd and Central Management Services (WA) Pty Ltd have been deregistered by the Group.

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NOTE 31. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise revolving cash advance and equipment finance facilities and cash and short-term deposits. The main purpose of these financial instruments is to provide a component of funding of the Group's operations. The Group has various other financial asset and liabilities such as trade receivables and payables, which arise directly from its operations.

The Group's activities expose it to a variety of financial risk, market risk (including interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk. Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management policies and objectives.

The Group holds the following financial instruments:

	2016 $'000	2015 $'000
Financial assets		
Cash and cash equivalents	20,722	20,702
Trade and other receivables	37,132	36,794
	57,854	**57,496**
Financial liabilities		
Trade and other payables	15,810	17,043
Borrowings	34,530	51,647
	50,340	**68,690**

The Board of Directors review the written principles for overall risk management, including the following specific areas:

a. Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. There has been no material change to the Group's exposure to market risk and how it manages those risks from 2015.

i. Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies and is exposed to foreign exchange risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial asset and financial liabilities denominated in a currency that is not the entity's functional currency. A formal risk management policy has been implemented in order to manage this risk.

The Group deems an individual foreign currency exposure greater than AUD $250,000 of which the quantum and timing is known with certainty, to be a material exposure and required to be assessed for full or partial hedging. Individual transactions up to AUD $500,000 can be authorised by the Chief Financial Officer, individual foreign currency exposures in the range of AUD $500,000 and up to AUD $1,000,000 and transactions which aggregate up to AUD $5,000,000 are to be referred to the Executive members of the Audit and Risk Management Committee, Individual foreign currency exposures above AUD $1,000,000 and in aggregate above AUD $5,000,000 are to be referred to the full Board of Directors for assessment. No sensitivity analysis has been undertaken as exposure to foreign currency risk is immaterial to the statement of profit or loss and other comprehensive income.

ii. Cash flow and interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations that have floating interest rates. The Group's policy is to manage its interest cost using an appropriate mix between fixed and floating rate borrowings.

As at 30 June 2016, approximately 29% of the Group's total borrowings are at a fixed rate of interest (2015: 28%). The Group monitors forecasts and actual cash flows and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

NOTE 31. FINANCIAL RISK MANAGEMENT (continued)

As at the reporting date, the financial instruments exposed to interest rate risk are as follows:

	2016		2015	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Financial assets				
Cash and cash equivalents	0.70	20,722	1.45	20,702
Financial liabilities				
Borrowings	7.77	(27,994)	6.69	(37,968)
Net exposure to cash flow interest rate risk		**(7,272)**		**(17,266)**

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods.

	Weighted average interest rate %	1 year or less $'000	2-5 years or less %	Total $'000
2016				
Financial assets				
Cash and cash equivalents	0.70	20,722	-	20,722
Financial liabilities				
Borrowings	7.77	(7,238)	(20,756)	(27,994)
Total		**13,484**	**(20,756)**	**(7,272)**
2015				
Financial assets				
Cash and cash equivalents	1.45	20,702	-	20,702
Financial liabilities				
Borrowings	6.69	(10,163)	(27,805)	(37,968)
Total		**10,539**	**(27,805)**	**(17,266)**

Group sensitivity

As at 30 June 2015 and 2016, a sensitivity analysis has not been disclosed in relation to the floating interest deposits for the Group, as the net results of a reasonable possible change in interest rates have been determined to be immaterial to the statement of profit or loss and other comprehensive income.

b. Credit risk

Credit risk is the risk of financial loss to the Group if a customer of counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The Group has adopted the policy of only dealing with recognised creditworthy counterparties and obtaining sufficient collateral or guarantees where appropriate, as a means of mitigating the risk of financial loss from defaults. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management. The Group measures credit risk on a fair value basis.

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NOTE 31. FINANCIAL RISK MANAGEMENT (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

The Group has established an allowance for impairment that represents an estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures as at 30 June 2016.

The Group's range of customers is mainly exposed to the construction industry. The Group's risk is reduced by exposure to the Residential, Commercial, and Resource, Industrial, Oil & Gas sectors of the construction industry. The Group has a significant risk exposure to one customer. The maximum amount of exposure at 30 June 2016 to the one customer is $4.32m (2015: $3.93m).

The ageing of the Group's past due but non-impaired trade receivables at the reporting date was:	**2016 $'000**	**2015 $'000**
Past due 0-30 days	7,110	8,046
Past due 31-90 days	3,101	3,171
More than 90 days	1,525	1,780
	11,736	**12,997**
The ageing of the Group's impaired trade receivables at the reporting date was:		
Past due 0-30 days	-	-
Past due 31-90 days	-	2
More than 90 days	340	366
	340	**368**
The credit quality of financial assets that are neither past due nor impaired has been assessed by reference to external credit ratings (if available) or to historical information about default rates.		
The counterparties with external credit rating were:		
Cash and cash equivalents – 'AA-' S&P Rating	20,722	20,702
Counterparties without external credit rating which are neither past due nor impaired	13,436	15,660

NOTE 31. FINANCIAL RISK MANAGEMENT (continued)

c. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has liquidity risk management policies, which assists it in monitoring cash flow requirements. Cash flow requirements for the Group are reviewed weekly.

The following are the contractual maturities of financial liabilities.

	1 year or less $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Total Cash flow $'000	Carrying amount $'000
2016						
Borrowings	2,385	-	-	-	2,385	2,385
Hire purchase liabilities	15,080	10,601	13,968	-	39,649	34,530
Trade and other payables	15,669	141	-	-	15,810	15,810
	33,134	**10,742**	**13,968**	**-**	**57,844**	**52,725**
2015						
Borrowings	5,884	-	-	-	5,884	5,867
Hire purchase liabilities	15,418	14,430	23,263	-	53,111	45,780
Trade and other payables	16,885	158	-	-	17,043	17,043
	38,187	**14,588**	**23,263**	**-**	**76,038**	**68,690**

d. Fair value

Due to the short term nature of current receivables and liabilities, the carrying amounts approximate to their fair value. The fair values of non-current borrowings are not considered to be materially different to their carrying values, refer to Note 16(e).

NOTE 32. AUDITORS REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor, BDO Audit (WA) Pty Ltd and their related entities. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that Auditor independence was not compromised.

	2016 $'000	2015 $'000
Audit services and reviews of financial statement	185	185
Non audit, advisory, tax compliance and other services	156	145
	341	**330**

NOTE 33. CONTINGENCIES

As at 30 June 2016, the Group has no material contingent liabilities or contingent assets.

NOTE 34. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Pursuant to the Group's geographic expansion strategy, GCS announced on 25 August 2016 the signing of a binding term sheet to acquire a 51% stake in a specialist services contractor in the commercial construction sector operating across the East coast.

On 2 September 2016, the Company announced the successful refinancing of the Group's debt facilities to enhance the GCS's capital structure and lower the cost of debt by circa 30%. The new secured working capital and equipment finance facilities of $40m with CBA and $22m equipment finance with Toyota have replaced the $60m GE Capital cash advance and equipment finance facilities. These new facilities extend the Company's average debt maturity profile, lower the cost of debt and provide a more flexible and sustainable debt structure to support and respond to growth opportunities and market conditions.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

FEATURE PROFILE

SMARTSCAFF Pty Ltd

SmartScaff is a specialist scaffolding supply company operating on the East coast of Australia as part of the GCS Group. With bases in Brisbane, Melbourne, and Sydney, we are able to provide a broad range of the latest scaffold solutions to customers in all sectors.

PRODUCTS & SERVICES

MODULAR SCAFFOLD

TUBE & FITTING SCAFFOLD / ACCESSORIES

MATERIAL HOIST

BRANCH LOCATIONS

SYDNEY
6 Kerr Rd, Ingleburn NSW 2565

BRISBANE
8 Gay St, Coopers Plains QLD 4108

MELBOURNE
2B Faigh St, Mulgrave VIC 3170

ASX ADDITIONAL INFORMATION

Additional information mandated to be included in this Annual Report by the Australian Securities Exchange Limited under ASX listing Rule 4.10 and not shown elsewhere in the report is as follows. The information is applicable as at 31 August 2016.

Ordinary share capital

200,284,332 fully paid ordinary shares were held by 1,165 individual shareholders. All issued ordinary shares carry one vote per share and the rights to dividends.

Distribution of members and their holdings

Size of Holding	Number of Holders	Ordinary Shares
1 to 1,000	234	33,672
1,001 to 5,000	249	730,772
5,001 to 10,000	163	1,252,136
10,001 to 100,000	392	13,087,185
100,001 and over	127	185,180,567
	1,165	200,284,332

There were 251 holders of less than a marketable parcel of ordinary shares.

Substantial shareholders

The number of shares held by substantial holders, as disclosed in the substantial shareholding notice given to the Company.

Shareholder	Number of Ordinary Shares
BCP III Australia LP	29,842,366
IOOF Holdings Limited	18,108,282

Twenty largest shareholders

Name	Percentage of Issued Capital	Number of Ordinary Shares Held
National Nominees Pty Ltd	19.89	39,831,559
Citicorp Nominees Pty Ltd	9.92	19,860,693
JP Morgan Nominees Australia Limited	5.7	11,406,767
HSBC Custody Nominees (Australia) Limited	4.89	9,785,081
Majicyl Pty Ltd	4.2	8,417,552
BNP Paribas Noms Pty Ltd	3.37	6,753,040
CASC Services Pty Ltd	3.14	6,297,612
Mr Vincenzo Daniele Gullotti	2.62	5,248,633
BNP Paribas Nominees Pty Ltd	2.37	4,738,051
Citicorp Nominees Pty Ltd (CFS Investments)	2.29	4,586,812
Kinetic Ventures Pty Ltd	1.82	3,650,000
Meadowview Investments Pty Ltd	1.77	3,543,874
Luform Pty Ltd	1.74	3,486,444
Piperlake Pty Ltd	1.66	3,328,788
Foshan Pty Ltd	1.59	3,187,268
Sujo Pty Ltd	1.59	3,187,268
Okelane Holdings Pty Ltd	1.53	3,058,514
RBC Investor Services Australia Nominees Pty Ltd	0.95	1,894,643
Jaluza Pty Ltd	0.92	1,834,149
Skye Alba Pty Ltd	0.79	1,591,047

CORPORATE DIRECTORY

DIRECTORS

Peter Wade
Non-Executive Chairman

Enzo Gullotti
Group Managing Director

Sam Mangione
Non-Executive Director

George Chiari
Executive Director

COMPANY SECRETARY

Gabriel Chiappini

REGISTERED OFFICE

2 Redcliffe Road, Redcliffe WA 6104
T: +61 8 9479 7990 | F: +61 8 9479 7789
www.gcs-group.com.au

ACN: 104 662 259 | ABN: 81 104 662 259

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street, Subiaco WA 6008

STOCK EXCHANGE

The Company's securities are quoted on the Official List of the Australian Securities Exchange Ltd, the home exchange being Australian Securities Exchange (Perth) Limited.

152-158 St Georges Terrace, Perth WA 6000

ASX CODE

GCS

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace, Perth WA 6000

Telephone: +61 8 9323 2000
1300 850 505 (within Australia)

For any change in personal details, please contact Computershare.

Ph: 139 GCS (139 427)
www.gcs-group.com.au