ANNUAL REPORT
2016

Seymour Whyte Limited and Controlled Entities
ABN 67 105 493 203

CONTENTS

KEY DATES FOR SHAREHOLDERS

16 November 2016	Annual General Meeting
31 December 2016	Half year end
February 2017	Half year results
30 June 2017	Full year end
August 2017	Annual results

ANNUAL GENERAL MEETING

Place	Mayflower Room - Christie Corporate Centre Level 1, 320 Adelaide Street Brisbane QLD 4000
Date	16 November 2016
Time	10.00am

COMPANY PROFILE

Seymour Whyte is an Australian-owned engineering and construction company delivering major and essential infrastructure projects. The company has experienced substantial growth since it was founded in 1987 by John Seymour and Garry Whyte, and publicly listed on the Australian Securities Exchange on 31 May 2010.

Today the Seymour Whyte Group includes civil infrastructure contractor Seymour Whyte Constructions Pty Ltd and utilities infrastructure specialists Rob Carr Pty Ltd. We continue to cement our reputation for reliable project delivery throughout established markets, while successfully pursuing opportunities in new sectors and regions.

OUR CAPABILITIES

- Demonstrated capacity to deliver large, complex projects independently or in collaboration
- High levels of approval and prequalification with government authorities
- Diverse and experienced management and employees
- Proven track record in the core delivery areas of time, cost and quality
- Robust safety culture that protects employees, suppliers and the public
- Established environmental management and community engagement capabilities

OUR VALUES

- **Safe delivery:** Relentless pursuit of the elimination of all accidents and injuries
- **Nimble and agile:** Ability to act quickly and move with change
- **Disciplined:** Focussed on the delivery of our commitments, we do as we say
- **Reputable:** Committed to integrity, honesty and transparency
- **Creative:** Innovative thinking is the basis of our value-add culture
- **Collaborative:** Achieve results through working together and valuing input from others

CHAIRMAN'S REPORT

"As anticipated, the challenges of the past 12 months are reflected in the Group's financial performance. FY17 will be a year of recovery as we gear up to unlock shareholder value through strategic growth and expansion."

MAC DRYSDALE

YEAR IN REVIEW

The past financial year has been a year of growth despite being underscored with reduced profitability for the Seymour Whyte Group.

The Group made impressive headway in expanding into the civil aviation space and the southern states, which delivered a strong revenue base of $361 million. This expansion is also reflected in our strong order book of $465 million, up by 39% on the year before. To achieve this growth, we increased employee numbers by 24% from last year, mainly in project personnel and tender resourcing.

Four loss-making projects and sustained, strong competition in the tendering environment had a detrimental impact on our financial performance.

The Board acknowledges this year's net profit after tax (NPAT) of $1.3 million is unacceptable. While we will strategically re-invest in the business for growth, the Board will strengthen our oversight and continue to insist on prudence to ensure that this growth is profitable and sustainable.

Our diversification strategy prevented our NPAT from sliding into negative territory, proving that the decision to expand into New South Wales, acquire micro-tunnelling utilities specialist Rob Carr Pty Ltd and seek out new clients in new sectors was appropriate and correct.

The market outlook in New South Wales and Victoria is positive and the Group is well-positioned to leverage the opportunities. While construction activity in Queensland has reduced with the slowdown of the resources sector, the state and federal governments continue to invest in major infrastructure and we are pursuing these prospects.

LEADERSHIP CHANGES

David Wilson was appointed as a Non-Executive Director to the Board in July 2015, and clearly demonstrated his calibre when he acted as Chief Executive Officer and Managing Director for a three-month period. I must also commend the rest of the senior management team, who also stepped up to the challenge to lead the business during this period.

John Kirkwood was appointed to the role of Chief Executive Officer and Managing Director in October 2015. Since then, the Group has benefited greatly from his expertise, industry knowledge and steady leadership, which have provided a solid grounding and renewed focus for the business.

Last month, Rob Carr announced his resignation as Chief Executive of our utilities division Rob Carr Pty Ltd (RCPL), 27 years after he founded the company. I am pleased that Rob will continue to serve on the Board after he hands over to RCPL's long-serving General Manager Angelo Soumboulidis in December 2016. Rob's specialist knowledge and insights will ensure we remain a market leader in conventional and trenchless pipeline infrastructure construction.

NEW STRATEGIC DIRECTION

Despite the significant challenges, our diversification strategy—established in FY14—has served us well over the past three years, and it is time for us to build on the momentum generated. Over the next four years we will deliver the *2020 Strategic Plan* to achieve our vision of becoming a leading infrastructure business.

The engineering and construction industry remains a trying environment in the short term. As can be expected, with a low NPAT and the imperatives of the *2020 Strategic Plan* to reinvest in the business for growth, the Board has not declared a final dividend this year.

With an order book of $465 million in July 2016, the completion of loss-making projects by mid-FY17 and work in hand for FY17 at $394 million, the coming 12 months are expected to be more profitable for the Group. However, we expect the benefits of the increased investment to be clearly realised from 2018 and beyond, with improved return to shareholders, a sustainable fixed cost structure and greater opportunities for our employees.

The Board is confident we will achieve our vision as the business is well resourced with committed and capable employees. On behalf of the Board, I wish to thank our employees for their perseverance and hard work.

The Board also acknowledges the ongoing support of our investors and invite you to continue to back us as we embark on the delivery of our *2020 Strategic Plan.*

Mac Drysdale
Chairman

CEO AND MANAGING DIRECTOR'S REPORT

"The Seymour Whyte Group is firmly focused on implementing our 2020 Strategic Plan, where we leverage our strengths as a high performance Tier 2 contractor to selectively compete in the Tier 1 engineering and construction market."

JOHN KIRKWOOD

Before joining Seymour Whyte, I was aware of the company's reputation for excellence in project delivery and being a competitive alternative to the Tier 1 contractors. Since my appointment in October 2015, I have found this reputation to be reflected in reality, thanks to the employees who embody the Group's values—safe delivery, nimble and agile, disciplined, reputable, creative and collaborative.

These values give us a solid foundation that enables us to reflect honestly on the underperformance of the past year, and assimilate learnings that will drive the success of the *2020 Strategic Plan*.

ACHIEVEMENTS AND CHALLENGES

In FY16, the Group continued to forge ahead with our diversification strategy, which resulted in substantial growth that continues to ramp up in FY17. We increased market penetration in New South Wales, and now have more than half of our work in hand located there. We established an office in Melbourne in 2015 to capitalise on the growing opportunities in Victoria, and have seen encouraging progress through the preliminary stages of a number of bids. Another key achievement is our growing track record in the airport sector—we were awarded two more Sydney Airport projects along with our first Brisbane Airport project, and have been invited to tender for a Melbourne Airport project.

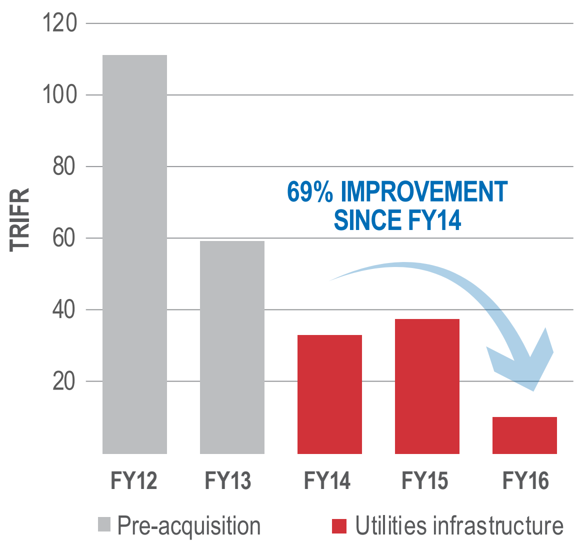
Expansion in the southern states has enabled us to not only grow our capability and skills base, but also retain many of our quality people through internal transfers. The New South Wales civil infrastructure team almost doubled from 79 to 144 employees in just 12 months, and the utilities infrastructure division has increased staff numbers by 26%.

By investing in onboarding, and training and development, we have mitigated the risk of our positive team culture being diluted due to rapid expansion.

The robustness of our safety culture is demonstrated by another year of improvement in our Total Recordable Injury Frequency Rate (TRIFR), which has decreased to 9.6 from FY15's result of 13.8. The successful integration of our utilities division is reflected by the 69% improvement in their TRIFR since the acquisition in 2014.

Even as we celebrate our successes, FY16 has been a reminder that there is much more work to be done.

TOTAL RECORDABLE INJURY FREQUENCY RATE
Rob Carr Pty Ltd



The combination of a heavily competitive market in Queensland, loss-making projects, and increased investment in tendering resources and new personnel to support our growth has impacted significantly on our FY16 bottomline. While personnel costs will stabilise, we expect some residual impact on FY17 results.

Moving forward, we have implemented tighter controls on contractual management processes and instilled greater discipline in tendering. We have also taken steps to improve design management, cost control and innovation to obtain better project margins.

2020 STRATEGIC PLAN

Earlier this year, we undertook an in-depth review of the Group's operating environment and developed the *2020 Strategic Plan* to set a course for the future.

New South Wales has a strong project outlook for the next five years while Victoria's infrastructure sector continues to ramp up. Infrastructure investment in Queensland has reduced, creating a subdued economic outlook that is not expected to fully recover until FY19.

As a publicly listed, mid-tier infrastructure service provider, we have been under increasing competitive pressure from contractors who traditionally operate in the top and lower tier markets. We understand that to maintain a viable market position and deliver better value for shareholders, we have to expand the business.

To that end, the *2020 Strategic Plan* outlines the strategic direction for the business for the next four years, as we work to significantly increase the size of the business by FY20 while retaining our agility as a Tier 2 organisation. By delivering larger, high value projects with a flatter organisation structure than Tier 1 competitors, we will achieve economies of scale and increased profitability. We are building our capability and experience to deliver contracts in the design and construction and greenfield markets. These markets offer greater opportunities for innovation, improved margins and to add value for our clients.

Strategic joint ventures and partnerships are a key part of our methodology to build capability and capacity. The Group prides ourselves on our ability to establish collaborative arrangements with quality partners. We will look to leverage this further, including opportunities for Seymour Whyte Constructions to joint venture with Rob Carr Pty Ltd.

LOOKING TO THE FUTURE

Implementation of the *2020 Strategic Plan* has already begun. The business is well resourced to deliver on the plan, leveraging the positive market conditions in New South Wales and Victoria where infrastructure investment is high and continuing to grow in the five-year horizon.

The journey the Group will undertake to deliver the *2020 Strategic Plan* is just as important as the bottomline, I am confident we will rise to the challenge of ensuring our growth is not only profitable, but sustainable.

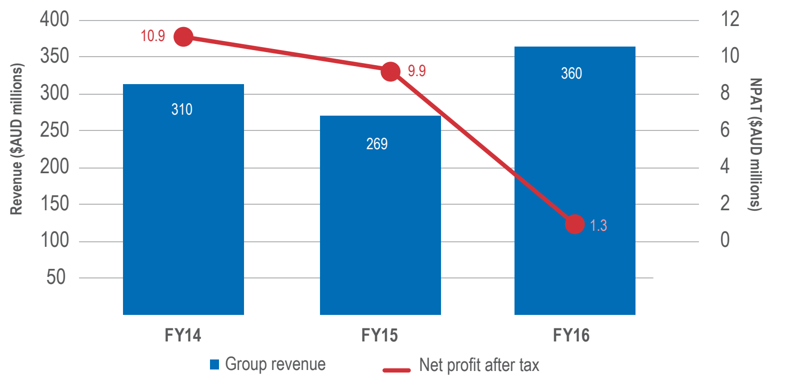
John Kirkwood
Managing Director and Chief Executive Officer

FY16 SNAPSHOT

REVENUE GROWTH MARKED BY DROP IN PROFITABILITY

We achieved revenue from construction of $359.5 million, a 34% increase on the year before. Profitability was impacted by factors including loss-making projects, unplanned changes in senior leadership and increased investment in tender resources and personnel.

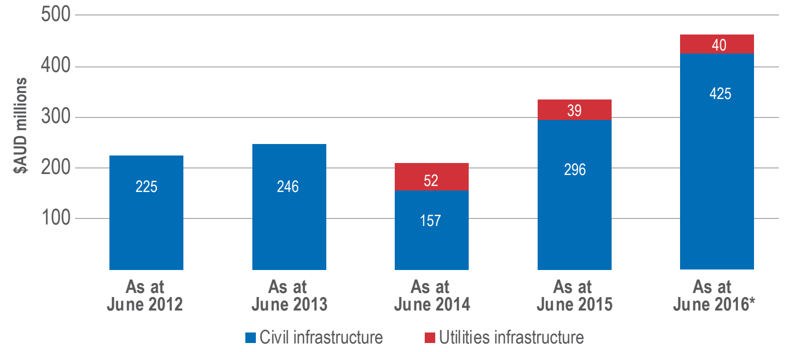
FINANCIAL PERFORMANCE



ORDER BOOK AT RECORD HEIGHTS AND CONTINUING TO IMPROVE

Our total forward order book is at an all-time high of $465 million, with an increase of 39% from the same time last year. This growth was boosted by more than $250 million in tender awards since May 2016. The quality of our order book has seen steady improvement since the implementation of the *2020 Strategic Plan*, which includes strategies to mitigate tight tendering margins caused by competitive pressure.

FORWARD ORDER BOOK BY SECTOR



Order book includes $63 million project award announced in July 2016

CASH POSITION REMAINS SOUND

Our cash position provides the working capital and low debt profile needed to meet client pre-qualification thresholds. We have the financial facilities to support growth in line with our *2020 Strategic Plan.*

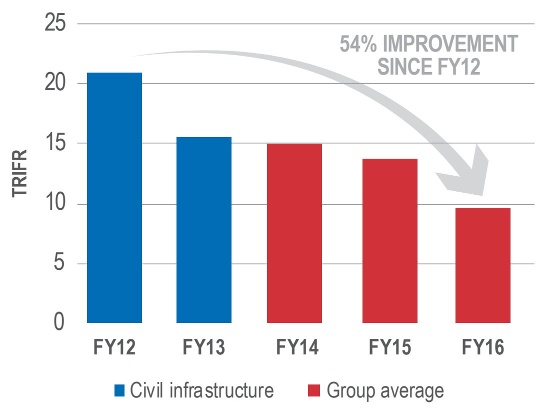
$35.3m
Cash as at June 2016

$30.7m
Net cash at June 2016

7 INDUSTRY AWARDS WON

69%
Improvement on utilities division three-year TRIFR since FY14

TOTAL RECORDABLE INJURY FREQUENCY RATE



SETTING HIGH STANDARDS IN SAFETY

For the fifth successive year in a row, the Group has reduced our Total Recordable Injury Frequency Rate (TRIFR).

Since FY12, the Group has achieved an impressive 54% improvement in our TRIFR. Successful integration of the Group's safety systems across our utilities division, also resulted in a 69% improvement on their three-year TRIFR, since FY14.

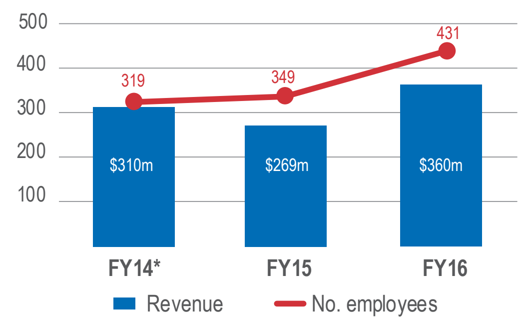
INDUSTRY RECOGNITION OF EXCELLENCE IN PERFORMANCE

- **Seymour Whyte Project Engineer Amandine Daniel –** Winner of Achievement in Civil Construction Award, National Association of Women in Construction 2015 Crystal Vision Awards
- **Dawesville PS7 Project –** Winner of Category 4 (projects valued between $10–$30 million) Western Australia Civil Contractors Federation 2016 Awards
- **Alphington Trunk Sewer Project –** Winner of Category 4 (projects valued between $10–$30 million) Victorian Civil Contractors Federation 2016 Awards
- **North Coast Batter Stabilisation Project –** Winner of the Arthur. J. Gallagher Excellence in Safety Award at Queensland Civil Contractors Federation 2015 Earth Awards
- **North Coast Batter Stabilisation Project –** Winner of Category 4 (projects valued between $30–$70 million) at both national and Queensland Civil Contractors Federation 2015 Earth Awards
- **Great Western Highway: Bullaburra East Upgrade –** Winner of Category 5 (projects valued between $35–$75 million) New South Wales Civil Contractors Federation 2016 Earth Awards
- **ABA100 Award for Innovation –** 2015 Winner for mobile platform development
- **Milestone certificate for 15 years' continuous compliance –** to both ISO 9001 and ISO 14001 environmental and quality management certification awarded by Sci Qual International Pty Ltd

EMPLOYEE LEVELS UP IN LINE WITH GROWTH

Employee levels grew significantly, increasing by 24% to support expansion of operations and growth in business development capabilities.

EMPLOYEE LEVELS



**Rob Carr Pty Ltd was acquired in February 2014 and only contributed four months of revenue*

FINANCIAL AND OPERATIONAL PERFORMANCE

OVERVIEW

The Group achieved total revenue of $360.7 million in FY16, an increase of 33.7% compared to the prior year. With the benefit of a strengthened order book at the commencement of FY16, we were able to generate the sizable increase in revenue across 35 projects and 17 clients.

The majority of revenue was generated through sole-performed projects including the two largest in Seymour Whyte's history—the Townsville Ring Road (Section 4) Project in north Queensland and the Great Western Highway: Hartley Valley to Forty Bends Upgrade in New South Wales.

Operational margins have been tight, with pressure coming from increased competition for a smaller pool of projects, particularly in Queensland, and the resulting decrease in winning tender margins. Four loss-making projects have impacted on the current year profitability. Additionally, project delays caused by external factors deferred revenue into FY17 and further impacted operational results.

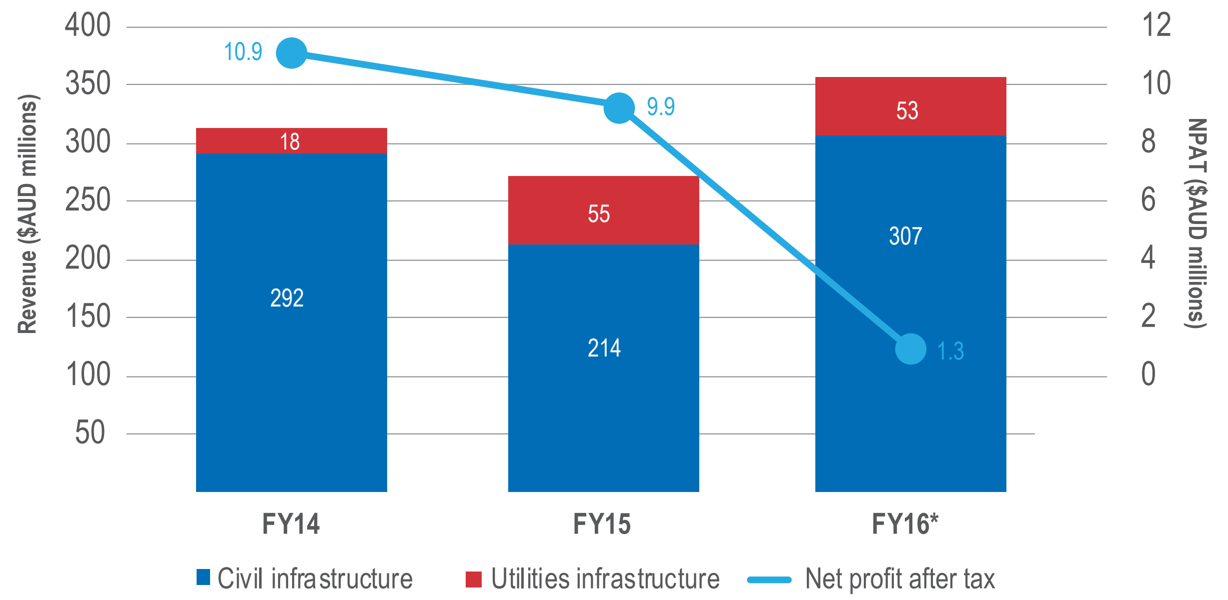
ORDER BOOK

The Group's total forward order book increased to a record level of $465 million following the award of the $63 million contract to deliver early works for the Woolgoolga to Ballina Pacific Highway Upgrade in July 2016. This is a 39% increase on the same period last year, boosted by project wins totalling $250 million since May 2016.

The current order book is represented by $394 million forecast to be delivered in FY17, surpassing revenue earned in FY16 with the remainder to be delivered in FY18. We are currently undertaking significant tendering activity and are awaiting decisions on several sizable project awards that will contribute to the order book for FY18 and beyond.

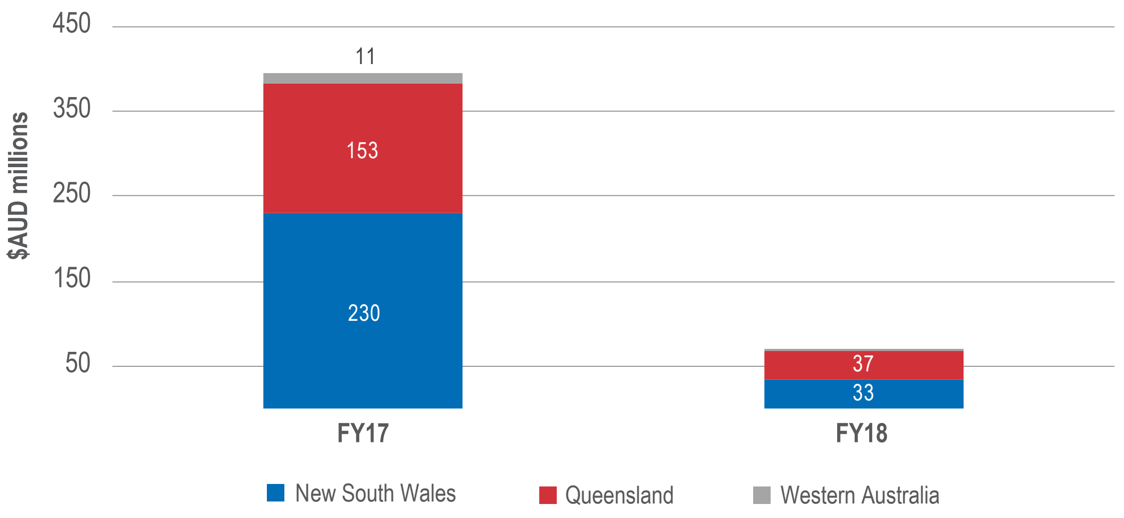
The quality of the order book is also strengthening compared to the prior year, with pressure on tight tendering margins starting to ease in some sectors.

FINANCIAL PERFORMANCE



*Utilities revenue shown after intercompany elimination of $18.1 million (2015: $4.7 million)

ORDER BOOK BY STATE AND EXPECTED DELIVERY



CIVIL INFRASTRUCTURE DIVISION

The civil infrastructure division has been renamed (previously 'Transport') to reflect our broader service offerings beyond our traditional core work undertaken in roads and bridges. In FY16, this division won 12 projects to the value of $375 million.

The civil infrastructure division continued to expand in New South Wales (NSW), contributing 45% to revenue, almost double the contribution in FY15. This is due to the increased state government investment in infrastructure and our successful diversification into the airport and water sectors. Building on the success of the Northern Airport Precinct Infrastructure Project for the Sydney Airport Corporation Limited, we have won a further two projects at Sydney Airport. Another significant recent win in NSW was the early works contract for the Glenugie to Tyndale section of Australia's largest regional infrastructure project—the Woolgoolga to Ballina Pacific Highway Upgrade, which gives us a platform to win other packages on the project.

Progress on the $104 million Great Western Highway: Hartley Valley to Forty Bends Upgrade, one of the Group's largest projects, is on track with positive feedback from the client Roads and Maritime Services (RMS). Our performance on this and other RMS projects will go a long way in underscoring our capability to deliver larger jobs for this client, such as the $350 million Northern Road and Bringelly Road Stage 2 Upgrade where, with our joint venture partner, we have been recently shortlisted.

The civil infrastructure division is also well positioned in Victoria. Having spent the past 12 months establishing the business, we submitted expressions of interest for six projects in late FY16. To date, we have progressed to the next stage on four projects with outcomes on the remaining two still to be determined. The focus in FY17 is to win and execute small but strategically important projects to build capacity and a positive track record in the roads and airport infrastructure space.

Even as momentum increased in the NSW and Victorian engineering and construction sector, Queensland continued to offer solid opportunities. The civil infrastructure division's performance in Queensland was underpinned by the commencement of the Townsville Ring Road (Section 4) Project, which has a construction value exceeding $120 million. The project has had positive progress throughout the year, undertaking several complex traffic switches to build a four-lane median-divide motorway and tracking for completion ahead of schedule in early 2017. The project has also successfully provided opportunities for the local community, with 83% of project procurement going to local jobs and suppliers.

In Queensland, the state government remains a key client and we continue to strengthen our relationship through solid project performance. This is evidenced by award of projects such as Townsville Northern Access Intersection Upgrade following the success of the Townsville Ring Road (Section 4) Project, and additional works on the Pacific Highway Coomera Interchange (Exit 54) Upgrade.

		FY16	FY15	$ Change	% Change
Civil infrastructure division					
Revenue	$m	306.9	213.9	93.0	43.5%
EBITDA	$m	4.4	18.3	(13.9)	(76.0)%
Operating profit *(before tax)*	$m	2.9	16.3	(13.4)	(82.2)%
Operating margin	%	0.9	7.5	-	-
Utilities infrastructure division					
Revenue	$m	71.3	60.0	11.3	18.9%
EBITDA	$m	11.2	8.0	3.2	39.7%
Operating profit *(before tax)*	$m	8.7	5.8	2.9	49.8%
Operating margin	%	12.2	9.7	-	-

While state government clients continue to be the mainstay of revenue contribution, we are continuing to minimise reliance on any one client group to reduce exposure to volatility in any particular division risk. As such we will continue to pursue private sector opportunities such as the $83 million Port Drive Project for the Port of Brisbane Motorway, airside taxiway projects with the Brisbane Airport Corporation and other Sydney and Melbourne airport projects.

UTILITIES INFRASTRUCTURE DIVISION

The utilities infrastructure division continued to grow, improving in earnings and profitability despite a challenging year. We achieved a strong performance with higher operational margins despite the subdued Western Australian market (which had only two notable projects awarded late in the year), a loss-making project that has been closed out and project delays caused by difficult ground conditions.

Our growth was driven by strategic projects at Green Square in New South Wales, RNA Stage 1 in Queensland, and Dawesville and Busselton in Western Australia. Focus on core division activities and a continued commitment to maintaining diversified revenue streams also contributed to the positive result.

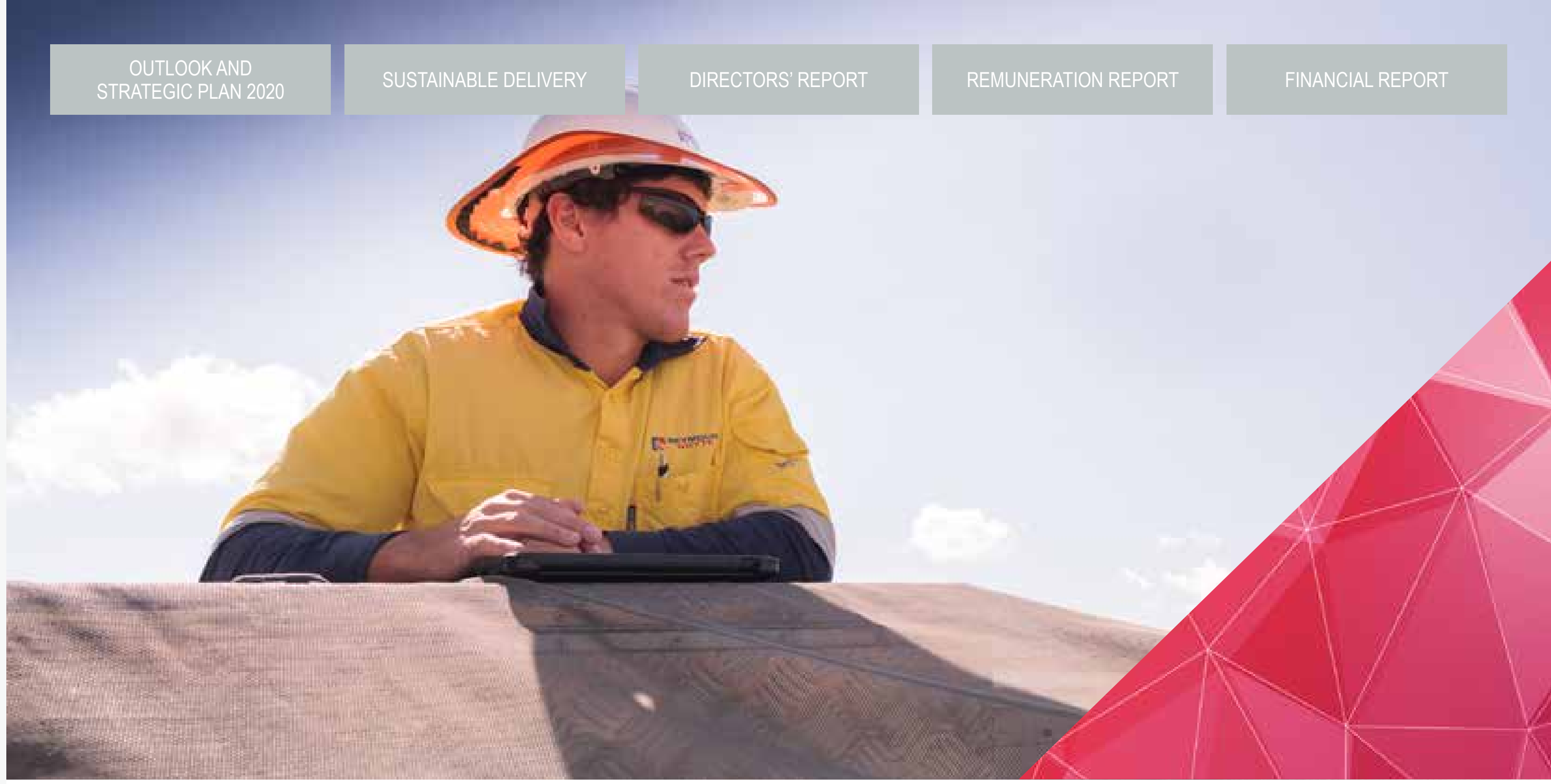
We were awarded 17 new projects worth $45 million in FY16, resulting from strong tendering activity. New project awards were mainly in south-east Queensland and Western Australia, however we also had wins in the southern states, further consolidating our position as a national contractor. Our order book is currently at $40 million, which is relatively consistent with the prior comparable period.

FY16 saw continued work on the partnership between our utilities and civil infrastructure divisions—the Green Square Trunk Stormwater Drain Project, which was the biggest contributor to the utilities infrastructure division's operating result. We are working to leverage and grow similar partnerships in FY17 and beyond.

This year also saw employee levels increase by 26% from 106 to 133 to support the growth of the division. We are focussed on ensuring current and new employees maintain the level of skills needed as we expand, and have implemented comprehensive induction and training processes to achieve this. Continued improvements were also made in the safety area, with the division achieving a 69% reduction in our total recordable injury frequency rate since FY14, which was a fantastic team effort.

Smith Street Motorway / Olsen Avenue Interchange

Green Square Trunk Stormwater Drain



CAPITAL MANAGEMENT

The Group ended the year with $35.3 million of cash in the bank. The decrease of $6.9 million over the year was largely due to the $7 million paid in dividends to shareholders during the same period.

Our strategy is to retain appropriate levels of cash to support pre-qualification requirements and the funding of upfront tendering costs and early project mobilisation costs until projects are in a net cash positive position. Operational cashflow is closely monitored on a project by project basis and reviewed at each monthly project meeting.

We also have access to a $10 million working capital facility, which remains undrawn and fully available for use at the reporting date.

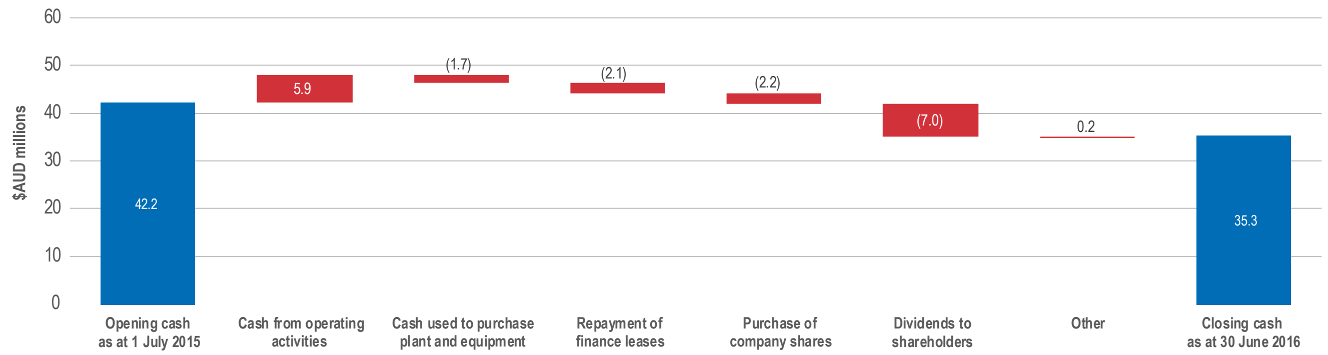
During the year, the Board elected to purchase shares on-market through the employee share trust to meet the vesting requirements of previously issued performance rights. This strategy was undertaken to prevent dilution of current shareholders' holdings.

THE YEAR AHEAD

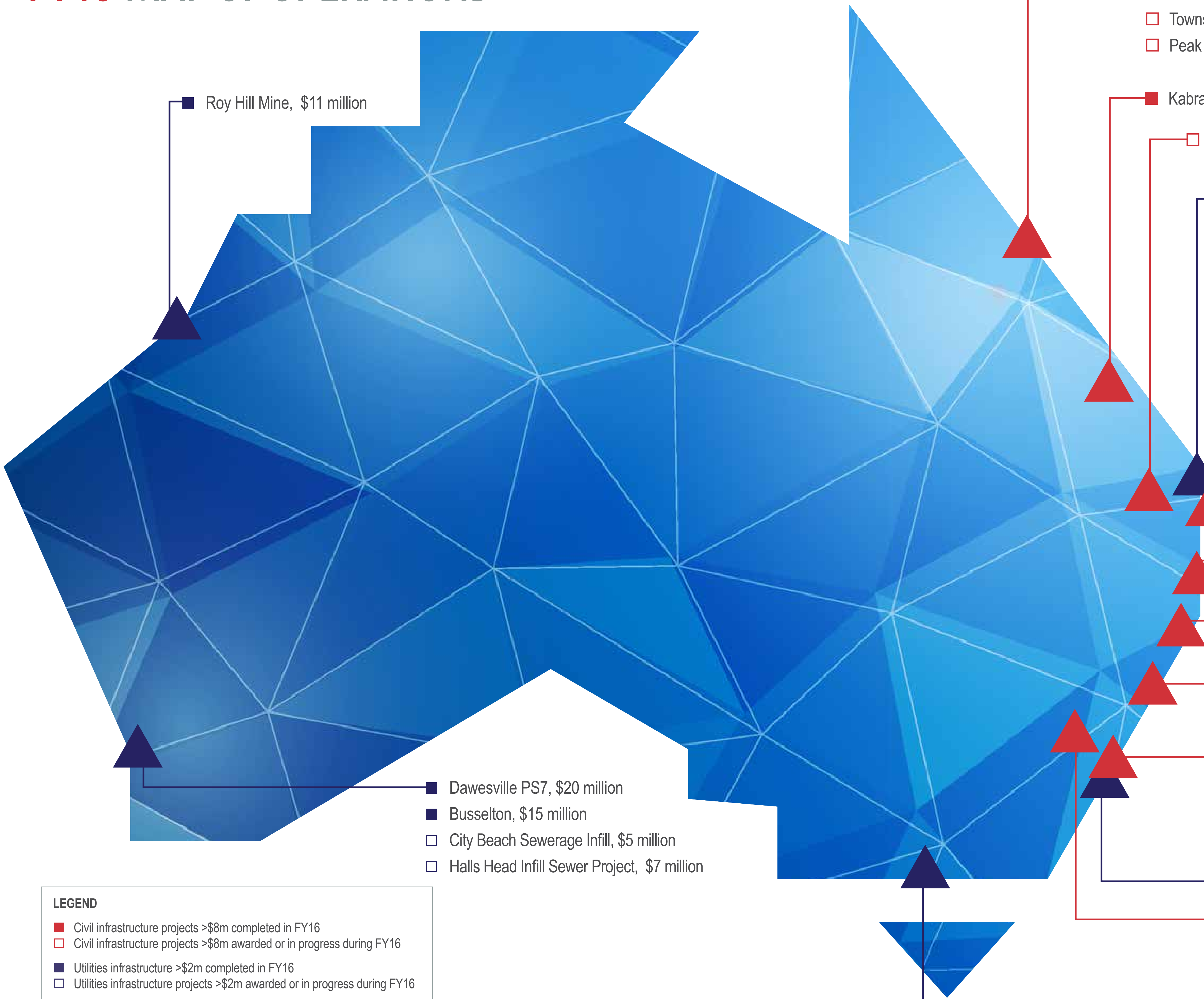
As we undertake the full implementation of our *2020 Strategic Plan*, FY17 is expected to show:

- increased revenue from joint ventures, in line with a renewed focus on tendering through joint ventures and being short-listed on a number of joint venture projects
- ongoing investment in tendering for higher margin design and construct projects
- additional resources towards winning and delivering our first civil infrastructure project in Victoria
- in the first half, residual impact of loss-making projects on profitability.

GROUP CASH FLOWS
Year ended 30 June 2016



FY16 MAP OF OPERATIONS



- ■ Yellow Gin Creek Bridge, $10 million
- □ Townsville Ring Road (Section 4) and Popes Road, $132 million
- □ Peak Downs Highway: Timber Bridges Replacement, $21 million

- ■ Kabra Holding Roads (Segment 2), $11 million

- □ Warrego Highway Upgrade Nugent Pinch to Charlton, $47 million

- ■ RNA S1 Trunk Sewer Rev 4, $5 million
- □ Jindalee Watermain Replacement, $14 million
- □ Sewer Upgrade Merrimac West Pipelines, $11 million
- □ Surf Street & Dowling Drive Drainage Upgrades, $6 million
- □ RNA Trunk Sewer Stage 2, $3 million
- □ Caloundra Gravity Sewers, $3 million

- ■ Smith Street Motorway / Olsen Avenue Interchange Upgrade, $67 million
- □ Pacific Motorway Coomera Interchange (Exit 54) Upgrade, $45 million
- □ Port Drive Upgrade, $83 million

- □ Woolgoolga to Ballina Pacific Highway Upgrade Early Works (Wave 5A), $63 million

- □ Maitland Railway and Pacific Highway Upgrade, $23 million

- ■ Central Coast Highway Upgrade: West Gosford, $64 million
- □ Wyong Road Intersection Upgrade, $47 million

- ■ Northern Airport Precinct Infrastructure, $22 million
- □ Sydney Airport Project 2B and 2C, $35 million
- □ Narellan Road Upgrade, $60 million
- □ Showground Road Upgrade, $21 million

- □ Green Square Trunk Stormwater Drain, $25 million

- ■ Great Western Highway: Bullaburra East Upgrade, $51 million
- □ Great Western Highway: Hartley Valley to Forty Bends Upgrade, $104 million
- □ Nepean River Bridge, $31 million

- ■ Alphington Trunk Sewer, $11 million

- ■ Roy Hill Mine, $11 million

- ■ Dawesville PS7, $20 million
- ■ Busselton, $15 million
- □ City Beach Sewerage Infill, $5 million
- □ Halls Head Infill Sewer Project, $7 million

LEGEND

- ■ Civil infrastructure projects >$8m completed in FY16
- □ Civil infrastructure projects >$8m awarded or in progress during FY16
- ■ Utilities infrastructure >$2m completed in FY16
- □ Utilities infrastructure projects >$2m awarded or in progress during FY16

Locations on map are indicative only

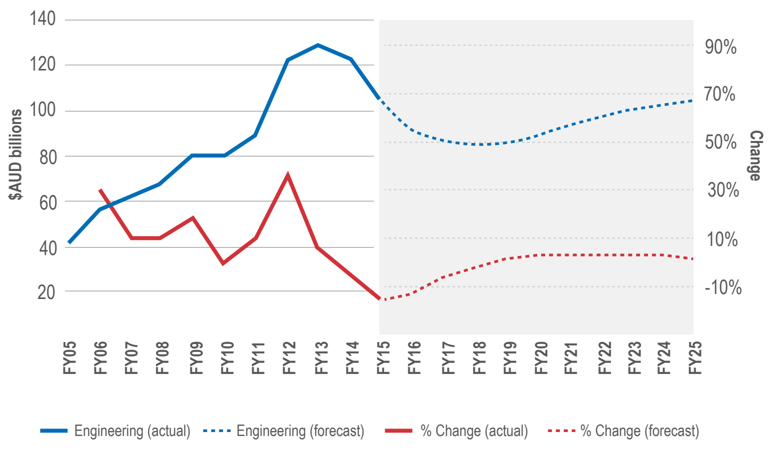
MARKET OUTLOOK

SECTOR RECOVERY BY FY18

Activity in the Australian engineering and construction sector remains subdued but is expected to increase again from FY18.

AUSTRALIAN ENGINEERING AND CONSTRUCTION SECTOR

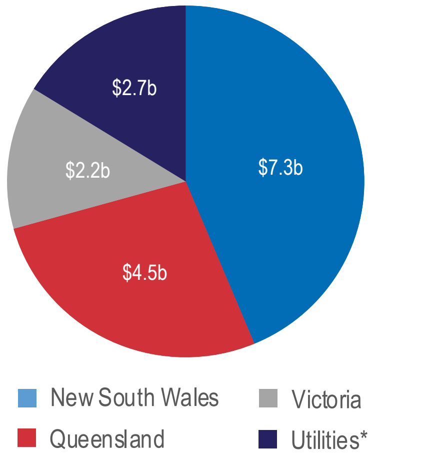
Source: Australian Construction Industry Forum. *Australian Construction Market Report: November 2015*



POSITIVE OUTLOOK FOR CONTESTABLE MARKET

Our total contestable market within a predominantly four-year horizon is approximately $16.7 billion.

CONTESTABLE MARKET

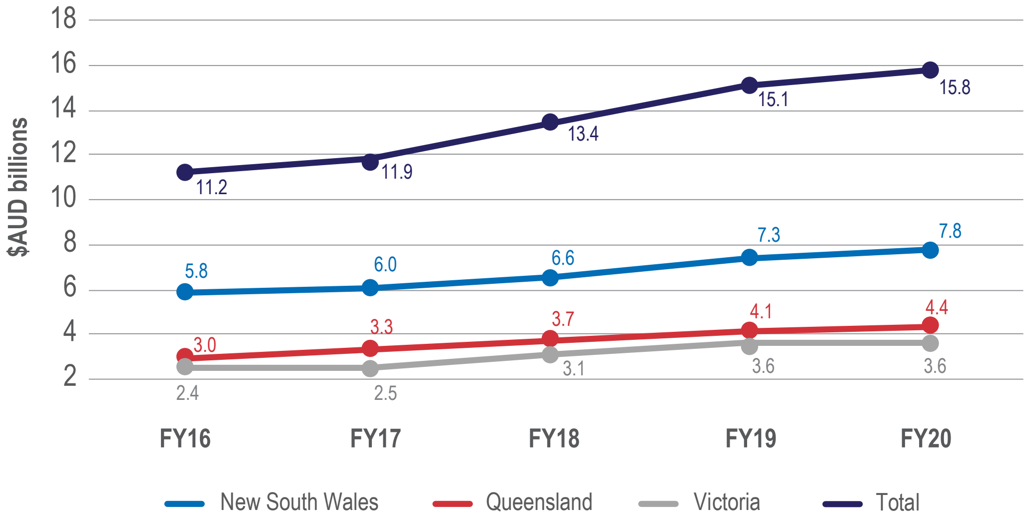


Utilities contestable market represented as a national figure

OPPORTUNITIES IN OUR CORE CAPABILITY AREA OF ROAD CONSTRUCTION CONTINUES TO GROW

New South Wales has a strong project outlook for the next five years with Victoria ramping up during FY17. While opportunities exist in Queensland, activity levels in the state are not expected to improve fully until FY19. Western Australia is suffering from increased roads competition due to the downturn in mining investment.

POTENTIAL ROADS MARKET
New South Wales, Queensland and Victoria



2020 STRATEGIC PLAN

Given the positive industry outlook, Seymour Whyte has the opportunity to expand the critical mass of our business to deliver improved returns to our shareholders, a more sustainable fixed cost structure and greater opportunities for our people. As such, our *2020 Strategic Plan* outlines the strategic direction for the business for the next four years.

Seymour Whyte aims to become a leading infrastructure business by 2020, selectively competing in the Tier 1 space while leveraging our competitive advantages as a Tier 2 contractor.

→ Seek out **opportunities in the $200 to $500 million** contract sum range

→ Pursue **strategic joint ventures** to build capability and leverage our balance sheet

→ Continue **diversifying into new regions** and sectors

→ **Grow utilities division** focusing on partnerships with our civil division

→ **Stay true to our values** of safe delivery, nimble and agile, disciplined, reputable, creative and collaborative

→ Recruit and **develop skilled people** to meet the needs of our growing business

→ **Improve efficiencies** in project delivery

SUSTAINABLE DELIVERY

Seymour Whyte will achieve the goals of our *2020 Strategic Plan* through a socially responsible approach. As the business grows, we will continue to achieve sustainable outcomes through collaboration with key stakeholders:

- **Employees:** Attracting, developing and retaining quality people
- **Safety:** Targeting zero harm
- **Environment:** Minimising our environmental footprint
- **Communities:** Engaging with and contributing to the communities in which we operate
- **Clients:** Building and maintaining long-term partnerships
- **Suppliers:** Interacting fairly, with a long term view

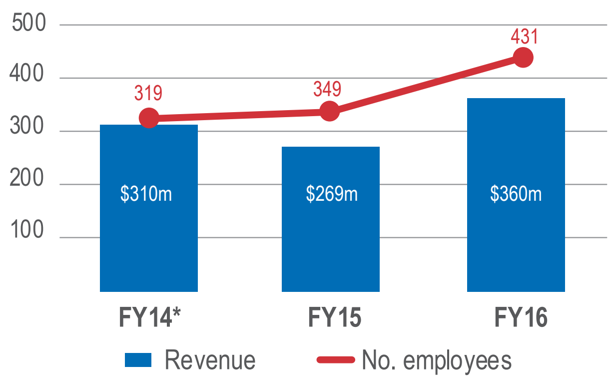
PEOPLE

The core of Seymour Whyte's success is our competent, committed employees who embody the Company's values of safe delivery, nimble and agile, disciplined, reputable, creative and collaborative.

The past year has seen employee levels grow significantly, driven by the Group's strategic investment to build the business. Employee numbers increased by 24% from 349 to 431 in the second half of FY16 to support operational expansion and grow business development capabilities.

The rising infrastructure activity in New South Wales has resulted in increasing competition for quality candidates. The Group recognises this is a potential issue and has taken steps to ensure we remain an employer of choice. We balance salaries that enable us to attract high calibre candidates with the need to maintain operational competitiveness, while investing in employee engagement and development to retain our people.

EMPLOYEE LEVELS



Rob Carr Pty Ltd was acquired in February 2014 and only contributed four months of revenue

Key appointments

Key appointments in FY16 include:

- Operations Manager to lead business development in Victoria
- National Design Manager to boost our design capability and enable the civil infrastructure business to compete for more design and construct projects
- Group Information Systems Manager to ensure the Group's IT capability keeps pace with the growth of our operations
- Business Development Manager for the utilities infrastructure business to build client and geographical bases
- specialised technical support for tenders and proposals.

Onboarding initiatives

With such rapid growth comes the risk of eroding the Group's high performance team culture. To counter this risk, the Group utilises staff referrals (which increases the likelihood of attracting potential employees who share our values) as a key sourcing strategy. We have also implemented a comprehensive onboarding program to help new employees align with our culture as quickly as possible. Initiatives include:

- blended teams (consisting of current and new employees)
- project-based workshops to gather employee feedback
- customised induction program for selected role types
- a mentoring program to team up new employees with more experienced employees.

Employee engagement initiatives

Initiatives to develop, motivate and ultimately retain current employees are ongoing, to minimise the risk of staff turnover as pressure to deliver increases with growth.

New initiatives that will be launched in FY17 include:

- a graduate program to build our core construction engineering capability
- a program to develop and promote leading hands to supervisor level
- training programs that include engineering competencies and e-learning modules to ensure our teams' skills are up to date and continue to be industry relevant.

We have also undertaken steps to align employee incentives to project performance, and have simplified the incentives based on employee feedback.

SAFETY

Seymour Whyte continues to target zero harm through continuous improvement and leadership by example. This is particularly important given the Group's accelerated growth over the past year and large influx of new employees.

We continue to drive safety improvement throughout the business. Initiatives to support this include tracking and reporting on individual safety lead key performance indicators, weekly safety performance reviews, and industry leading training to ensure employees are well equipped with skills in incident investigation and management.

FY16 highlights

- Ongoing journey of improvement during the year, evidenced by an impressive 54% improvement on the Group's Total Recordable Injury Frequency Rate (TRIFR) since FY12
- Successful integration of the Group's safety systems across our utilities division, resulting in a 69% improvement on their TRIFR since FY14
- Participation of all safety critical roles from leading hands through to managers in the Group's safety leadership program Safe Steps
- Implementation of award winning mobile system across all projects, which will streamline safety functions in the field.

Awards

- North Coast Batter Stabilisation Project awarded the Arthur. J. Gallagher Excellence in Safety Award at Queensland Civil Contractors Federation 2015 Earth Awards
- ABA100 Award for Innovation – 2015 Winner for mobile platform development.

Will MacDonald, Operations Manager - Northern (middle) and Sean Donald, Construction Manager, accept safety excellence award from Deputy Premier of Queensland Jackie Trad at the 2015 Queensland CCF Earth Awards.

CASE STUDY

OPTIMISING TECHNOLOGY TO ACHIEVE ZERO HARM

"This technology has enhanced communication and reduced the gap between management and employees in the field."

Launched in FY15, Seymour Whyte's award winning mobile system has been enthusiastically embraced by employees in the field and are now fully implemented across all projects. This roll-out has not only streamlined business processes to deliver higher productivity gains in a competitive market, it has also enhanced communication between management and site-based employees to reinforce our safety culture.

The system uses a proprietary mobile technology, iForm, which replaces paper-based processes by allowing employees to enter information directly to the Group's database while on site. Employees are also able to add multimedia such as photos or sketches using the camera on their mobile devices. In addition, they are able to generate and assign actions to individuals while on site, which often results in quick resolution. With the immediacy of on-site reporting, visibility is greatly improved and allows management to make decisions based on real-time information instead of waiting for reports to be generated.

This technology has also enhanced communication and helped close the gap between management and employees in the field. The iLEAD—intent, Look and observe, Engage, Ask questions and Discuss consequences and actions—conversations using mobile devices allows for brief but regular interaction between safety leaders and workers. iLEAD conversations are used as tools for positive reinforcement or encouraging improvement. Any actions resulting from the conversations are pushed to the site database, and will trigger reminders to ensure actions are closed out.

Improvements to our safety management system will be ongoing as the technology matures and as we keep pace with changing project requirements.


SCI QUAL INTERNATIONAL

Sci Qual International Pty Ltd

Hereby grants this

Quality Management System & Environmental Management System 15 Year Silver Award

To

Seymour Whyte Constructions Pty Ltd

This award is granted in recognition of the efforts this organisation has made in the management of their Quality & Environmental Systems over the past 15 years.

Ben White

A simplified certification process. Guaranteed.

ENVIRONMENT

Environmental management remains a top priority for Seymour Whyte. We work to minimise environmental risk while enhancing sustainability outcomes during all phases of the project.

During the planning and execution phases, we work collaboratively with our clients and partners to ensure design and construction methodologies have minimal environment impacts. We also use our innovative mobile technology to increase the efficiency of our site inspection and environmental monitoring capabilities. We are committed to ensuring that we leave a positive legacy when projects are completed.

FY16 highlights

- The Group achieved zero Class 1 (significant environmental impact/harm) incidents
- No fines or prosecutions for breaches of environmental legislation
- Comprehensive internal audits to ensure compliance with the Group's environmental management system.

Awards

- Milestone certificate for 15 years of continuous compliance to both ISO 9001 and ISO 14001 environmental and quality management certification

CASE STUDY

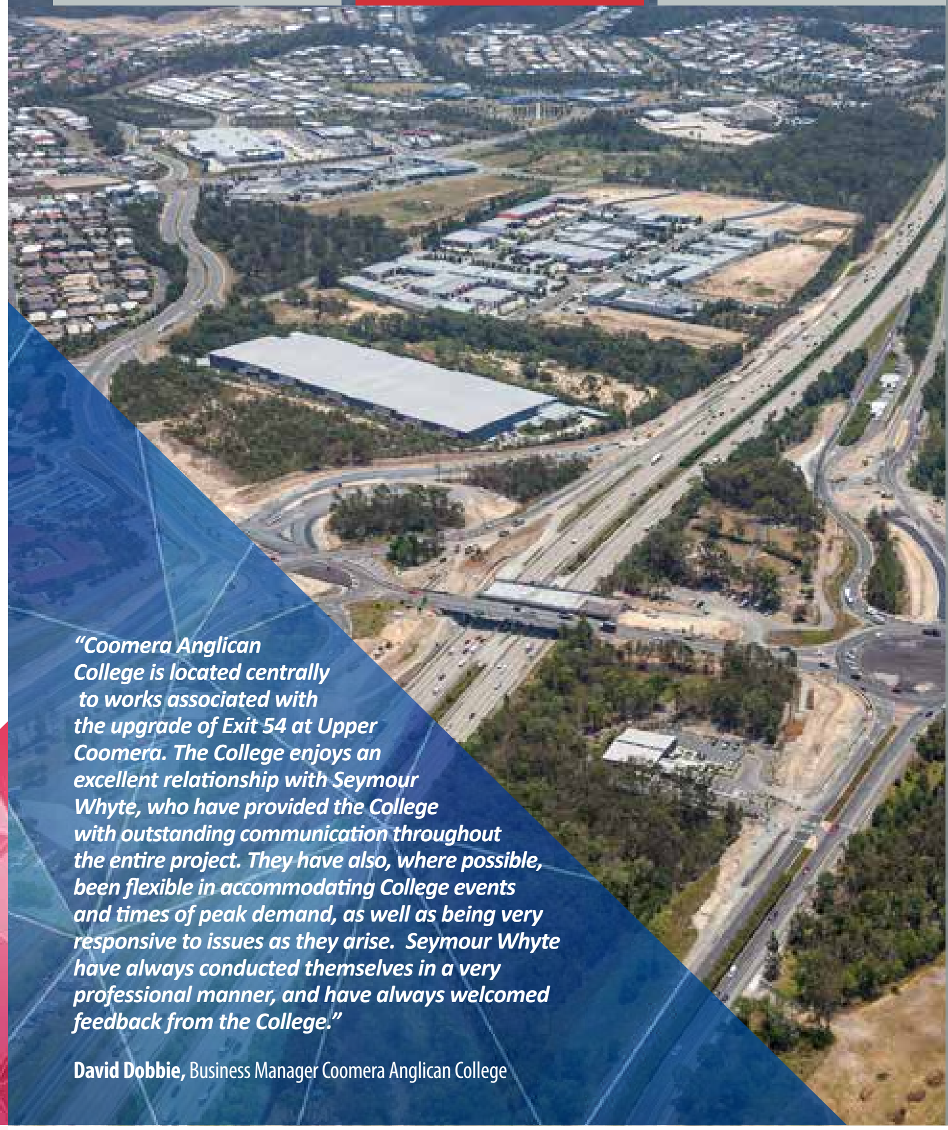
THOROUGH PLANNING BRINGS POSITIVE ENVIRONMENTAL OUTCOMES

The Wyong Road and Pacific Highway Upgrade is adjacent to wetlands and other sensitive environments. The team has demonstrated the benefits of taking an integrated approach to planning construction works, which has resulted in quality environmental controls that have not only produced positive outcomes, but also improved construction productivity.

Early in the project, the team focused on areas such as installation of clean water diversions and permanent drainage, identifying clear delineation of the Review of Environmental Factors boundaries and their conflict with design, and providing design input for improving ground conditions. As construction progressed, ground disturbance was contained within approved limits, erosion and sedimentation and acid sulphate soil risks were reduced, and the site could cope with most wet weather events with almost no downtime for construction.

Other initiatives included:

- mobile trailer-mounted units to effectively dewater work areas after rainfall
- temporary solar powered street lighting for energy efficiency
- minimisation of disturbance to significant flora species (melaleuca biconvexa) through careful planning and staging
- use of a 'silt buster' during piling works to treat construction water, which was reused or discharged
- construction of permanent noise walls earlier in the program to provide noise mitigation for residents during construction.



"Coomera Anglican College is located centrally to works associated with the upgrade of Exit 54 at Upper Coomera. The College enjoys an excellent relationship with Seymour Whyte, who have provided the College with outstanding communication throughout the entire project. They have also, where possible, been flexible in accommodating College events and times of peak demand, as well as being very responsive to issues as they arise. Seymour Whyte have always conducted themselves in a very professional manner, and have always welcomed feedback from the College."

David Dobbie, Business Manager Coomera Anglican College

Pacific Motorway Coomera Interchange (Exit 54) Upgrade

ONLINE COMMUNICATIONS ENHANCE ENGAGEMENT

After a successful community campaign to fund the Pacific Motorway Coomera Interchange (Exit 54) Upgrade, the project was finally launched in August 2015. The local community is well connected and active on social media, and the project team leveraged existing networks to establish trust and communicate with them. Since the start of construction, the project team has implemented 12 traffic switches as they constructed a new bridge over the motorway and a new loop ramp, upgraded two existing roundabouts into signalised intersections, and extended the motorway's on and off-ramps. With 30,000 traffic movements a day through the interchange – and 140,000 vehicles going through the site on the M1 – it was imperative for the project team to communicate effectively with motorists to minimise traffic impacts.

In addition to using traditional methods of communication such as variable message signboards, direct email to subscribers, SMS text messaging and notifications in letterboxes, the project team leveraged the community's social networks, extending their communication reach to more than 30,000 social media users. Local groups and organisations such as the Coomera Community Page, Coomera Anglican College, Coomera Waters, Coomera Springs State School and elected representatives have participated in disseminating project information to their connections.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Seymour Whyte is committed to engaging with communities and stakeholders impacted by our operations. We deliver on this commitment through open, two-way communication and working with them to identify issues and achieve resolutions.

We proactively engage with the communities where we operate to foster positive relationships and minimise the impact of construction activities. We collaborate with stakeholders, often partnering with them to achieve positive outcomes..

FY16 highlights

- Ongoing partnership with Cerebral Palsy League (CPL) through the Metal for Mobility initiative, where funds raised from scrap metal recycling is donated to CPL's local not-for-profit partner. This year, Northcott was the beneficiary in the New South Wales Central Coast region. Northcott distributed funds from recycling from our West Gosford Project to provide services and support for people with disabilities, their families and carers
- Ongoing partnership between Seymour Whyte, the Peta Seymour Foundation and the University of Queensland to sponsor the 2015 Seymour Whyte Distinguished Visiting Scholar Program for women in engineering—the program was taken up by more than 200 participants over a four-day period
- Continuing sponsorship with Queensland Music Festival to engage with and enhance learning experiences for Cape York and Yarrabah indigenous communities through music
- Participation in Power of Engineering events in Dalby, Western Queensland and Sydney, where our engineers reached out to high school students to encourage them to take up careers in science, technology, engineering and mathematics.

Awards

- Smith Street Motorway and Olsen Avenue Interchange Upgrade Project awarded finalist in the Community Relations category of the Public Relations Institute of Australia's 2015 Queensland Awards

DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated entity consisting of Seymour Whyte Limited (the Company) and the subsidiaries it controlled at the end of, or during, the year ended 30 June 2016 (Reporting Period). Throughout the report the consolidated entity is referred to as the Group.

CURRENT DIRECTORS

From Left to Right. *David Wilson, Don Mackay, Susan Johnston, Rob Carr, Christopher Greig, Mac Drysdale, John Kirkwood, and John Seymour*

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

MAC DRYSDALE	
Role	Chairman, Independent, Non-Executive Director Member, Audit and Risk Committee
Biography	As a Director and Chairman of the Board since 2007, Mac has played a key role in the strategy development and growth of Seymour Whyte. Mac is a highly respected executive with a strong history as a Director and Chairman. Mac has served on the boards of Country Road Australia Ltd (Chairman), Country Road U.S.A Ltd and Mitre 10 Ltd. Currently Mac is Chairman of four private company advisory boards. These companies are in the transport, finance and horticulture industries. Mac is also a board member of the Children's Hospital Foundation. With a long family history of grazing in Western Queensland, Mac continues to operate organic grazing properties in the Augathella region.
Appointed	1 July 2007
Year of next scheduled re-election	2017
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director, Seymour Whyte Constructions Pty Ltd (from 1 July 2007) Chairman, private company advisory boards operating in the logistics and horticultural industries
Legal or disciplinary action	Nil
Insolvent companies	Nil

JOHN KIRKWOOD	
Role	Managing Director
Biography	John was appointed Managing Director on 26 October 2015. John is a senior construction professional with significant and highly regarded experience in the engineering and building construction industries with a unique combination of technical and commercial skills. John was most recently Executive General Manager Western at Leighton Contractors, and previously held senior roles within Abigroup Contractors, including four years as National Operations Director responsible for all business operations across Australia, spanning civil infrastructure, resources and utilities. John has over 20 years in site-based roles and 18 years in senior managerial positions.
Appointed	26 October 2015
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director, Rob Carr Pty Ltd (from 26 October 2015); and Director, Seymour Whyte Constructions Pty Ltd (from 26 October 2015)
Legal or disciplinary action	Nil
Insolvent companies	Nil

JOHN SEYMOUR	
Role	Non-Executive Director Member, Nomination and Remuneration Committee
Biography	John, along with Garry Whyte, established the Seymour Whyte Group of companies in 1987. Since 2003 John has sat on the board as a Founding Director and a major shareholder of the Company. With over 40 years in civil engineering John's understanding of the industry, his experience with major clients and his engineering knowledge is invaluable to the company's strategic planning of Seymour Whyte today. John is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institution of Engineers and has played an active role in industry bodies such as the Civil Contractors Federation (past President of the Queensland branch) and was inducted in to the QUT Contractors' Hall of Fame in 2006.
Appointed	16 July 2003
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director, Seymour Whyte Constructions Pty Ltd (from 16 July 2003)
Legal or disciplinary action	Nil
Insolvent companies	Nil

DON MACKAY	
Role	Independent, Non-Executive Director Chairman, Audit and Risk Committee
Biography	Don has a successful track record with his role as CEO and Managing Director of Australian Agricultural Company Limited, where he played key roles in business growth, international expansion and capital raising. As General Manager of Elders Limited (NSW), Don influenced the transformation of the business into a high performing industry leader. Don holds a University of New South Wales Graduate Management Qualification. Don is also a member of the Australian Institute of Company Directors and in 2001 was awarded the Centenary Medal by the Prime Minister of Australia for Distinguished Service to Primary Industry. He currently sits on the QIC Agribusiness Advisory Board.
Appointed	1 February 2009
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director, Seymour Whyte Constructions Pty Ltd (from 1 February 2009); Director, Rob Carr Pty Ltd (from 25 February 2014), Managing Director Rangers Valley Cattle Station Pty Ltd, Chairman B&W Rural Pty Ltd, Director Thames Pastoral Co Pty Ltd
Legal or disciplinary action	Nil
Insolvent companies	Nil

SUSAN JOHNSTON	
Role	Independent, Non-Executive Director Member, Audit and Risk Committee (until 26 October 2015) Member, Nomination and Remuneration Committee
Biography	Susan brings more than 20 years' experience in senior management and policy advisory roles in the resources and energy sector. Susan also has more than 10 years' experience as a company Director. Her experience includes two years as CEO of the Queensland Resources Council and seven years as a Director of Tarong Energy Corporation Limited and senior executive positions at Anglo American and the Australian Coal Association. Susan has a strong background in safety, including as Head of Safety and Sustainable Development (Australia) at Anglo American Metallurgical Coal Pty Ltd. Susan is the former Chair of the Children's Health Queensland Hospital and Health Service Board having held the position for just over three years. Susan has degrees in Arts and Law from the University of Queensland and is a Graduate of the Australian Institute of Company Directors.
Appointed	1 September 2011
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director, Seymour Whyte Constructions Pty Ltd (from 1 September 2011)
Legal or disciplinary action	Nil
Insolvent companies	Nil

CHRISTOPHER GREIG	
Role	Independent, Non-Executive Director Chairman, Nomination and Remuneration Committee
Biography	Chris has held senior executive and Director roles in construction, mining and energy industries both in Australia and abroad over a career spanning 25 years including STG-FCB (as founder), JJ McDonald Group, Ensham Resources, ZeroGen, Western Metals, International Energy Centre, LogiCamms and Golding Contractors. He has Bachelors, Masters and PhD degrees in Engineering from the University of Queensland and is a Fellow of the Academy of Technological Sciences and Engineering.
Appointed	1 January 2014
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director Seymour Whyte Constructions Pty Ltd (from 1 January 2014), Haald Engineering Pty Ltd (from 20 October 2008)
Legal or disciplinary action	Nil
Insolvent companies	Nil

DAVID WILSON	
Role	Independent, Non-Executive Director Member, Audit and Risk Committee (from 26 October 2015) Acting Managing Director and Chief Executive Officer (for the period 28 July 2015 until 26 October 2015)
Biography	David is a civil engineer with over 40 years' experience across the resources, utilities and transport infrastructure sectors, which was gained through senior executive roles with a number of recognised multinational companies. This includes more than 14 years as General Manager and Executive General Manager at Leighton Contractors across various divisions including Engineering, Services, Building, Civil Infrastructure and Special Tasks in both Australia and New Zealand. In this capacity David was also responsible for major interim management roles for the West Australian businesses, including the sale of a mining business to BHP Billiton. With the Concor Group of Companies, a public company incorporated in the Republic of South Africa, David spent 12 years in various senior roles including five years as Group Managing Director and CEO. David is currently the sole Director of Dew Course Pty Ltd, which provides a broad range of commercial, contract management and leadership services to the infrastructure industry focusing on acquisition and sales, dispute resolution and interim executive management services.

DAVID WILSON	
Appointed	1 July 2015
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director Seymour Whyte Constructions Pty Ltd (from 1 July 2015); Director Dew Course Pty Ltd
Legal or disciplinary action	Nil
Insolvent companies	Nil

ROB CARR	
Role	Executive Director, Chief Executive, Rob Carr Pty Ltd (In December 2016, Mr Carr will cease employment as Chief Executive, Rob Carr Pty Ltd. Mr Carr will remain on the Board as a Non-Executive Director)
Biography	Rob is the business founder, and Chief Executive of Rob Carr Pty Ltd, a wholly owned subsidiary of Seymour Whyte Limited, acquired in February 2014. His work to date has involved the delivery of water, sewer and drainage infrastructure projects for close to 25 years. His direct experience and involvement with micro-tunnelling projects now runs to just over 17 years. Rob has been directly involved with the construction of hundreds of kilometres of pipeline (sewer, water and drainage) and various civil (deep shaft and concrete structures), mechanical and electrical work involving a range of public authorities and private entities throughout Australia.
Appointed	Executive Director - 29 April 2014 Chief Executive, Rob Carr Pty Ltd - 25 February 2014 (until December 2016)
Current directorships of listed entities and dates of office	Nil
Directorships of listed entities over the past three years and dates of office	Nil
Other current principal directorships	Director, Rob Carr Pty Ltd (from 19 April 1989); Director Seymour Whyte Constructions Pty Ltd (from 29 April 2014)
Legal or disciplinary action	Nil
Insolvent companies	Nil

ALTERNATE DIRECTOR

John Ready was appointed on 26 November 2014 as John Seymour's alternate. John Ready is a former Independent, Non-Executive Director of the Company. John retired as a Director of the Company on 26 November 2014. John has 48 years' experience as a civil engineer and 40 years' experience in civil engineering contracting including roles in project management, senior level corporate management and as an owner operator.

COMPANY SECRETARY

Lisa Dalton (B.App.Sc, M.App.Sc, LLB (Hons), FAICD, FCIS, FGIA) held the position of company secretary during the Reporting Period and until 26 July 2016.

On 26 July 2016, Amy Deeb LLB (Hons), B Comm was appointed company secretary. Amy is an experienced governance professional with more than 20 years' experience providing corporate and commercial advice to the public and private sector.

MEETINGS OF DIRECTORS

The number of meetings of Directors and committees held during the year ended 30 June 2016 and the number of meetings attended by each Director were:

	Full Board		Audit & Risk Committee		Nomination and Remuneration Committee	
Appointed	Attended	Held	Attended	Held	Attended	Held
Mac Drysdale	14	14	7	7	-	-
John Kirkwood[1]	8	8	-	-	-	-
Don Mackay	14	14	7	7	-	-
John Seymour[2]	14	14	-	-	2	4
Susan Johnston[3]	12	14	3	3	4	4
Christopher Greig	13	14	-	-	4	4
David Wilson[4]	14	14	5	5	-	-
Robert Carr	11	14	-	-	-	-

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

1. John Kirkwood was appointed Managing Director on 26 October 2015 and attended meetings of the Audit and Risk Committee and the Nomination and Remuneration Committee as an invitee.
2. Meetings attended by John Seymour include one meeting attended by Mr Seymour's alternate, Mr John Ready.
3. Susan Johnston held the position as committee member of the Audit and Risk Committee until 26 October 2015.
4. David Wilson was appointed to the Audit and Risk Committee on 26 October 2015

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support and have followed the third edition of the ASX Corporate Governance Principles and Recommendations. The Company's Corporate Governance Statement for the period ended 30 June 2016, as approved by the Board on 23 August 2016 is available on the corporate governance section of the Company's website at www.seymourwhyte.com.au.

PRINCIPAL ACTIVITIES

During the year the principal activities of the Group were construction activities in civil and utilities infrastructure across a number of industries. There has been no changes to the nature of these activities during the year.

The Group has two distinct operating divisions.

Civil Infrastructure	Utilities Infrastructure
Delivering creative and innovative civil infrastructure solutions for complex projects.	Advanced technical capabilities within the utilities infrastructure sector providing multidisciplinary utilities service offering to drive new business opportunities.
■ Rail ■ Aviation ■ Roads ■ Bridges ■ Marine	■ Water ■ Energy ■ Power ■ Resources

OPERATING AND FINANCIAL REVIEW

		FY16	FY15
Revenue	$m	360.7	269.8
EBITDA	$m	5.9	17.3
EBITDA Margin	%	1.6	6.4
NPAT	$m	1.3	9.9

		FY16	FY15
NPAT Margin	%	0.4	3.7
EPS	(cps)	1.4	11.3
DPS	(cps)	1.75	8.0

Overview

The Group achieved total revenue of $360.7 million in FY16, an increase of 33.7% compared to the prior year. With the benefit of an increased order book at the commencement of the year, the Group was able to generate the strong increase in revenue across 35 projects and 17 clients.

The majority of revenue was generated through sole-performed projects including the two largest in the Company's history being the Townsville Ring Road (Section 4) Project and on the Great Western Highway:Hartley Valley to Forty Bends Upgrade in the NSW Blue Mountains.

Operational margins have been tight, with increased competition across the sector for a smaller pool of projects predominantly in Queensland, with the resulting decrease in winning tender margins continuing to put pressure on the industry. Four projects in the year experienced cost overruns which had a significant impact on the current year profitability. Further impacting the operational result were delays experienced due to external factors, deferring revenue into the next financial year.

These challenges resulted in a net profit after tax of $1.3 million compared to $9.9 million in the prior year with the effect on the earnings per share resulting in the Directors determining to not declare a final dividend.

Segment Performance

The Group's two operating divisions experienced contrasting financial performance compared to the respective prior year results. Despite the civil infrastructure division achieving a 43.5% increase in revenue, a significant deterioration in the operating profit was sustained whilst the utilities division achieved a considerable increase in operating profit of 49.8%.

		Civil Infrastructure		Utilities Infrastructure	
		FY16	FY15	FY16	FY15
Revenue	$m	306.9	213.9	71.3[1]	60.0
EBITDA	$m	4.4	18.3	11.2	8.0
Operating Profit	$m	2.9	16.3	8.7	5.8
Operating Profit Margin	%	0.9	7.5	12.2	9.7

1. Revenue in utilities division shown prior to intercompany elimination of $18.1 million (2015: $4.7 million)

Civil Infrastructure

The civil division ended the year with an operating profit of $2.9 million compared to $16.3 million in the prior year. The prior year was characterised by challenging market conditions in the engineering and construction sector putting pressure on tendered margins awarded which has continued to a lesser extent in FY16. For the civil division a few of these projects tendered in the prior year eventuated into loss-making projects in the current year.

The civil infrastructure division continued to expand in New South Wales (NSW), with revenue in NSW doubling from that in the prior year and contributing to 45% of the civil division revenue. This is largely due to the increased state government investment in infrastructure and the successful diversification into the airport and water sectors.

The civil infrastructure division is also well positioned in Victoria. Having spent the past 12 months establishing the business, the division submitted expressions of interest for six projects in late FY16. To date, four have progressed to the next stage with outcomes on the remaining two still to be determined. The focus in FY17 is to win and execute small but strategically important projects to build capacity and a positive track record in the roads and airport infrastructure space.

Even as momentum increased in the NSW and Victorian engineering and construction sector, Queensland continued to offer solid opportunities.

In Queensland, the state government remains a key client and the business continues to strengthen its relationship through solid project performance evidenced by award of additional scope works and new projects following the ongoing success of the Townsville Ring Road Section 4 project.

While state government clients continue to be the mainstay of revenue contribution, the division continues to minimise reliance on any one client group through the pursuit of private sector opportunities to reduce exposure to volatility in any particular division risk.

Utilities Infrastructure

Revenue from the utilities division increased by 18.9% to $71.3m largely due to increased scope on the Green Square Trunk Stormwater Drain Project in New South Wales. The utilities division contributed $8.7m to the Group's result, a 49.8% increase on the prior year.

The division produced strong performance despite a number of challenges including a subdued market in Western Australia (with only two notable projects awarded late in the year), a loss-making project and some project delays caused by difficult ground conditions.

The division was awarded 17 new projects worth $45 million in FY16, resulting from strong tendering activity. New project awards were mainly in south-east Queensland and Western Australia. The order book is currently at $40 million, which is relatively consistent with the prior comparable period.

A key focus in the utilities division over the year was to improve safety performance resulting in a noteworthy achievement of a 69% reduction in its total recordable injury frequency rate since FY14.

Further discussion of the operational performance of the Group can be found on Financial and Operational section of the Annual Report on pages 8 to 11.

Financial Position

Net assets of the Group were $64.0 million at 30 June 2016, with net tangible assets of $48.8 representing a net tangible asset backing of 55.5 cents per share.

The Group ended the year with $35.3 million of cash in the bank. The decrease of $6.9 million over the year was largely due to the $7.0 million paid in dividends to shareholders during the same period.

The Group's strategy is to retain appropriate levels of cash to support pre-qualification requirements and the funding of upfront tendering costs and early project mobilisation costs until projects are in a net cash positive position. Operational cashflow is closely monitored on a project by project basis and reviewed at each monthly project meeting.

With over half of the net assets of the Group in cash and net cash after debt remaining over $30 million the Group remains in a sound position to see through the current industry challenges. The Group also has additional liquidity through access to a $10 million working capital facility, which remains undrawn and fully available for use at the reporting date.

Outlook

Looking forward, the Group is investing significantly in high quality personnel, and design and construct tendering activity in line with the *2020 Strategic Plan*, particularly in the first half of FY17. Further details relating to the revised strategy can be found on page 15 of the Annual Report.

During this same period, the two remaining loss making projects and a few contracts that remain at low margins will have a residual impact on profit margins. These projects will be closed out by the end of the first half of 2017.

Significant Changes in the State of Affairs

Other than matters dealt with in this report there were no significant changes in the state of affairs of the Group during the Reporting Period.

DIVIDENDS

Dividends declared and paid by the Company since the end of the previous financial year were:

Description	Cents per share	Total amount	Date of payment
2015 Final Dividend	6.25	5,485,617	16 October 2015
2016 Interim Dividend	1.75	1,535,974	8 April 2016
Total Amount		7,021,591	

The Board has not declared a final ordinary dividend for the year ended 30 June 2016.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

On 11 July 2016, Mr Robert Carr tendered his resignation as the Chief Executive of the Group's utilities division. Mr Carr will continue to serve on the Board as a Non-Executive Director after he ceases employment in December 2016.

On 26 July 2016, Ms Lisa Dalton tendered her resignation as the Group's Company Secretary. Ms Dalton ceased employment with the Company on the 29 July 2016. Ms Amy Deeb was appointed as the Company Secretary 26 July 2016.

At the date of signing this report the Directors are not aware of any other matters, which in the opinion of the Directors, have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS, BUSINESS STRATEGIES, DEVELOPMENTS AND EXPECTED RESULTS

During the year, the Group developed a '*2020 Strategic Plan*' with the vision to selectively compete in the Tier One space while leveraging its competitive advantages as a Tier Two contractor. Underpinning the strategy is the substantial growth that is forecast to be spent over the next 4-5 years in the Group's core business offering in the road market.

The Group continues to seek diversification into new regions and sectors, pursue strategic joint ventures with reputable contractors and focus on opportunities for internal joint ventures between the civil and utilities division. The objective is to achieve profitable, sustainable growth deliver improved shareholder returns, a more robust fixed cost structure and greater opportunities for employees.

Business strategies and likely major developments in the Group's operations in future financial years and the expected results of those operations are also discussed on pages 8 to 15 of the Annual Report. Further information on business strategies and prospects for future financial years and likely developments in operations and anticipated results of operations have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

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

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

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was substantially achieved across the operations during the year. One of the Group's subsidiaries Seymour Whyte Constructions Pty Ltd, experienced two minor incidents during the year with warnings being received but no fines or prosecutions imposed.

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

INDEMNITY AND INSURANCE OF OFFICERS

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

PERFORMANCE RIGHTS OUTSTANDING

As at the date of this report the total Performance Rights outstanding in relation to Seymour Whyte ordinary shares and associated terms and conditions are summarised in the table below. All Performance Rights are issued pursuant to the Employee Share Option Plan (ESOP) approved by shareholders at the 2011 and 2014 Annual General Meetings. Performance Rights are granted with a zero exercise price. Further information on the ESOP, hurdles, vesting profiles and fair value of the grants for Key Management Personnel is summarised in the Remuneration Report on pages 29 to 41.

					Hurdles			
		Key Dates			Performance			Service
ESOP category[1]	Performance Rights Outstanding	Grant Date	Vesting Date	Expiry Date	NPAT Tranche	TSR Ranking Tranche	EPS Growth Tranche	Continually employed to
Performance Rights								
FY14 LTIP	1,125,773	8-Oct-13[2]	1-Sep-16	1-Mar-17	25%	37.5%	37.5%	15-Aug-16
FY15 LTIP	545,058	10-Feb-15	1-Sep-17	1-Mar-18	n/a	50%	50%	15-Aug-17
FY16 LTIP	1,350,749	6-Jan-16	1-Sept-18	1-Mar-19	n/a	50%	50%	15 Aug-18
Retention Rights								
FY14 Retention	250,561	14-Feb-14	1-Mar-17	1-Sep-17	-	-	-	15-Feb-17
RCPL Retention 2	61,385	12-May-14	1-Sep-16	1-Mar-17	-	-	-	30-Jun-16
Robert Carr Retention 2	74,390	26 Nov 14	1-Sep-16	1-Mar-17	-	-	-	30-Jun-16

1. FY17 LTIP offers will be made after the date of this report. The FY17 LTIP will have a performance period commencing 1 July 2016 and ending on 30 June 2019. Performance conditions for the FY17 LTIP are TSR ranking and EPS growth and are summarised on page 35.
2. A tranche of FY14 LTIP's was also granted to new starters on 7 May 2014.

The five most highly remunerated officers during the Reporting Period based on annualised fixed remuneration were the two Executive Directors and three of the five Senior Executives whose remuneration arrangements, including equity grants, are described in the remuneration report on pages 29 to 41.

Securities purchased on market to satisfy requirements of employee incentive scheme

During the Reporting Period 2,218,567 ordinary shares were purchased on market, during open trading windows over a six- month period by the Seymour Whyte Share Plan Trust to satisfy the vesting of performance and retention rights issued under the Employee Share Option Plan. During the Reporting Period, 901,567 ordinary shares were transferred to participants upon exercise of options issued in the Employee Share Option Plan. As at the date of this report, 1,317,500 ordinary shares remain in the trust to satisfy rights under the Employee Share Option Plan expected to vest in September 2016.

The average price per share at which the 2,218,567 fully paid ordinary shares were purchased during the Reporting Period was $1.00 per share.

DIRECTORS' INTERESTS

Director	Ordinary shares	Performance Rights over ordinary shares
Mac Drysdale	175,000	-
John Kirkwood[1]	118,335	271,371
Don Mackay	40,000	-
John Seymour	17,183,981	-
Susan Johnston	-	-
Christopher Greig	-	-
David Wilson	5,000	-
Robert Carr[2]	4,874,390	305,030
John Ready (Alternate Director)	20,000	-

1. 271,371 of the Performance Rights over ordinary shares owned by John Kirkwood are capable of exercise on and from 1 September 2018, subject to continued service and performance measures.
2. 74,390 of the Performance Rights over ordinary shares owned by Robert Carr are capable of exercise on and from 1 September 2016, subject to continued service; 66,489 of the Performance Rights are capable of exercise on and from 1 September 2017, subject to continued service and performance measures; and 164,151 of the Performance Rights are capable of exercise on and from 1 September 2018, subject to continued service and performance measures. Upon Robert Carr ceasing employment as Chief Executive of Rob Carr Pty Ltd in December 2016, 230,640 of the Performance Rights described above will be forfeited due to failure to meet service conditions.

REMUNERATION REPORT (audited)

CONTENTS

INTRODUCTION

The Directors of Seymour Whyte Limited present the FY16 Remuneration Report in accordance with section 300A of the *Corporations Act*. The information provided in this Remuneration Report has been audited as required by section 308 (3C) of the *Corporations Act 2001* (Cth).

Key management personnel

The remuneration report outlines remuneration for those people considered to be Key Management Personnel (KMP) of the Group during the Reporting Period. KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of Seymour Whyte directly or indirectly, including any Director (whether executive or otherwise).

KMP consist of:

- Non-Executive Directors; and
- Executive Directors and senior executives (senior executives).

There were six Non-Executive Directors and eight senior executives who held office during the Reporting Period. The table below summarises details of KMP who held office during the Reporting Period and those holding office at 30 June 2016, their roles and appointment / cessation dates.

Key Management Personnel during the Reporting Period		
Name	Role	Appointment Date
Non-Executive Directors at 30 June 2016		
Mac Drysdale	Chairman, Non-Executive Director	1 July 2007
John Seymour	Non-Executive Director	16 July 2003
Don Mackay	Non-Executive Director	1 February 2009
Susan Johnston	Non-Executive Director	1 September 2011
Chris Greig	Non-Executive Director	1 January 2014
David Wilson	Non-Executive Director	1 July 2015
	Acting Managing Director and CEO	28 July 2015 to 26 October 2015
Alternate Non-Executive Director at 30 June 2016		
John Ready[1]	Alternate Non-Executive Director	26 November 2014
Executive Directors and Senior Executives at 30 June 2016		
John Kirkwood	Managing Director and CEO	26 October 2015
Steve Davies-Evans	National Pre-Contracts Manager	25 July 2003
Nicola Padget	Chief Financial Officer	30 September 2013

Key Management Personnel during the Reporting Period		
Name	Role	Appointment Date
Robert Carr	Chief Executive, Rob Carr Pty Ltd Executive Director, Seymour Whyte Limited	25 February 2014 as Chief Executive 29 April 2014 as Executive Director
Lisa Dalton	Company Secretary	Appointed: 25 February 2014 Ceased: 26 July 2016
Steve Lambert	Regional Manager – Southern	Appointed: 12 January 2015 Appointed KMP: 7 August 2015
Will MacDonald	Operations Manager - Northern	Appointed: 6 January 2014 Appointed KMP: 7 August 2015
Appointed since end of Reporting Period		
Amy Deeb	Company Secretary	Appointed: 26 July 2016 as Company Secretary
Former Senior Executive		
Gary Georgiou[2]	Former General Manager, Construction	Appointed: 1 January 2012 Ceased: 6 August 2015

1. John Ready retired as a Non-Executive Director and was appointed as John Seymour's alternate on 26 November 2014
2. Gary Georgiou ceased employment on 6 August 2015

REMUNERATION GOVERNANCE

The following table represents the framework the Board has in place to establish and review remuneration for KMP and employees of the Group.

Board	Approves the overall remuneration framework and policy, ensuring it is fair, transparent and aligned with long term outcomes
Nomination and Remuneration Committee	NRC is delegated to review and make recommendations to the Board on remuneration policies for Non-Executive Directors, senior executives and all employees including incentive arrangements and awards. The NRC can appoint remuneration consultants and other external advisors to provide independent advice
Management	Management provides information relevant to remuneration decisions and makes recommendations to the NRC.

FY16 EXECUTIVE REMUNERATION FRAMEWORK

Senior Executive Remuneration

Key Management Personnel during the Reporting Period		
Provide for both fixed and performance based remuneration	Provide a remuneration package based on an annual review of employment market conditions, the Group's performance and individual performance	Obtain independent external remuneration advice when required

Align remuneration practices with shareholder value

Components of Executive Remuneration		
Total Fixed Remuneration (TFR)	At Risk Remuneration	
Comprises: ■ Cash salary; ■ Salary sacrificed items; and ■ Employer superannuation contributions in line with statutory obligations	**Annual Bonus** ■ Cash incentive based on meeting a predetermined net profit after tax ('NPAT') target which is set annually. ■ MD/CEO Annual Bonus opportunity is set at a maximum 40% of TFR. ■ Senior Executives opportunity is set at a maximum 30% of TFR **Employee Share Plan (excluding Executive Directors)** ■ Participation in the $1000 Share Plan subject to Plan Rules	**Long Term Incentive Plan** ■ Performance hurdles include Earning Per Share growth and Total Shareholder Return ■ MD/CEO LTIP opportunity is set at a maximum 60% of TFR. ■ Senior Executives opportunity is set to a maximum of between 30-40%.

Managing Director	Fixed 50%	At Risk – Annual Bonus 20%	LTI 30%
Senior Executives	Fixed 59% - 62.5%,	At Risk – Annual 17.5% - 18.75%	LTI 18.75% - 23.5%

	TFR	Annual Bonus	Long Term
Performance Measure	Executive Employment Agreement	■ Profit gate – minimum NPAT is to be reached before operation of the annual bonus plan ■ Corporate goals outlined in the strategic plan (and summarised on page 31 of the Remuneration Report) = 40% ■ Personal goals relevant to area of accountability and 60% linked to Corporate goals	■ Total Shareholder Return ranking against the S&P ASX 200 = 50% ■ Earnings per share growth over the performance period = 50%
Link to performance	Objectives of Seymour Whyte's remuneration policy: ■ Align remuneration practices with sustainable shareholder value ■ Provide fair, consistent and competitive remuneration to attract and retain the best employees ■ Motivate employees to perform in the best interests of the Company and our stakeholders ■ Ensure gender pay equity	■ Rewards corporate financial and non-financial performance. ■ The NPAT gate and financial performance measures were chosen principally because Group profit should drive dividends and share price growth over time. ■ Aligns to Group's strategic goals. Recognises and rewards achievement of strategy implementation relevant to area of accountability ■ Drives leadership performance and behaviours consistent with the Group's values	■ TSR ranking was chosen because it provides a relative, external market performance measure having regard to members of the S&P ASX 200, an aspirational group of peers for Seymour Whyte. This is a key measure for institutional investors. ■ EPS was chosen because it represents a measure of the Company's performance which is more aligned to the management's line of sight and less exposed to externally influenced factors ■ In combination TSR and EPS provide a balance of external and internal measures

COMPANY PERFORMANCE AND LINK TO REMUNERATION OUTCOMES

An underlying principle of the Company's approach to Executive remuneration is that 'at risk' remuneration should demonstrate strong links to the Company's strategy and performance against these objectives which in turn are designed to generate shareholder returns.

When setting targets and determining the quantum of the remuneration increases and the proportion of fixed and performance linked remuneration components, the Board refers to remuneration benchmarking reports provided by independent sources and remuneration consultants from time to time. The Board retains an overarching discretion to award an annual bonus or to vest Performance Rights under the LTIP. In exercising that discretion they have regard to the remuneration policy, market conditions and Company performance.

Metric	2012	2013	2014	2015	2016
Net profit after tax (NPAT) $	8,847,815	9,265,834	10,882,231	9,910,179	1,250,000
Full year dividend per share (cents)	6.00	8.00	7.50	8.00	1.75
Change in share price $	(1.31)	0.06	0.84	(0.79)	(0.38)
Return on equity	22.3%	20.1%	20.0%	14.4%	1.9%
Earnings per share (cents)	11.4	11.9	13.4	11.3	1.4
KMP Remuneration	3,068,843	3,139,147	3,705,485	3,743,354	3,461,634

The average remuneration paid to all KMP including Directors over the past four years has increased by approximately 3.1% per annum. Over the same period, the annualised return to a shareholder who purchased shares on 30 June 2012 ($0.99/share) and reinvested the dividends paid by the Company was 6.3%.

Given the NPAT result for the reporting period and its impact on the indices disclosed above, there were no annual performance based cash bonuses awarded to executive Directors or senior executives for the year.

Company-wide Key Result Areas (KRAs) are set at the beginning of the financial year. Senior Managers' performance objectives are linked to the Company strategic and business goals. Payment of bonuses is directly aligned with the Company performance against the Company KRAs and the individual's performance.

A summary of the FY16 achievements against the objectives is outlined below:

Corporate Key Performance Indicators for FY16		
KPI	Target	FY16 Outcome
NPAT Gate	$10.4 million (before bonus provision)	$1.3 million
Safety	TRIFR reduced by ≥20% on prior year result	Achieved at Group level
People	100% completion of appraisals Employee Retention target exceeded	Achieved Partially Achieved

Corporate Key Performance Indicators for FY16		
KPI	Target	FY16 Outcome
Projects	Group Gross Margin target exceeded Loss making projects: Nil	Not Achieved Not achieved
Shareholder	Group EPS growth > 6% TSR: top 25th percentile of defined peer group	Not achieved Not achieved
Diversification	Group New Sector and Geography growth	Achieved

Assessment of these targets is subject to qualitative and quantitative assessment made by the Nomination and Remuneration Committee and approved by the Board. The Board retains an overall discretion on whether to pay all, a portion of, or no annual bonus. Incentives may be granted, at the discretion of the Board, in cash, by way of shares or a combination of both.

As a consequence of the Company's outcomes against targets in FY16, no annual performance bonus has been paid to KMP relating to the Reporting Period. Each senior executive's remuneration has been substantially reduced during the Reporting Period as a consequence of no annual bonuses being paid.

The long term incentive plan reviews the Group's performance against TSR and EPS. The FY14 LTIP tranche vesting in September 2016, was based on EPS and TSR over a one-year performance period. Participates were required to meet the service condition date of 15 August 2016. The Company's performance for both EPS and TSR were therefore not used for the FY14 LTIP tranche.

Overview of Key Changes to Structure of Remuneration during Reporting Period

Other than as outlined below, there have been no material changes to the structure of remuneration for KMP during the Reporting Period:

Non-Executive Directors
■ There were no increases to the annual base fee for Non-Executive Directors during the Reporting Period
Executive Directors and Senior Executives
Fixed Remuneration
■ All senior executives employed on 1 July 2015 received a remuneration increase which was based on remuneration benchmarking undertaken for similar roles.
Annual Bonus
■ Annual bonuses were not awarded to the senior executives for the Reporting Period as a result of failure to meet the profit gate established by the Board at the beginning of the Reporting Period.
Long Term Incentive
■ The Board currently intends to seek the approval of shareholders to introduce a good leaver provision for the long term incentive at the 2016 AGM. ■ The FY13 LTI award was exercised by participants from 1 September 2015. The FY14 LTI Award will exercise from 1 September 2016
One-Off Bonus
■ The Board approved a cash bonus to a small number of Executives in December 2015 for taking on additional responsibilities in the extended absence of a Managing Director/CEO.

Remuneration Consultants

During the year ended 30 June 2016, the Board retained Godfrey Remuneration Group as its independent remuneration consultants to provide specialist information on the Long Term Incentive Plan. Godfrey Remuneration Group were paid $13,000 (total fees excluding GST) to review the LTI Plan and prepare accompanying documentation. These services were provided directly to the Nomination and Remuneration Committee and were independent of management. The Chairman of the Nomination and Remuneration Committee oversaw the engagement of, remuneration arrangements for, and payment to the independent consultants. No remuneration recommendations, as prescribed under the Corporations Act, were made by Godfrey Remuneration Group in FY16.

SENIOR EXECUTIVE REMUNERATION

Seymour Whyte's mix of fixed and at risk remuneration for the Managing Director and other senior executives as a total of total variable remuneration for the 2016 financial year was as follows:

Fixed remuneration

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

The Board determines an appropriate level of fixed remuneration for the senior executives with recommendations from the Nomination and Remuneration Committee.

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

Upon the recommendation of the Nomination and Remuneration Committee and approval of the Board, senior executives received remuneration increases to their fixed remuneration from 1 July 2015.

Annual Bonus

The senior executives are eligible to participate in the annual bonus each financial year. There are two components to the annual bonus:

- A cash bonus is awarded, at the discretion of the Board, upon the meeting of both financial and non-financial short term targets; and
- An offer to subscribe for $1,000 worth of shares pursuant to the Exempt Employee Share Plan (EESP) – for senior executives (excluding the executive Directors).

Annual Bonus Plan: Cash

The annual bonus consists of a discretionary cash incentive that varies with annual performance. There is a pre-determined NPAT target set annually by the Board that must be reached in order for the Annual Bonus to be paid. The Board also outlines a number of non-financial gates outlining circumstances where a bonus will not be paid.

Analysis of cash bonuses included in remuneration:

Details of the vesting profile of annual bonuses and other cash incentives earned as remuneration by each of the senior executives during the Reporting Period are detailed below:

		Bonuses included in FY16 remuneration	FY16 Cash bonus vested in year
	Bonus Description	$	%
Steve Davies-Evans	Annual bonus	-	-
	One-off bonus	$15,940	-
Gary Georgiou[1]	Annual bonus	-	-
Nicola Padget	Annual bonus	-	-
	One-off bonus	$16,000	-
Robert Carr	Annual bonus	-	-
	Retention bonus	$42,187[2]	-
Lisa Dalton	Annual bonus	-	-
	One-off bonus	$12,000	-
Will MacDonald	Annual bonus	-	-
	One-off bonus	$16,000	-
Steve Lambert	Annual bonus	-	-
	One-off bonus	$10,000	-

1. Gary Georgiou ceased employment on 6 August 2015 and did not receive an annual bonus entitlement
2. Note the RCPL Retention Performance cash bonus earned during the FY16 Reporting Period was paid on 12 August 2016

Exempt Employee Share Plan:

Purpose of the EESP	The EESP was adopted by the Board in June 2011 and approved by Members at the 2011 and 2014 AGMs. The EESP is a key part of the employee retention and incentive strategy of the Seymour Whyte Group. The EESP encourages shareholder participation and the alignment of interests between the Company and a broad pool of employees.
Eligibility	Persons who may be eligible to participate in the EESP are permanent full-time or part-time employees, with one or more companies in the Seymour Whyte Group. Directors are not eligible to participate in the EESP.
Grant of Shares	Shares may be offered to Eligible Employees as the Directors determine. Offers under the EESP must be made by the Company on a 'non-discriminatory' basis consistent with the tax requirements (and other applicable requirements) to at least 75% of Australian resident permanent employees with three years' service with the essential features of the EESP being offered to all such employees on the same terms.

	A maximum of $1,000 worth of Shares may be issued to eligible employees for which no tax will be payable (subject to individual circumstances). The issue of Shares under the EESP are offered as an incentive to employees and therefore assists the Company to minimise its cash expenditure compared to the alternative of cash based bonuses. The issue of Shares is also a long-term incentive designed to align the interests of employees with the Company and its Members. The offer must be in writing and specify, amongst other things, the date of the invitation, the number of Shares available to the employee, the price of the Shares, the number of Shares for which the Eligible Employees may apply or be granted and any conditions attaching to the Shares.
Quotation	The Company must apply for official quotation of any Shares issued under the EESP.
Interest restriction	No Eligible Employee may continue to participate in the EESP if, immediately after the acquisition of the Share, the Eligible Employee would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company.
Disposal	Shares may be subject to conditions specified by the Board or contained in the EESP rules, including a restriction on disposal of Shares issued under the EESP rules for a period of the earlier of three years after their issue, termination, or cessation of employment.
Rights of participants	Shares will rank equally with other ordinary shares. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Shares will be correspondingly changed to the extent necessary to comply with the Listing Rules.
Administration	The EESP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the EESP.
Termination and amendment	The EESP may be terminated or suspended at any time by the Board. The EESP may be amended at any time by the Board (subject to the Listing Rules).

Long Term Incentive Plan

The senior executives are eligible to participate in the Group's Long Term Incentive Plan (LTI Plan).

The LTI Plan is an equity-based incentive designed to provide participants with the incentive to deliver growth in shareholder value. The vehicle used to deliver the long term incentive is the Employee Share Option Plan approved by shareholders at the 2011 and 2014 AGMs.

Eligibility	The ESOP is open to eligible employees (including Executive Directors) of the Company who are permanent full-time or part-time employees, with one or more companies in the Seymour Whyte Group but excludes (unless the Company determines otherwise) (i) a person who, immediately after the acquisition of Shares under the ESOP, would hold a legal or beneficial interest in more than 5% of the Shares on issue or would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company or (ii) a Non-Executive Director.
Grant of Performance Rights	All Performance Rights are to be offered to eligible employees for no consideration. The offer must be in writing and specify, amongst other things, the number of Performance Rights for which the eligible employee may apply; the period within which the Performance Rights may be exercised and any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise price of the Performance Rights.
Exercise	The Performance Rights may be exercised, subject to any exercise conditions, by the participant providing notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any Performance Rights.
Lapse	The Performance Rights shall lapse upon the earlier of the date specified by the Board or events contained in the ESOP rules, including termination of employment or resignation, redundancy, death or disablement.
Rights of Participants	Once shares are allotted upon exercise of the Performance Rights the participant will hold the Shares free of restrictions. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Performance Rights (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged. In the event of a change of control, the Board shall have discretion to deal with the Performance Rights, including allowing accelerated vesting or the issue of Performance Rights in the substituted corporation. A holder of Performance Rights is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds Performance Rights. However, if a pro rata bonus or cash issue of securities is awarded by the Company, the Company in its absolute discretion may adjust the number of Shares over which an option exists and the exercise price in the manner specified in Listing Rule 6.22, which case written notice will be given to the option holder.
Assignment	The Performance Rights are not transferable or assignable without the prior written approval of the Board.

Administration	The ESOP is administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP. On 30 June 2015, the Board established an Employee Share Plan Trust and appointed Computershare Plan Administrators as the Trustee of the Trust. The Trustee will subscribe for, or acquire shares on market to satisfy the vesting of the Performance Rights under the LTIP.
Termination and amendment	The ESOP may be terminated or suspended at any time by the Board. The ESOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of Performance Rights, including a change to reduce the exercise price, increase the number of Shares to which an eligible employee is entitled or change the exercise period, unless required by the Corporations Act or the Listing Rules.

Senior Executive Long Term Incentive Plan

Senior Executives participate in the company's LTIP and receive Performance Rights on an annual basis as part of their remuneration.

Performance Rights convert to ordinary shares in the Company on a one-for-one basis at the end of a three-year performance period depending on the extent to which performance hurdles are achieved and service conditions met.

Performance Rights granted under the FY16 LTIP during the Reporting Period were assigned two performance hurdles over a three-year performance period being the achievement of Total Shareholder Return (TSR) ranking criteria relative to the TSR of constituents of the S&P/ASX200 and Earnings Per Share (EPS) relative to a target set by the Board. Participants must remain continually employed with the Group for three years to remain eligible for Performance Rights to vest.

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

EARNINGS PER SHARE (FY16 LTIP)		
Earnings Per Share assessment	The percentage of the Performance Rights linked to the EPS hurdle is 50%. Vesting is determined by the growth in EPS from the financial year immediately prior to the start of the Performance Period (base year) to the end of the third year of the Performance Period, measured against specific EPS targets.	
Base Target	>4% EPS growth to less than or equal to 8% growth	Pro-rata vesting
Stretch Target	>12% EPS growth	100%
Performance Period	3 years	
Service Period	Continually employed to 15 August 2018 following the end of the 3-year performance period	
TOTAL SHAREHOLDER RETURN RANKING (FY16 LTIP)		
Earnings Per Share assessment	The percentage of Performance Rights linked to TSR is 50%. TSR is calculated by an independent third party comparing Seymour Whyte's TSR percentile rank that Seymour Whyte holds or would hold relative to all ASX 200 constituent companies for the relevant 3-year performance period.	
Base Target	TSR is more than 25% but less than 75%	Pro-rata vesting
Stretch Target	TSR is 75% or more	100% vesting
Performance Period	3 years	
Service Period	Continually employed to 15 August 2018 following the end of the performance period	

There were no performance hurdles requiring assessment during the Reporting Period.

Retention Plan

The Board put in place a retention plan in FY2013 and FY2014 for key employees including eligible senior executives. The Retention Plan used the ESOP as its delivery vehicle. Its purpose was to retain key employees and to maintain continuity and expertise within the Company. The Retention Plan operated for FY2013 (FY13 Retention) and FY2014 (FY14 Retention). Eligible senior executives and other key personnel received Performance Rights under the Retention Plan as part of their remuneration. Performance Rights convert to ordinary shares in the Company on a one-for-one basis at the end of the retention period (generally three years) provided the recipient remains continually employed with the Group during the retention period. The FY13 Retention vested on 15 January 2016.

Following the acquisition of the Rob Carr Pty Ltd business, a retention scheme was implemented for key employees and the Executive Director, Robert Carr. This retention scheme had two components. The first component was an option based plan which was approved by shareholders at the 2014 AGM. One tranche of this retention component vested in September 2015. The second component was a cash bonus based on individual performance and continued service. The first tranche of which was paid on 12 August 2016.

Rights Vested in the Reporting Period

The table below details the performance rights and retention rights that vested during the year

	Tranche	# of Rights Vested	% Vested	Exercised
Executive Directors				
Robert Carr	Retention Tranche[1]	74,390	100%	September 2015
Senior Executives				
Steve Davies-Evans	FY13 LTIP [1]	67,733	56.44%	September 2015
	FY13 Retention	65,000	100%	March 2016
Total		**207,123**		

1. Performance rights relating to the FY13 LTIP measured NPAT, TSR and EPS Growth targets set over a one-year performance period (1 July 2012 to 30 June 2013) followed by a further two-year service condition. The rights not meeting performance conditions being 43.56% were forfeited at 30 June 2013.

All rights exercised were settled with shares purchased on-market by the Seymour Whyte Employee Share Trust. See pages 41 of this report for details in relation to the shares purchased on market by the Seymour Whyte Employee Share Trust.

Analysis of movements in the value of rights

The table below sets out the value of Performance Rights granted to executive Directors and senior executives under the ESOP during the year as well as the value of any rights forfeited or exercised.

Value of Performance and Retention Rights ($)	Value Granted in year[1]	Value of Rights Forfeited in year	Value of Rights Exercised in year[2]	Average amount paid per Share[3]
Executive Directors				
John Kirkwood	161,528	-	-	-
Robert Carr	97,708	-	89,268	1.339
Senior Executives				
Steve Davies-Evans	69,378	-	140,241	1.184
Nicola Padget	61,065	-	-	-
Lisa Dalton	34,304	-	-	-
Steve Lambert	63,078	-	-	-
Will MacDonald	61,810	-	-	-
Former Executive				
Gary Georgiou[4]	-	378,100	-	-
Total	**548,871**	**378,100**	229,509	

1. The value of rights granted in the year is the fair value of the performance rights calculated as at the grant date. This value is allocated to remuneration over the vesting period, (i.e. across years FY16 to FY19).
2. The value of rights exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the rights were exercised.
3. Shares were purchased on market to satisfy the exercise of performance and retention rights during the year. The amount paid per share represents the weighted average of the shares purchased relating to each KMP.
4. Gary Georgiou ceased employment on 6 August 2015 and forfeited 388,304 Performance Rights for failing to meet service conditions. The value of rights forfeited represents the benefit forgone and is calculated at the date the Right lapsed using the Monte Carlo option-pricing model assuming the performance criteria had been achieved

Summary of Performance Rights held by KMP under Seymour Whyte's ESOP

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

No. of Rights[1]	Held at 1 July 2015	Granted as Compensation[2]	Vested and Exercised during FY16	Forfeited during FY16[3]	Held at 30 June 2016	Vested and exercisable at 30 June 2016
Executive Directors						
John Kirkwood	-	271,371	-	-	271,371	-
Robert Carr	215,269	164,151	(74,390)	-	305,030	-
Senior Executives						
Steve Davies-Evans	359,672	116,557	(132,733)	-	343,496	-
Nicola Padget	135,942	102,591	-	-	238,533	-
Lisa Dalton[4]	24,902	57,632	-	-	82,534	-
Steve Lambert	17,997	105,973	-	-	123,970	-
Will MacDonald	81,225	103,843	-	-	185,068	-
Former Executive						
Gary Georgiou [5]	388,304	-	-	(388,304)	-	-
Total	**1,223,311**	**922,118**	**(207,123)**	**(388,304)**	**1,550,002**	**-**

1. All Performance Rights were granted as compensation under the ESOP, the terms of which are summarised on page 34. The Performance Rights granted apply to the FY16 LTIP and were allocated to participants on 19 January 2016. The number of Performance Rights awarded was determined based on the 30 day VWAP of Seymour Whyte's shares at 30 June 2015. The performance period for the FY16 LTIP is 1 July 2015 to 30 June 2018. Participants must remain continually employed during this period and up to 15 August 2018. Shares allocated on exercise/vesting of the Performance Rights after the three-year performance period are not subject to any additional restrictions except compliance with the Company's share trading policy
2. The fair value of Performance Rights granted in the year is the fair value of the Performance Rights calculated at grant date. The amount is allocated to remuneration over the vesting period. For details on the valuation of the Performance Rights, including assumptions used, refer to note 19 in the financial statements.
3. The number of Performance Rights forfeited represents the number of Performance Rights that lapsed during the Reporting Period for failure to meet service conditions
4. Lisa Dalton resigned subsequent to the end of the Reporting Period and forfeited 82,534 Performance Rights
5. Gary Georgiou ceased employment on 6 August 2015 and forfeited 388,304 Performance Rights for failing to meet service conditions. These rights were granted in years FY13 to FY15.

NON-EXECUTIVE DIRECTOR REMUNERATION

Policy

A copy of the remuneration policy for Non-Executive Directors is available on the Company's website. The Board's Non-Executive Director remuneration policy, which remains unchanged, is to:

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

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

The aggregate Non-Executive Director remuneration cap approved by shareholders in 2013 is $700,000 per annum (exclusive of superannuation contributions). The Board determines the distribution of Non-Executive Director fees within the approved remuneration cap.

Remuneration of Non-Executive Directors During Reporting Period

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

	Board Member	Board Chairman	Audit and Risk Committee Chairman	Nomination and Remuneration Committee Chairman	Total
Non-Executive Director	$ per annum	$ per annum	$ per annum	$ per annum	$ per annum
Mac Drysdale	80,000	70,000	-	-	150,000
Don Mackay	80,000	-	20,000	-	100,000
John Seymour [1]	80,000	-	-	-	80,000
Susan Johnston	80,000	-	-	-	80,000
Christopher Greig	80,000	-	-	10,000	90,000
David Wilson	80,000	-	-	-	80,000
Total	**480,000**	**70,000**	**20,000**	**10,000**	**580,000**

1. Fees apportioned between John Seymour and his alternate Director, John Ready

Remuneration of Non-Executive Directors subsequent to Reporting Period

From 1 July 2016: The total remuneration to be paid to all six Non-Executive Directors is $580,000 per annum.

KEY MANAGEMENT PERSONNEL REMUNERATION TABLE

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

		Short-term Benefits				Post Employment Benefits	Termination Benefits	Long-term benefits	Share-based Benefits [2]	Total	Proportion of remuneration performance related
		Cash Salary & Fees	Cash Bonus[1]	Non Cash Benefits	Total	Super Benefits		Long Service Leave	Performance Rights		
		$	$	$	$	$		$	$	$	%
Directors											
Mac Drysdale	2016	150,000	-	-	150,000	-	-	-	-	150,000	-
Non-Executive Director	2015	150,000	-	-	150,000	-	-	-	-	150,000	-
Don Mackay	2016	100,000	-	-	100,000	-	-	-	-	100,000	-
Non-Executive Director	2015	100,000	-	-	100,000	-	-	-	-	100,000	-
John Seymour [3]	2016	74,215	-	-	74,215	5,785	-	-	-	80,000	-
Non-Executive Director	2015	73,060	-	-	73,060	6,940	-	-	-	80,000	-
Susan Johnston	2016	73,060	-	-	73,060	6,940	-	-	-	80,000	-
Non-Executive Director	2015	73,060	-	-	73,060	6,940	-	-	-	80,000	-
Chris Greig	2016	82,192	-	-	82,192	7,808	-	-	-	90,000	-
Non-Executive Director	2015	82,219	-	-	82,219	7,781	-	-	-	90,000	-
David Wilson [4]	2016	73,060	-	-	73,060	6,940	-	-	-	80,000	-
Non-Executive Director	2015	-	-	-	-	-	-	-	-	-	-
Subtotal	**2016**	**552,527**	**-**	**-**	**552,527**	**27,473**	**-**	**-**	**-**	**580,000**	**-**
	2015	**478,339**	**-**	**-**	**478,339**	**21,661**	**-**	**-**	**-**	**500,000**	**-**
Executive Director											
John Kirkwood [5]	2016	485,448	-	1,007	486,455	12,872	-	886	7,111	507,324	1.4%
Executive Director	2015	-	-	-	-	-	-	-	-	-	-
Robert Carr [6]	2016	390,937	42,187	18,570	451,694	19,308	-	5,537	78,006	554,545	14.1%
Executive Director	2015	422,905	-	9,093	431,998	19,505	-	6,885	101,684	560,072	18.2%
Former Directors' Remuneration											
John Ready [7]	2016	-	-	-	-	-	-	-	-	-	-
Non-Executive Director	2015	30,440	-	-	30,440	2,893	-	-	-	33,333	-
David McAdam [8]	2016	-	-	-	-	-	-	-	-	-	-
Managing Director	2015	665,582	-	7,462	673,044	16,641	375,000	(2,234)	(202,415)	860,036	(23.5)%
Total Directors' Remuneration											
Total	**2016**	**1,428,912**	**42,187**	**19,577**	**1,490,676**	**59,653**	**-**	**6,423**	**85,117**	**1,641,869**	**-**
	2015	**1,597,266**	**-**	**16,555**	**1,613,821**	**60,700**	**375,000**	**4,651**	**(100,731)**	**1,953,441**	**-**

		Short-term Benefits				Post Employment Benefits	Termination Benefits	Long-term benefits	Share-based Benefits [1]	Total	Proportion of remuneration performance related
		Cash Salary & Fees	Cash Bonus	Non Cash Benefits	Total	Super Benefits		Long Service Leave	Performance Rights		
		$	$	$	$	$		$	$	$	%
Senior Executives' Remuneration											
Steve Davies-Evans	2016	430,808	15,940	2,526	449,274	19,308	-	26	95,811	564,419	17.0%
Pre-Contracts Manager	2015	405,682	-	1,238	406,920	18,784	-	6,557	123,890	556,151	22.3%
Nicola Padget	2016	369,691	16,000	4,624	390,315	19,308	-	2,371	58,416	470,410	12.4%
Chief Financial Officer	2015	347,801	-	4,966	352,767	18,784	-	594	46,896	419,041	11.1%
Lisa Dalton [9]	2016	169,427	12,000	-	181,427	19,308	-	2,515	(1,529)	201,721	(0.8)%
Company Secretary	2015	183,906	-	-	183,906	17,386	-	276	1,529	203,097	0.8%
Steve Lambert [10]	2016	342,276	10,000	2,752	355,028	19,206	-	547	3,506	378,287	0.9%
Operations Manager, Southern	2015	-	-	-	-	-	-	-	-	-	-
Will MacDonald [10]	2016	332,018	16,000	7,969	355,987	19,308	-	2,039	30,492	407,826	7.5%
Operations Manager, Northern	2015	-	-	-	-	-	-	-	-	-	-
Former Executive Remuneration											
Gary Georgiou [11]	2016	13,931	-	557	14,488	3,218	-	5,549	(226,153)	(202,898)	-
General Manager, Operations	2015	449,337	-	3,121	452,458	18,784	-	7,495	132,887	611,624	21.8%
Total Executives Remuneration											
Total	**2016**	**1,658,151**	**69,940**	**18,428**	**1,746,519**	**99,656**	**-**	**13,047**	**(39,457)**	**1,819,765**	**-**
	2015	**1,386,726**	**-**	**9,325**	**1,396,051**	**73,738**	**-**	**14,922**	**305,202**	**1,789,913**	**-**
Total KMP Remuneration											
Total	**2016**	**3,087,063**	**112,127**	**38,005**	**3,237,195**	**159,309**	**-**	**19,470**	**45,660**	**3,461,634**	**-**
	2015	**2,983,992**	**-**	**25,880**	**3,009,872**	**134,438**	**375,000**	**19,573**	**204,471**	**3,743,354**	**-**

1. A cash bonus was paid in December 2015 to a number of senior executives to recognise the additional responsibilities assumed during the year whilst the Managing Director/CEO role was vacant.
2. Remuneration disclosed in the form of share-based payments relates to the fair value of performance rights recognised as an expense in the reporting period and also includes negative amounts for rights forfeited during the year. The fair value of performance rights is calculated at the grant date and allocated over the vesting period e.g. grant date to vesting date, whilst considering the likelihood of vesting.
3. On 26 November 2014, John Seymour appointed John Ready as his alternate Director. For disclosure purposes, amounts paid to John Ready acting as John Seymour's alternate have been disclosed as paid to John Seymour.
4. Amount disclosed is the Director fees paid to David Wilson in his capacity as Non-Executive Director. Mr Wilson was also appointed as the Acting Managing Director and CEO for the period 28 July 2015 to 26 October 2015 with $99,000 paid to a related entity of Mr Wilson for these services.
5. John Kirkwood commenced as Managing Director and Chief Executive Officer on 26 October 2015.
6. Robert Carr tendered his resignation on 11 July 2016 and will cease employment in December 2016. He will continue in office as a Non-Executive Director.
7. John Ready retired as a Non-Executive Director and was appointed as John Seymour's alternate Director on 26 November 2014. Director fees disclosed in the table are for the period 1 July 2014 to his retirement on 26 November 2014. Payments received for alternative Director duties are disclosed as paid to John Seymour.
8. David McAdam resigned as Managing Director and Chief Executive Officer on 18 May 2015. Termination benefit represents 6 months' payment in lieu of notice.
9. Lisa Dalton was employed under a part-time employment contract. Subsequent to the end of the reporting period, Ms Dalton has resigned and ceased as KMP on 26 July 2016.
10. Steve Lambert and Will MacDonald recognised as KMP from 7 August 2015 following the cessation of employment of Gary Georgiou.
11. Gary Georgiou ceased employment as General Manager Operations on 6 August 2015.

OTHER INFORMATION

Contract duration and termination requirements

The Company has contracts of employment with no fixed tenure requirements with the Executive Director and Senior Executives. The notice period for each is outlined in the table below. Termination with notice may be initiated by either party. The contracts contain customary clauses dealing with immediate termination for gross misconduct and restraint of trade provisions.

Name	Position	Notice Period
Executive Directors		
John Kirkwood	Managing Director and Chief Executive Officer	6 months
Robert Carr	Chief Executive – Rob Carr Pty Ltd	6 months
Senior Executives		
Nicola Padget	Chief Financial Officer	6 months
Steve Davies-Evans	Pre-Contracts Manager	3 months
Will MacDonald	Operations Manager - Northern	3 months
Steve Lambert	Regional Manager – Southern	1 month
Lisa Dalton[1]	Company Secretary	3 months
Amy Deeb[1]	Company Secretary	3 months

1. Lisa Dalton resigned as Company Secretary on 26th July 2016 and therefore ceased to be KMP on that date. Amy Deeb was appointed to the position and KMP from 26th July 2016.

Other transactions with Key Management Personnel

- Non-Executive Director, David Wilson assumed the role of Acting Managing Director and Chief Executive Officer on 28th July 2015 until John Kirkwood commenced with the Company on 26th October 2015. Payments of $99,000 (excluding GST) were paid to a related entity of David Wilson for these services.
- Rental payments of $746,296 (GST exclusive) were paid to a related entity of Executive Director Robert Carr, for premises used by Rob Carr Pty Ltd for offices, workshop and plant storage.
- Receipt of $231,000 from Robert Carr for the settlement of warranties under the share sale agreement of Rob Carr Pty Ltd.

Shareholdings of Key Management Personnel

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

Name	Shareholdings of KMP				
	Opening Balance 1 July 2015	Shares acquired during the year	Shares received from employee share schemes	Shares disposed of during the year	Closing Balance 30 June 2016
Non-Executive Directors					
Mac Drysdale	150,000	25,000	-	-	175,000
Don Mackay	30,000	10,000	-	-	40,000
John Seymour	17,090,279	94,702	-	(1,000)	17,183,981
Susan Johnston	-	-	-	-	-
Christopher Greig	-	-	-	-	-
David Wilson	-	5,000	-	-	5,000
Alternate Director					
John Ready	20,000	-	-	-	20,000
Executive Director					
John Kirkwood	-	118,335	-	-	118,335
Robert Carr	4,800,000	-	74,390	-	4,874,390
Senior Executives					
Steve Davies-Evans	503,567	-	133,894	(17,482)	619,979
Nicola Padget	740	4,000	1,161	-	5,901
Lisa Dalton	-	-	-	-	-
Will MacDonald	740	-	1,161	-	1,901
Steve Lambert	17,800	25,650	1,161	-	44,611

Employee Share Plans

In addition to the Employee Share Option Plan described on pages 34 to 35, the Company also has in place an Exempt Employee Share Plan, approved by shareholders in 2011 and 2014. 206,361 fully paid ordinary shares in Seymour Whyte Limited were granted under the EESP during the Reporting Period. Refer to page 33 for details.

Voting and comments made at the Company's 2015 Annual General Meeting

The Company received more than 75% of "yes" votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

— END OF REMUNERATION REPORT —

AUDITOR

On 26 November 2014, shareholders approved the appointment of Deloitte Touche Tohmatsu (Deloitte) as the Group's auditor. Deloitte continues to act in office in accordance with section 327 of the *Corporations Act 2001*.

INDEMNITY AND INSURANCE OF AUDITOR

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

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

NON-AUDIT SERVICES

There were no amounts paid or are payable to the Group's auditor (Deloitte) for non-audit services provided to the Company during the year ended 30 June 2016.

AUDITOR'S INDEPENDENCE DECLARATION

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

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

ROUNDING OFF

The Company is a kind referred to in Australian Securities and Investments Commission (ASIC) Class Order 2016/191 dated 24 March 2016 and in accordance with that Class Order, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

PROCEEDINGS ON BEHALF OF COMPANY

No proceedings have been brought on behalf of the company, nor have any applications been made in respect of the company under s237 of the *Corporations Act 2001.*

Signed in accordance with a resolution of the Directors

Mac Drysdale
Chairman

Don Mackay
Chairman, Audit and Risk Committee

23 August 2016
Brisbane

Deloitte Touche Tohmatsu
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The Board of Directors
Seymour Whyte Limited
12 Electronics St, Technology Park
Eight Mile Plains QLD 4113

23 August 2016

Dear Board Members

Seymour Whyte Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Seymour Whyte Limited.

As lead audit partner for the audit of the consolidated financial statements of Seymour Whyte Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

DELOITTE TOUCHE TOHMATSU

R G Saayman
Partner
Chartered Accountants

FINANCIAL REPORT

CONTENTS

GENERAL INFORMATION

The consolidated financial statements cover Seymour Whyte Limited as a consolidated entity consisting of Seymour Whyte Limited and the subsidiaries it controlled at the end of, or during the year ended 30 June 2016.

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

Brisbane Technology Park
12 Electronics Street
Eight Mile Plains QLD 4113

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

The financial statements were authorised for issue by the Directors on 23 August 2016. The Directors have the power to amend and re-issue the financial statements.

Seymour Whyte Limited
Consolidated Statement of Profit & Loss and Other Comprehensive Income
For the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
Revenue and other income			
Revenue	4	360,690	269,761
Other Income		76	19
Expenses			
Construction materials and consumables used		(290,158)	(194,842)
Employee benefits expense	5	(54,681)	(47,749)
Depreciation and amortisation expense	5	(4,421)	(3,790)
Finance costs		(561)	(506)
Rental expense	5	(1,887)	(1,736)
Share of net profit of equity accounted investments (net of tax)	11	-	91
Other expenses		(7,550)	(7,703)
Profit before income tax		1,508	13,545
Income tax expense	6	(258)	(3,635)
Profit for the year		1,250	9,910
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the shareholders of the company		1,250	9,910

	Note	Cents	Cents
Earnings per share			
Basic	21	1.42	11.30
Diluted	21	1.39	10.84

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

Seymour Whyte Limited
Consolidated Statement of Financial Position
As at 30 June 2016

	Note	2016 $'000	2015 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	35,293	42,196
Trade and other receivables	8	55,579	47,014
Other assets	9	2,569	2,021
Current tax assets		379	2,527
Total current assets		93,820	93,758
Non-current assets			
Other receivables	10	413	339
Equity accounted investments	11	130	130
Property, plant and equipment	12	29,165	29,260
Intangible assets and goodwill	13	15,187	15,455
Total non-current assets		44,895	45,184
TOTAL ASSETS		138,715	138,942
LIABILITIES			
Current liabilities			
Trade and other payables	15	58,383	52,518
Finance lease liabilities	25	1,735	1,771
Employee benefit liabilities	16	3,407	3,748
Total current liabilities		63,525	58,037
Non-current liabilities			
Finance lease liabilities	25	2,891	2,411
Deferred tax liabilities	17	7,612	6,395
Employee benefit liabilities	16	687	612
Total non-current liabilities		11,190	9,418
TOTAL LIABILITIES		74,715	67,455
NET ASSETS		64,000	71,487
EQUITY			
Share capital	18	22,671	22,493
Reserves		492	2,385
Retained earnings		40,837	46,609
TOTAL EQUITY		64,000	71,487

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

Seymour Whyte Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Note	Share capital $'000	Share option reserve $'000	Treasury share reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2014		22,328	1,015	-	42,615	65,958
Total comprehensive income for the year		-	-	-	9,910	9,910
Sub-total		22,328	1,015	-	52,525	75,868
Other equity transactions						
Recognition of equity-settled share-based payments		-	1,290	-	-	1,290
Shares issued under the exempt employee share scheme	18	165	-	-	-	165
Deferred tax assets in relation to employee share scheme		-	80	-	-	80
Dividends	20	-	-	-	(5,916)	(5,916)
Balance at 30 June 2015		22,493	2,385	-	46,609	71,487
Balance at 1 July 2015		22,493	2,385	-	46,609	71,487
Total comprehensive income for the year		-	-	-	1,250	1,250
Sub-total		22,493	2,385	-	47,859	72,737
Other equity transactions						
Recognition of equity-settled share-based payments		-	336	-	-	336
Treasury shares purchased		-	-	(2,229)	-	(2,229)
Settlement of exercised performance rights through employee share plan trust		-	(1,141)	1,141	-	-
Shares issued under the exempt employee share scheme	18	178	-	-	-	178
Dividends	20	-	-	-	(7,022)	(7,022)
Balance at 30 June 2016		22,671	1,580	(1,088)	40,837	64,000

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

Seymour Whyte Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Receipts from customers		383,851	305,861
Payments to suppliers and employees		(380,885)	(282,433)
Net receipts from operations		2,966	23,428
Interest received		401	561
Interest and other finance costs paid		(561)	(506)
Income taxes received (paid)		3,108	(2,873)
Net cash from operating activities	31	5,914	20,610
Cash flows from investing activities			
Payment for deferred consideration for acquisition of subsidiary		-	(5,000)
Payments for property, plant and equipment		(1,413)	(6,368)
Payments for other intangible assets		(257)	(142)
Proceeds from sale of property, plant and equipment		125	495
Capital distribution from equity accounted investments		-	350
Net cash used in investing activities		(1,545)	(10,665)
Cash flows from financing activities			
Repayment of finance lease liability		(2,109)	(2,685)
Proceeds from repayment of employee share loans		88	74
Purchase of treasury shares		(2,229)	-
Dividends paid		(7,022)	(5,916)
Net cash used in financing activities		(11,272)	(8,527)
Net increase (decrease) in cash and cash equivalents		(6,903)	1,418
Cash and cash equivalents at the beginning of the year		42,196	40,778
Cash and cash equivalents at the end of the year	7	35,293	42,196

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

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
30 June 2016

Note 1. Significant accounting policies

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

A. Amendments to AASBs and new interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that were relevant to the operations for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the consolidated financial statements that are relevant to the Group include:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

The new standard and amendment to standard above does not materially impact on the amounts or disclosures recognised in the consolidated financial statements.

B. Impact of new accounting standards issued but not yet effective

New accounting standards and interpretations that are not mandatory for the annual reporting period have not been early adopted by the Group. The new standards and amendments to standards that are not mandatory for the consolidated financial statements are not expected to have a material impact on the Group in the current or future reporting periods except for AASB 15 *Revenue from Contracts with Customers* (Applicable for reporting periods beginning on or after 1 January 2018) and AASB 16 *Leases* (Applicable for reporting periods beginning on or after 1 January 2019) whereby the Group is yet to undertake a detailed assessment.

C. Basis of preparation

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

i) Historical cost convention

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

ii) Critical accounting estimates

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

D. Parent entity information

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

i) Tax consolidation legislation

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

ii) Share based payments

The grant of performance rights by Seymour Whyte Limited over its equity instruments to the employees of subsidiaries in the Group are treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity.

iii) Investment in Subsidiaries

Investments in subsidiaries are accounted for on a historical cost basis.

E. Functional and presentation currency

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

Note 1. Significant accounting policies (continued)

F. Principles of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company including its subsidiaries. The Group controls an entity when it:

- has power over the entity;
- is exposed to, or has rights to, variable returns from its involvement with the entity; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an entity, it has power over the entity when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the entity unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an entity are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements.

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

ii) Joint Arrangements

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

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

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

iii) Interests in Equity-accounted investments

The Group's interests in equity accounted investments relates to an interest in an associate over which the Group has significant influence but not control. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

iv) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains arising from intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

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

v) Change in ownership interests

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
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Note 1. Significant accounting policies (continued)

vi) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

G. Impairment of tangible and intangible assets (other than goodwill)

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

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets.

H. Segment reporting

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

I. Revenue recognition

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

i) Construction revenue

When the outcome of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

ii) Interest revenue

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

Interest income in relation to shareholder loan receivable is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the shareholder loan to the net carrying amount on initial recognition.

Note 1. Significant accounting policies (continued)

J. Finance costs

The Group's finance costs include:

- Interest expense;
- Loss on financial assets at fair value through profit or loss; and
- Bank fees and charges.

Interest expense is recognised using the effective interest method. Other finance costs are expensed in the period in which they are incurred.

K. Employee benefits

i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Annual leave expected to be settled later than 12 months from the reporting date is discounted.

ii) Long service leave

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

iii) Defined contribution superannuation expense

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

iv) Share-based payments

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

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

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

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

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

v) Bonus

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

vi) Termination benefits

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

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Note 1. Significant accounting policies (continued)

L. Income tax

Income tax expense comprises current and deferred tax.

i) Current tax

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

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on temporary differences arising from:

- The initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- Investments in subsidiaries or interests in jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- The initial recognition of goodwill.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxable authority and the Group intends to settle its current tax assets and liabilities on a net basis.

iii) Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated Group with effect from 10 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Seymour Whyte Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using a 'Group allocation' approach based on the allocation specified in the tax funding arrangement.

Under this approach a notional current and deferred tax calculation is prepared for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated Group are treated as having no tax consequence. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated Group are recognised by Seymour Whyte Limited (as head entity in the tax-consolidated Group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated Group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated Group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

iv) Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated Group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Seymour Whyte Limited and each of the entities in the tax-consolidated Group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax-consolidated Group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated Group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated Group is limited to the amount payable to the head entity under the tax funding arrangement.

Note 1. Significant accounting policies (continued)

M. Non-derivative financial instruments

Non-derivative financial instruments comprise of cash and cash equivalents, trade and other receivables and trade and other payables which are measured at amortised cost using the effective interest rate method. Accounting policies around recognition and measurement of the non-derivative financial instruments are included in the respective sections of Note 1 to the financial statements.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

N. 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.

O. Trade and other receivables

Trade and other receivables consist of all receivables from construction contracts.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other non-current receivables are loans offered to shareholders to fully pay up partly paid shares (PPS) as part of an employee incentive program. These loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The effective interest rate is the rate that exactly discounts future cash receipts from a financial asset or liability to the asset or liabilities carrying amount on initial recognition.

P. Property, plant and equipment

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

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

The useful lives for each class of depreciable assets are:

Freehold land	Freehold land is not depreciated
Furniture, fittings and IT equipment	3-7 years
Heavy plant and equipment	3-30 years
Motor vehicles	5-10 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Q. Leases

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

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

Note 1. Significant accounting policies (continued)

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

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

R. Intangible assets

i) Goodwill

Where an entity or operation is acquired in a business combination, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought into account as goodwill. Goodwill on acquisitions of subsidiaries is included in intangible assets and is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

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

ii) Software and systems

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

S. Construction Contracts in Progress

For construction contracts in progress, where amounts have been billed for work performed but not yet paid by the customer, the billed amounts are included in the consolidated statement of financial position under trade and other receivables.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work.

For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position as a liability.

T. Trade and other payables

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

The effective interest rate is the rate that exactly discounts future cash receipts from a financial asset or liability to the asset or liabilities carrying amount on initial recognition.

U. Finance Leases

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

V. Provisions

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

W. Equity

i) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of tax, from any proceeds.

Note 1. Significant accounting policies (continued)

ii) Treasury Share Reserve

Ordinary shares recognised as equity that are purchased by the Company's Share Plan Trust for the benefit of employees are classified as treasury shares. The trust was established for the purpose of subscribing, acquiring and holding shares for the benefit of employees invited to participate in the Seymour Whyte Limited Employee Share Option Plan (ESOP).

The amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity and are presented in the treasury share reserve.

When the shares are transferred to participants upon the exercise of performance rights, this is recognised as an increase to equity at the initial cost of the shares.

iii) Dividends

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

iv) Earnings per Share

Basic earnings per share

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

Diluted earnings per share

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

X. Goods and Services Tax ('GST')

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

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

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

Y. Rounding of amounts

The company is of a kind referred to in Class Order 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 to the nearest dollar.

Z. Comparative figures

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

AA. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Note 2. Critical accounting judgements, estimates and assumptions

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

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Note 2. Critical accounting judgements, estimates and assumptions (continued)

i) Revenue

Revenue is recognised based on the percentage of completion method for construction contracts. The assessment of projects on a percentage of completion basis requires significant judgement with particular regard to:
- Determining the stage of completeness with reference to expenses incurred to date as a percentage of total estimated costs; and
- Where variations and claims are made to the contract, assumptions made regarding the probability that the customer will approve the variations and claims and the amount that will arise.

The assumptions used by management to measure percentage of completion are in accordance with the accounting policy stated in Note 1. Changes in these methods could have a material impact on the financial statements of the Group.

ii) Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Refer to Note 13 for further details.

iii) Share-based payment transactions

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

iv) Estimation of useful lives of assets

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

v) Long service leave provision

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

Note 3. Segment information

Identification of reportable operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed and used by the Chief Operating Decision Makers in assessing performance and in determining the allocation of resources.

The Board examines the Group's performance from an industry sector perspective and has identified two reportable segments of the business:

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

Information regarding these segments is presented below. The accounting policies of the reporting segments are the same as the Group's accounting policies.

Major customers

The Group generates all its revenue from external customers which includes state government road and transport departments, business enterprises owned by state governments, local governments (councils) and private companies. For the year ended 30 June 2016, external customers representing more than 10% of the Group's revenue were state government road and transport departments accounting for 79% of external revenue (2015: 68%).

Revenues and non-current assets by geographical areas

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

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
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Note 3. Segment information (continued)

Segment results

The following segment information provides an analysis of the Group's revenue and results by reportable operating segment for the year ended 30 June 2016:

	Year Ended 30 June 2016			Year Ended 30 June 2015		
	Civil Infrastructure	Utilities	Total	Civil Infrastructure	Utilities	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
Reportable segment revenue	306,933	71,319	378,252	213,889	59,973	273,862
Intersegment revenue	-	(18,123)	(18,123)	-	(4,667)	(4,667)
Revenue from External Customers	306,933	53,196	360,129	213,889	55,306	269,195
Income/(expenses)						
Depreciation and amortisation	(1,309)	(2,351)	(3,660)	(1,868)	(1,924)	(3,792)
Finance costs	(232)	(181)	(413)	(155)	(255)	(410)
Share of profit from equity accounted investments	-	-	-	91	-	91
Reportable segment profit before income tax	**2,904**	**8,686**	**11,590**	**16,291**	**5,846**	**22,137**
Assets and Liabilities						
Total Segment Assets	56,229	43,781	100,010	44,142	46,422	90,564
Total Segment Liabilities	(56,711)	(9,830)	(66,541)	(42,612)	(16,418)	(59,030)

	2016	2015
	$'000	$'000
Reconciliation of reportable segment revenues		
Total revenue for reportable segments	360,129	269,195
Unallocated amounts:		
Other revenue	561	566
Total revenue (Note 4)	360,690	269,761

Reconciliation of reportable segment profit before income tax	2016 $'000	2015 $'000
Reportable segment profit before income tax	11,590	22,137
Unallocated amounts:		
Other revenue	561	566
Other income	58	-
Employee benefits expense	(5,977)	(6,043)
External consultants and contractors	(390)	(619)
Directors fees	(610)	(554)
Rental payments	(493)	(481)
Other corporate expenses	(3,231)	(1,461)
Profit before income tax	1,508	13,545

Segment assets

Reconciliation of reportable assets	2016 $'000	2015 $'000
Reportable segments assets	100,010	90,564
Unallocated amounts:		
Cash and cash equivalents	35,293	42,196
Corporate fixed assets	2,501	3,201
Other receivables	447	339
Current tax assets	379	2,527
Other assets	85	115
Total assets	138,715	138,942

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

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Note 3. Segment information (continued)

Segment liabilities	2016	2015
Reconciliation of reportable liabilities	$'000	$'000
Reportable segment liabilities	66,541	59,030
Unallocated amounts:		
Deferred tax liabilities	7,612	6,395
Other payables	562	2,030
Total liabilities	74,715	67,455

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

Note 4. Revenue

	2016	2015
	$'000	$'000
Revenue from continuing operations		
Civil and engineering construction services	359,473	268,849
Other revenue		
Interest income	561	566
Sundry revenue	656	346
	1,217	912
Total revenue	360,690	269,761

Note 5. Expenses

	2016	2015
	$'000	$'000
Profit before income tax includes the following specific expenses which are significant because of their size or nature:		
Depreciation		
Furniture, fittings and IT equipment	600	613
Heavy plant, machinery and motor vehicles	3,296	2,717
	3,896	3,330
Amortisation of software	525	460
Total	4,421	3,790
Rental expense relating to operating leases	1,887	1,736
Finance costs and usage fees for bank guarantees and insurance bonds	1,075	908
Loss on disposal of property, plant and equipment	106	24
Employee benefits expense		
Share based payments		
- Employee Share Option Plan	336	1,290
- Exempt Employee Share Plan	178	165
Bonuses	166	729
Superannuation expense	4,098	3,793
Other employee benefits	49,903	41,772
	54,681	47,749

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Note 6. Income Tax Expense

	2016 $'000	2015 $'000
Recognised in the statement of profit and loss and other comprehensive income		
Continued operations		
Current tax on continuing operations	-	1,250
Adjustments for prior periods	(959)	72
Total income tax expense	(959)	1,322
Deferred tax on continuing operations	258	2,313
Adjustments for prior periods	959	-
Total deferred tax expense	1,217	2,313
Total income tax expense	258	3,635
Numerical reconciliation between income tax expense and profit before income tax		
Profit before income tax	1,508	13,545
Prima facie income tax at 30% (2015: 30%)	452	4,064
Increase/(decrease) in income tax expense due to:		
Adjustments in relation to current income tax of previous years	1	(191)
Share based payment expense	-	(284)
Research and development tax credit	-	(56)
Non-assessable income	(217)	-
Other non-deductible expenses	22	102
Income tax expense	258	3,635

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated Group and are therefore taxed as a single entity. The head entity within the tax-consolidated Group is Seymour Whyte Limited and the other members of the tax consolidated Group are Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd.

Note 7: Cash and Cash Equivalents

	2016 $'000	2015 $'000
Cash at bank	35,056	40,751
Cash on deposit or at call	237	1,445
	35,293	42,196

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

The above figures are reconciled to cash and cash equivalents at the end of the year as shown in the statement of cash flows as follows:		
Balance as per statement of cash flows	35,293	42,196

Restriction on cash and cash equivalents

Bank guarantee facility is secured by a right of set-off in relation to $237,352 in term deposits (2015: $1,445,000).

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Note 8. Trade and Other Receivables

	Note	2016 $'000	2015 $'000
Trade receivables (a)		4,239	10,466
Amounts due from customers for construction contracts	14	50,044	35,519
Other receivables		1,296	1,029
		55,579	47,014

(a) Impairment exposure

Information about the assessment of impairment of trade and other receivables, their credit quality and the Group's exposure to credit risk is disclosed in Note 23. There were $1,003,779 receivables past due as at 30 June 2016 of which 84% has since been collected. The remainder is considered fully recoverable and therefore no provision for doubtful debts has been recognised (2015: Nil).

Note 9. Other Assets

	2016 $'000	2015 $'000
Prepayments	2,140	1,894
Security deposits	119	127
Inventory	310	-
	2,569	2,021

Note 10. Other Non-Current Receivables

	2016 $'000	2015 $'000
Loans to shareholders	413	339

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

Key terms of the loan agreement are:

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

Note 11. Equity Accounted Investments

Seymour Whyte Constructions Pty Ltd has an interest in SWS Plant Pty Ltd (Associate) which was established for the purpose of acquiring a barge for dredging work required for a project which is now completed. The barge was sold in April 2014 with the settlement in October 2014. It is intended to de-register the company during the 2017 financial year.

The Group's share of net profit of SWS Plant Pty Ltd was nil (2015: $91,000).

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Note 12. Property, Plant and Equipment

	Freehold Land	Furniture, fittings and IT equipment	Heavy plant, machinery and motor vehicles	Total
	$'000	$'000	$'000	$'000
Cost or Valuation				
Balance at 1 July 2014	-	2,988	27,181	30,169
Additions	3,278	295	4,550	8,123
Disposals	-	-	(1,042)	(1,042)
Balance at 30 June 2015	3,278	3,283	30,689	37,250
Additions	-	321	3,701	4,022
Disposals	-	(3)	(484)	(487)
Balance at 30 June 2016	3,278	3,601	33,906	40,785
Accumulated Depreciation				
Balance at 1 July 2014	-	(1,050)	(4,273)	(5,323)
Depreciation expense	-	(613)	(2,717)	(3,330)
Disposals	-	-	663	663
Balance at 30 June 2015	-	(1,663)	(6,327)	(7,990)
Depreciation expense	-	(600)	(3,296)	(3,896)
Disposals	-	2	264	266
Balance at 30 June 2016	-	(2,261)	(9,359)	(11,620)
Carrying Amounts				
At 30 June 2015	3,278	1,620	24,362	29,260
At 30 June 2016	3,278	1,340	24,547	29,165

Included in heavy plant, machinery and motor vehicles are finance leased assets with a net book value of $7,309,535 (2015: $5,038,632). Financiers have either ownership of or a fixed charge secured over the funded asset.

Note 13. Intangible Assets and Goodwill

	Goodwill	Software and systems	Total
	$'000	$'000	$'000
Cost or Valuation			
Balance at 1 July 2014	13,873	2,453	16,326
Additions	-	142	142
Disposals	-	-	-
Balance at 30 June 2015	13,873	2,595	16,468
Additions	-	257	257
Disposals	-	-	-
Balance at 30 June 2016	13,873	2,852	16,725
Accumulated Amortisation			
Balance at 1 July 2014	-	(553)	(553)
Amortisation expense	-	(460)	(460)
Balance at 30 June 2015	-	(1,013)	(1,013)
Amortisation expense	-	(525)	(525)
Balance at 30 June 2016	-	(1,538)	(1,538)
Carrying Amounts			
At 30 June 2015	13,873	1,582	15,455
At 30 June 2016	13,873	1,314	15,187

Impairment testing for Cash Generating Unit Containing Goodwill

Goodwill acquired through the acquisition of Rob Carr Pty Ltd has been allocated to the Utilities division which has been identified as a separate cash generating unit (CGU) distinct from the Civil Infrastructure division.

The recoverable amount of the CGU has been determined by a value-in-use calculation using a discounted cash flow model, based on the financial budget approved by the Directors for the 2017 financial year and management's assessment of cash flow projections for a further four year period together with a terminal value.

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Note 13. Intangible Assets and Goodwill (continued)

Cash flow projections beyond the budget period are based on the following key assumptions to which the recoverable amount of the Utilities cash generating unit is most sensitive.

a. Average projected revenue growth of 9.3% per annum over a five year period
b. Average EBITDA margin of 16.2%
c. Terminal value growth rate of 3%

A post-tax discount rate of 9.9% reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the Utilities division, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 9.3% revenue growth rate is prudent and justified, based on the general market conditions applicable to the historical growth rates.

Based on the above assumptions, no impairment loss has been recognised as the carrying amount of the cash generating unit is below its recoverable amount for the Utilities division.

As disclosed in Note 2, the Directors 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 Directors are of the opinion that any reasonable possible change in a key assumption of which management has based its determination of the carrying value of the CGU would not cause the carrying value to exceed its recoverable value.

Note 14. Construction Contracts in Progress

	Note	2016	2015
		$'000	$'000
Contracts in progress			
Construction costs incurred plus recognised profits		316,782	224,827
Less progress billings		(271,359)	(196,636)
		45,423	28,191
Recognised and included in the consolidated financial statements as amounts due:			
- from customers for construction contracts	8	50,044	35,519
- to customers under construction contracts	15	(4,621)	(7,328)
		45,423	28,191

Note 15. Trade and Other Payables

	Note	2016	2015
		$'000	$'000
Trade payables		13,203	24,233
Other payables and accruals		40,559	20,457
Amounts due to customers under construction contracts	14	4,621	7,328
Employee bonus payables		-	500
		58,383	52,518

Note 16. Employee Benefit Liabilities

	2016	2015
	$'000	$'000
Current		
Annual leave	2,453	2,646
Long service leave	954	1,102
	3,407	3,748
Non-Current		
Long service leave	687	612
	687	612

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Note 17. Deferred Tax Assets and Deferred Tax Liabilities

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

	Assets		Liabilities		Net	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Employee benefits	1,624	2,245	-	-	1,624	2,245
Construction contracts	545	1,802	(12,711)	(10,727)	(12,166)	(8,925)
Property, plant & equipment	-	-	(1,097)	-	(1,097)	-
Other payables and accruals	73	241	(24)	-	49	241
Tax loss	4,009	-	-	-	4,009	-
Sundry items	62	44	(93)	-	(31)	44
	6,313	4,332	(13,925)	(10,727)	(7,612)	(6,395)

Movement in temporary differences during the year ended 30 June 2016:

	Balance at the beginning of the year $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Balance at the end of the year $'000
Employee benefits	2,245	(621)	-	1,624
Constructions contracts	(8,923)	(3,243)	-	(12,166)
Property, plant & equipment	-	(1,097)	-	(1,097)
Other payables and accruals	243	(194)	-	49
Tax loss	-	4,009		4,009
Sundry items	40	(71)	-	(31)
	(6,395)	(1,217)	-	(7,612)

Movement in temporary differences during the year ended 30 June 2015:

	Balance at the beginning of the year $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Balance at the end of the year $'000
Employee benefits	1,210	955	80	2,245
Constructions contracts	(6,024)	(2,899)	-	(8,923)
Other payables and accruals	503	(260)	-	243
Sundry items	149	(109)	-	40
	(4,162)	(2,313)	80	(6,395)

Note 18. Equity - Issued capital

	Consolidated		Consolidated	
	2016 No. of Shares	2015 No. of Shares	2016 $'000	2015 $'000
Ordinary shares - fully paid	87,976,230	87,769,869	22,671	22,493

Movements in ordinary share capital

Details	**Date**	**No. of shares**	**$'000**
1 July 2015		87,769,869	22,493
Shares issued under exempt employee share scheme	21 March 2016	206,361	178
30 June 2016		87,976,230	22,671

Share capital has no par value.

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Note 18. Equity - Issued capital (continued)

Shareholder rights

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

Dividend reinvestment plan

The company has established a dividend reinvestment plan (DRP) under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. No shares were issued under the DRP during the FY2016 financial year.

Exempt Employee share scheme

The exempt employee share scheme is an equity based plan on which $1,000 worth of shares is offered to Australian resident qualifying employees. Employees must have worked at least three months prior to issue to qualify for the relevant year's issue. Shares will be pro-rata based on partial year worked. These are granted free of charge and are not subject to any Company performance hurdles.

Shares issued under the plan will be subject to a holding lock for three years from the date of issue or cessation of employment with the Group.

Note 19. Share Based Payments

At 30 June 2016, the Group had the following share based payment arrangements:

(i) Performance and Retention Rights (Equity-settled)

The Employee Share Option Plan (ESOP) is a long-term incentive plan designed to provide participants with the incentive to deliver growth in shareholder value.

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

Vesting of the long-term incentive rights is subject to performance hurdles and the achievement of a service condition. Participants must remain continuously employed with the Group for up to three years to remain eligible for rights to vest.

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

- An entitlement to one fully paid ordinary share for each right that vests
- All performance rights have a zero exercise price; and
- Rights that do not vest will lapse.

The performance period and the proportion of rights subject to the achievement of each performance hurdle are as follows:

		Performance Hurdles		
	Performance Period	**Net Profit After Tax (NPAT)**	**Total Shareholder Return (TSR)**	**Earnings per Share (EPS)**
		Relative to target set by the Board	Ranking criteria relative to TSR of constituents of the S&P/ASX 200	Relative to target set by the Board
FY14 LTIP (Tranche 1 and 2)	1 year	25%	37.5%	37.5%
FY15 and FY16 LTIP	3 years	-	50%	50%

The weighted average remaining contractual life of all performance rights outstanding at the end of the financial year is 1.7 years (2015: 1.6 years).

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Note 19. Share Based Payments (continued)

The number of performance rights over ordinary shares of Seymour Whyte Limited granted to employees of the Group are as follows:

Employee Performance Rights Plan	2015				2016			
	Rights at the start of the year	Rights granted in the year	Rights forfeited in the year	Rights at the end of the year	Rights granted in the year	Rights forfeited in the year	Rights exercised in the year	Rights at the end of the year
No. of Rights								
Long Term Incentive Plan								
FY13 LTIP	758,161	-	(73,047)	685,114	-	(124,822)	(560,292)	-
FY13 LTIP (D. McAdam)	169,332	-	(169,332)	-	-	-	-	-
FY14 LTIP (D. McAdam)	284,338	-	(284,338)	-	-	-	-	-
FY14 LTIP (Tranche 1)	1,602,455	-	(168,527)	1,433,928	-	(445,574)	-	988,354
FY14 LTIP (Tranche 2) [1]	159,373	-	(11,647)	147,726	-	(10,307)	-	137,419
FY15 LTIP	-	642,320	(30,969)	611,351	-	(132,782)	-	478,569
FY15 LTIP (Executive Directors)	-	288,120	(221,631)	66,489	-	-	-	66,489
FY16 LTIP	-	-	-	-	1,572,532	(221,783)	-	1,350,749
Retention Incentive Plan								
FY13 Retention	357,500	-	-	357,500	-	(152,500)	(205,000)	-
FY13 Retention (D. McAdam)	200,000	-	(200,000)	-	-	-	-	-
FY14 Retention	502,556	-	(108,265)	394,291	-	(143,730)	-	250,561
RCPL Retention 1 [2]	61,385	-	-	61,385	-	-	(61,385)	-
RCPL Retention 2 [2]	61,385	-	-	61,385	-	-	-	61,385
Robert Carr Retention 1[3]	-	74,390	-	74,390	-	-	(74,390)	-
Robert Carr Retention 2[3]	-	74,390	-	74,390	-	-	-	74,390
Total all rights	4,156,485	1,079,220	(1,267,756)	3,967,949	1,572,532	(1,231,498)	(901,067)	3,407,916

1. A tranche of FY14 LTIP's was also granted to new starters on 7 May 2014.
2. FY14 Retention Rights granted to executives of Rob Carr Pty Ltd (excluding the executive director) were issued across two tranches to provide for two separate vesting dates.
3. FY15 Retention rights issued to Robert Carr relate to FY14 however were issued following receipt of shareholder approval on 26th November 2014. Rights issued across two tranches to provide for two separate vesting dates.

There were no performance rights available for exercise at 30 June 2016.

Fair value of performance rights granted

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

For the rights granted during the current and comparative years, the model inputs used to determine the fair value at the grant date, are as follows:

Employee Performance Rights Plan	Grant date	Expiry date	Share price at grant date	Expected price volatility	Expected dividend yield	Risk-free interest rate	Fair value at grant date
Long Term Incentive Plan (LTIP)							
FY 15 LTIP	10 Feb 2015	1 Mar 2018	$1.31	40.0%	5.5%	1.860%	$0.800
FY 15 LTIP (Executive Directors)	26 Nov 2014	1 Mar 2018	$1.29	45.2%	5.5%	2.450%	$0.820
FY16 LTIP	6 Jan 2016	1 Mar 2019	$1.00	40.0%	6.5%	1.995%	$0.595
Retention Incentive Plan							
Robert Carr Retention 1	26 Nov 2014	1 Mar 2016	$1.29	n/a	5.5%	n/a	$1.260
Robert Carr Retention 2	26 Nov 2014	1 Mar 2017	$1.29	n/a	5.5%	n/a	$1.190

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

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Note 19. Share Based Payments (continued)

(ii) Exempt Employee Share Scheme (Equity-settled)

The Exempt Employee Share Plan (EESP) was established to encourage shareholder participation and the alignment of interest between the Company and a broad pool of employees.

Further discussion of the plan can be found in the Group's remuneration report on page 29 and in Note 18.

During the year, the Group issued 206,361 shares to employees under the Exempt Employee Share Plan. The fair value of each share was determined as $0.86 being the volume weighted average price (VWAP) of the five trading days prior to the date of issue.

Refer to Note 5 for details relating to employee benefit expenses.

Note 20. Equity - Dividends

	2016 $'000	2015 $'000
Final dividend for the year ended 30 June 2015 of 6.25 cents per ordinary share fully franked at the tax rate of 30% (2014: 5.0 cents)	5,486	4,382
Interim dividend for the year ended 30 June 2016 of 1.75 cents per ordinary share fully franked at the tax rate of 30% (2015: 1.75 cents)	1,536	1,534
	7,022	5,916

Dividend reinvestment plan

No shares were issued under the Dividend Reinvestment Plan during the year (2015: Nil).

Franking credits

	$'000	$'000
Amount of franking credits at the reporting date, available to shareholders in future financial years is:	17,460	21,419

Note 21. Earnings Per Share

	2016 $'000	2015 $'000
Profit after income tax	1,250	9,910

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

	2016 No:	2015 No:
Issued ordinary shares at 1 July	87,769,869	87,647,595
Effect of shares issued through employee share scheme	57,510	40,200
Weighted average number of ordinary shares used in calculating earnings per share	87,827,379	87,687,795
Adjustments for calculation of diluted earnings per share:		
Effect of performance rights on issue	2,139,553	3,715,678
Weighted average number of ordinary shares after adjustment for the effect of dilutive potential ordinary shares	89,966,932	91,403,473

	2016 Cents	2015 Cents
Earnings per share		
Basic earnings from continuing operations	1.42	11.30
Diluted earnings from continuing operations	1.39	10.84

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Note 22: Capital Risk Management

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

The Group also maintains low level of debt in order to ensure sufficient capacity exists for bank guarantee and bonding facilities. These facilities provide head contract securities that are required by traditional contracts.

The leverage for the year ended 30 June 2016 and 30 June 2015 are as follows:

	2016 $'000	2015 $'000
Total cash and cash equivalents	35,293	42,196
Less: finance lease liabilities	(4,626)	(4,182)
Net cash	30,667	38,014
Total equity	64,000	71,487
Net cash to equity %	48%	53%

Note 23. Financial Risk Management

Financial risk management policies

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

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

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

(i) Market Risks

Foreign currency risk

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

As at 30 June 2016, the Group had no forward exchange contracts (2015: Nil) as the transactional value of amounts outstanding to paid in foreign currency are not considered significant with a reasonably short duration (less than six months).

The Group's net exposure to currency risk at reporting date is $nil (2015: $247,339) and had no other derivative financial instruments at 30 June 2016 (2015: $nil).

Price risk

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

Interest rate risk

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

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Note 23. Financial Risk Management (continued)

(ii) Credit risk

Trade and Other Receivables

Credit risk represents the possibility that a counter-party to a customer contract may fail to meet its contractual obligations and default on payment leading to a financial loss. The maximum credit exposure is the carrying amount of the asset, as disclosed in the financial statements (net of any provision for impairment). Major customers are assessed for credit worthiness and the Group closely monitors the ageing of receivables. Customers that fall outside the Group's strict credit guidelines may face legal action.

At 30 June 2016, there were $1,003,779 receivables past due of which 84% has since been collected. The remainder is considered fully recoverable and therefore no provision for doubtful debts has been recognised (2015: Nil).

Cash and Cash Equivalents

Credit risk is managed by ensuring banks and financial institutions holding the Group's cash have at least an 'A' grade credit rating. The Group held cash and cash equivalents with financial institutions of $35,293,382 at 30 June 2016 (2015: $42,196,426).

(iii) Liquidity risk

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

Non-derivative financial instrument composition and maturity analysis

The following are the remaining contractual maturities of financial assets and financial liabilities at 30 June 2016. The amounts are gross and undiscounted and includes interest payments on finance lease liabilities.

2016	Carrying amount $'000	Less than 3 months $'000	3 months to 1 year $'000	1-5 years $'000	More than 5 years $'000	Total $'000
Financial Assets						
Cash and cash equivalents	35,293	35,293	-	-	-	35,293
Trade and other receivables	55,579	46,024	9,555	-	-	55,579
Total financial assets	**90,872**	**81,317**	**9,555**	**-**	**-**	**90,872**
Financial Liabilities						
Trade and other payables	58,383	48,794	9,589	-	-	58,383
Finance lease liabilities	4,626	549	1,373	3,083	-	5,005
Total financial liabilities	**63,009**	**49,343**	**10,962**	**3,083**	**-**	**63,388**

2015	Carrying amount $'000	Less than 3 months $'000	3 months to 1 year $'000	1-5 years $'000	More than 5 years $'000	Total $'000
Financial Assets						
Cash and cash equivalents	42,196	42,196	-	-	-	42,196
Trade and other receivables	47,014	37,723	9,291	-	-	47,014
Total financial assets	**89,210**	**79,919**	**9,291**	**-**	**-**	**89,210**
Financial Liabilities						
Trade and other payables	52,518	41,658	10,860	-	-	52,518
Finance lease liabilities	4,182	544	1,605	2,389	-	4,538
Total financial liabilities	**56,700**	**42,202**	**12,465**	**2,389**	**-**	**57,056**

Net fair values

No financial assets and liabilities are readily traded on organised markets in standardised form. The carrying amounts of financial assets and liabilities equals their net fair value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Sensitivity analysis

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

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
30 June 2016

Note 24. Contingent Liabilities and Finance Facilities

	2016 $'000	2015 $'000
Claims		

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

Bank guarantee and insurance bonds

Bank guarantee facility secured by a Mortgage Debenture and Corporate Guarantee and Indemnity over all assets of the Group. There is also a right to set-off in relation to $0.24m in term deposits.	35,587	36,721
The total facility used was:	18,728	13,549
Insurance bond facility secured by Deeds of Indemnity and Guarantee:	50,000	40,000
The total facility used was:	32,871	24,947

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

	2016 $'000	2015 $'000
Asset finance facility		
Other facilities are used to fund the acquisition of plant and motor vehicles		
Asset finance facility secured by providing ownership of or mortgages over assets purchased through the facility.	7,445	8,272
The total facility used was:	4,626	4,182

Other finance facilities

The Group has a $10,000,000 general corporate finance facility which remains undrawn at year end (2015: $10,000,000).

Note 25. Commitments

	2016 $'000	2015 $'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities:		
Within one year	1,785	1,980
One to five years	3,602	4,892
Greater than five years	-	-
	5,387	6,872

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

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
30 June 2016

Note 25. Commitments (continued)

	2016 $'000	2015 $'000
Lease commitments – finance		
Committed at the reporting date and recognised as liabilities:		
Within one year	1,922	2,149
One to five years	3,083	2,389
Total commitment	5,005	4,538
Less: future finance charges	(379)	(356)
Net commitment recognised as liabilities	4,626	4,182
Representing:		
Lease liability - current	1,735	1,771
Lease liability - non-current	2,891	2,411
	4,626	4,182

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

Purchase commitments

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

	2016 $'000	2015 $'000
Capital		
Heavy plant & equipment	-	247
Motor vehicles	232	-
Total	232	247

Note 26. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Group:

	2016 $'000	2015 $'000
Audit services		
Audit and review of the financial statements	119	109
Other services		
Tax advisory services	-	53

Note 27. Related Party Transactions

Key management personnel compensation

The aggregate compensation paid to Key Management Personnel of the Group is set out below:

	2016 $'000	2015 $'000
Short-term employee benefits	3,237	3,010
Post-employment benefits	159	134
Long-term benefits	20	20
Termination benefits	-	375
Share-based payments	46	204
	3,462	3,743

Detailed remuneration disclosures are provided in the remuneration report on pages 38 and 39.

Note 27. Related Party Transactions (continued)

	2016 $'000	2015 $'000
Transactions with related parties		
Transactions with related parties are on normal commercial terms and conditions which are no more favourable than those available to other parties on an arm's length basis unless otherwise stated.		
Payments:		
• Rental payments (GST exclusive) to a Director (Robert Carr) related entity for premises used by Rob Carr Pty Ltd for offices and plant storage.	746	754
• Deferred final consideration payment to a Director (Robert Carr) in relation to acquisition of Rob Carr Pty Ltd.	-	2,500
• Payments to a related entity of Director (David Wilson) in relation to remuneration as Acting Managing Director and Chief Executive Officer (for the period 28 July 2015 until 26 October 2015)	99	-
Receipts:		
• Settlement of warranties from Robert Carr under the share sale agreement for Rob Carr Pty Ltd	231	-
Balances with related parties		
• Principle amounts due from shareholder loans.	618	706

Note 28. Parent Entity Disclosures

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

	2016 $'000	2015 $'000
Profit after income tax	2,316	14,534
Current assets	4,637	1,512
Non current assets	49,527	51,608
Total assets	54,164	53,120
Current liabilities	17,554	19,970
Non current liabilities	9,500	-
Total liabilities	27,054	19,970
Net assets	27,110	33,150
Issued capital	22,671	22,493
Share based payment reserve	1,580	2,385
Retained earnings	2,859	8,272
Total equity	27,110	33,150

Liabilities include an intercompany loan payable of $19.5m (2015: $19.5m) to Seymour Whyte Constructions Pty Ltd in relation to an amount borrowed to acquire Rob Carr Pty Ltd on 25 February 2014. The loan is repayable subject to an intercompany loan agreement where $10m is due by 30 June 2017 with the balance repayable at the discretion of Seymour Whyte Limited but no later than 30 June 2019.

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
30 June 2016

Note 29. Subsidiaries

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

	Country of Incorporation	Equity Interest 2016 %	Equity Interest 2015 %
Seymour Whyte Constructions Pty Ltd	Australia	100	100
Rob Carr Pty Ltd	Australia	100	100
Seymour Whyte Limited Employee Share Trust	Australia	100	100

Note 30: Interests in Joint Operations

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

	Principal Activities	Equity Interest 2016 %	Equity Interest 2015 %
Seymour Whyte Smithbridge Joint Venture	Civil Construction	50	50
SWBJV Joint Venture	Civil Construction	50	50
GC Connect Joint Venture	Civil Construction	75	75
Drying Green Joint Venture	Civil Construction	31.9	31.9

The principle place of business for all joint operations is within Australia. These joint operations are an important element of the Group's strategy for growth and diversification.

Note 31. Reconciliation of Profit after Income Tax to Net Cash from Operating Activities

	2016 $'000	2015 $'000
Profit after income tax expense for the year	1,250	9,910
Adjustments for:		
Depreciation and amortisation	4,421	3,790
Net loss on disposal of plant and equipment	39	24
Share of profit from equity accounted investments	-	(91)
Effective interest income on PPS loan	(162)	-
Share based payments expense	514	1,290
Change in operating assets and liabilities, net of effect from acquisition of subsidiary		
Decrease / (increase) in trade and other receivables	(8,298)	7,570
Increase in other assets	(815)	(778)
Increase in current tax assets	2,149	(1,552)
Increase / (decrease) in trade and other payables	5,865	(2,440)
Increase / (decrease) in employee benefit liabilities	(266)	654
Increase in deferred tax liabilities	1,217	2,233
Cash flow from operations	5,914	20,610

Non-cash transactions

During the year the Group purchased plant and equipment of $2,553,089 through finance leases.

Seymour Whyte Limited
Notes to the Consolidated Financial Statements
30 June 2016

Note 32. Events after the Reporting Period

On 11 July 2016, Mr Robert Carr tendered his resignation as the Chief Executive of the Group's utilities business. Mr Carr will continue to serve on the Board as a Non-Executive Director after he ceases employment in December 2016.

On 26 July 2016, Ms Lisa Dalton tendered her resignation as the Group's Company Secretary. Ms Dalton ceased employment with the Company on the 29 July 2016. Ms Amy Deeb was appointed as the Company Secretary on the 26 July 2016.

At the date of signing this report the Directors are not aware of any other matters, which in the opinion of the Directors, have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Seymour Whyte Limited
Directors' Declaration

In the opinion of the Directors of Seymour Whyte Limited:

a) The consolidated financial statements and notes, as set out on pages 44 to 74 and the additional disclosures included in the Directors Report designated as audited are in accordance with the *Corporations Act 2001*, including:

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

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

iii) Giving a true and fair view of the Group's financial position as at 30 June 2016 and of the performance for the year ended on that date.

b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2016.

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

John Kirkwood
Managing Director and Chief Executive Officer

Mac Drysdale
Chairman

23 August 2016
Brisbane

Deloitte.

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Independent Auditor's Report to the members of Seymour Whyte Limited

Report on the Financial Report

We have audited the accompanying financial report of Seymour Whyte Limited, 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 cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 44 to 74.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the consolidated 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

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 Seymour Whyte 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 Seymour Whyte 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 consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 41 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 Seymour Whyte Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R G Saayman
Partner
Chartered Accountants
Brisbane, 23 August 2016

Seymour Whyte Limited
Shareholder Information
30 June 2016

The shareholder information set out below was applicable as at 16 August 2016.

Distribution of ordinary shareholders

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

Holding Range	**Number of holders**	**Number of shares**
1 to 1,000	313	168,032
1,001 to 5,000	715	2,126,579
5,001 to 10,000	402	3,236,418
10,001 to 100,000	561	16,442,570
100,001 and over	57	66,002,631
Total	**2,048**	**87,976,230**

There were 195 shareholders who held less than a marketable parcel of $500 worth of shares.

Largest ordinary shareholders

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

Name	**Number held**	**Percentage Held**
RACELID PTY LTD	19,855,196	22.57%
RABTUVI PTY LIMITED	17,089,279	19.42%
MR ROBERT PATRICK CARR	4,874,390	5.54%
MS CATHERINE MARY CARR	4,800,000	5.46%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,315,157	4.90%
RBC INVESTOR SERVICES AUSTRALIA PTY LIMITED	2,780,363	3.16%
CPU SHARE PLANS PTY LTD	1,300,000	1.48%
HINDMARSH ISLAND PTY LTD	919,289	1.04%
BENNYCO PTY LTD	889,048	1.01%
KYRIACOU EQUITIES PTY LTD	640,633	0.73%
CHANDLER CONSTRUCTIONS PTY LTD	502,827	0.57%
MININGNUT PTY LTD	425,000	0.48%
PINEVIEW ENTERPRISES PTY LTD	420,527	0.48%
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	415,000	0.47%
MORETON BAY DREAMING PTY LTD	400,000	0.45%
LIQUID PROJECTS PTY LTD	272,901	0.31%
NETWEALTH INVESTMENTS LIMITED	223,154	0.25%
PJN HOLMES SUPER PTY LTD	220,000	0.25%
MR STUART NIGEL TANKARD	206,000	0.23%
SAVAGE TOWNSVILLE PROPERTY PTY LTD	200,740	0.23%

Unquoted equity securities

Name	**Number of holders**	**Number on issue**
Rights over ordinary shares issued	98	3,407,916

Substantial shareholders

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

Voting rights

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

Voluntary Escrowed Shares

9,600,000 ordinary shares were issued during FY14 as a result of the acquisition of Rob Carr Pty Ltd. The ordinary shares were proportionately subject to escrow over three periods from acquisition until 30 June 2016. The last tranche of 3,200,000 fully paid ordinary shares were released from escrow on 30 June 2016.

Seymour Whyte Limited
Corporate Directory

Directors	Mac Drysdale Don Mackay John Seymour Susan Johnston Christopher Greig Robert Carr David Wilson John Kirkwood
Company secretary	Lisa Dalton (resigned 26/07/16) Amy Deeb (appointed 26/07/16)
Registered office and principal place of business	Brisbane Technology Park 12 Electronics Street Eight Mile Plains QLD 4113 Phone: (07) 3340 4800 Fax: (07) 3340 4811
Share register	Computershare Investor Services Pty Ltd 117 Victoria Street West End QLD 4101 Phone: (07) 3237 2100 www.computershare.com/au
Auditor	Deloitte Touche Tohmatsu Riverside Centre 123 Eagle Street Brisbane Qld 4000 www.deloitte.com.au
Bankers	Australia and New Zealand Banking Group Limited (ANZ) www.anz.com
Stock exchange listing	Seymour Whyte Limited shares are listed on the Australian Securities Exchange (ASX code: SWL)
Website	www.seymourwhyte.com.au

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