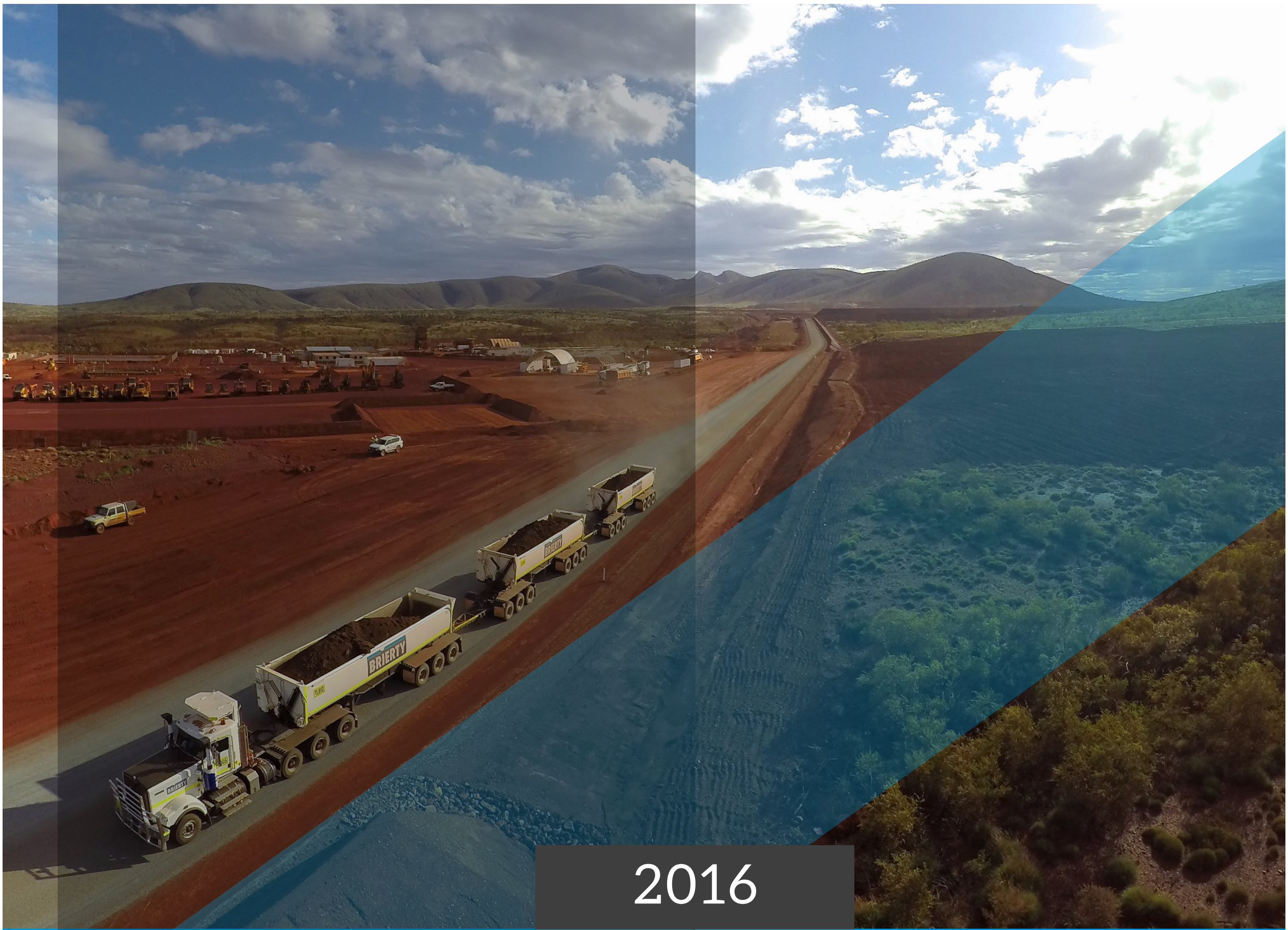
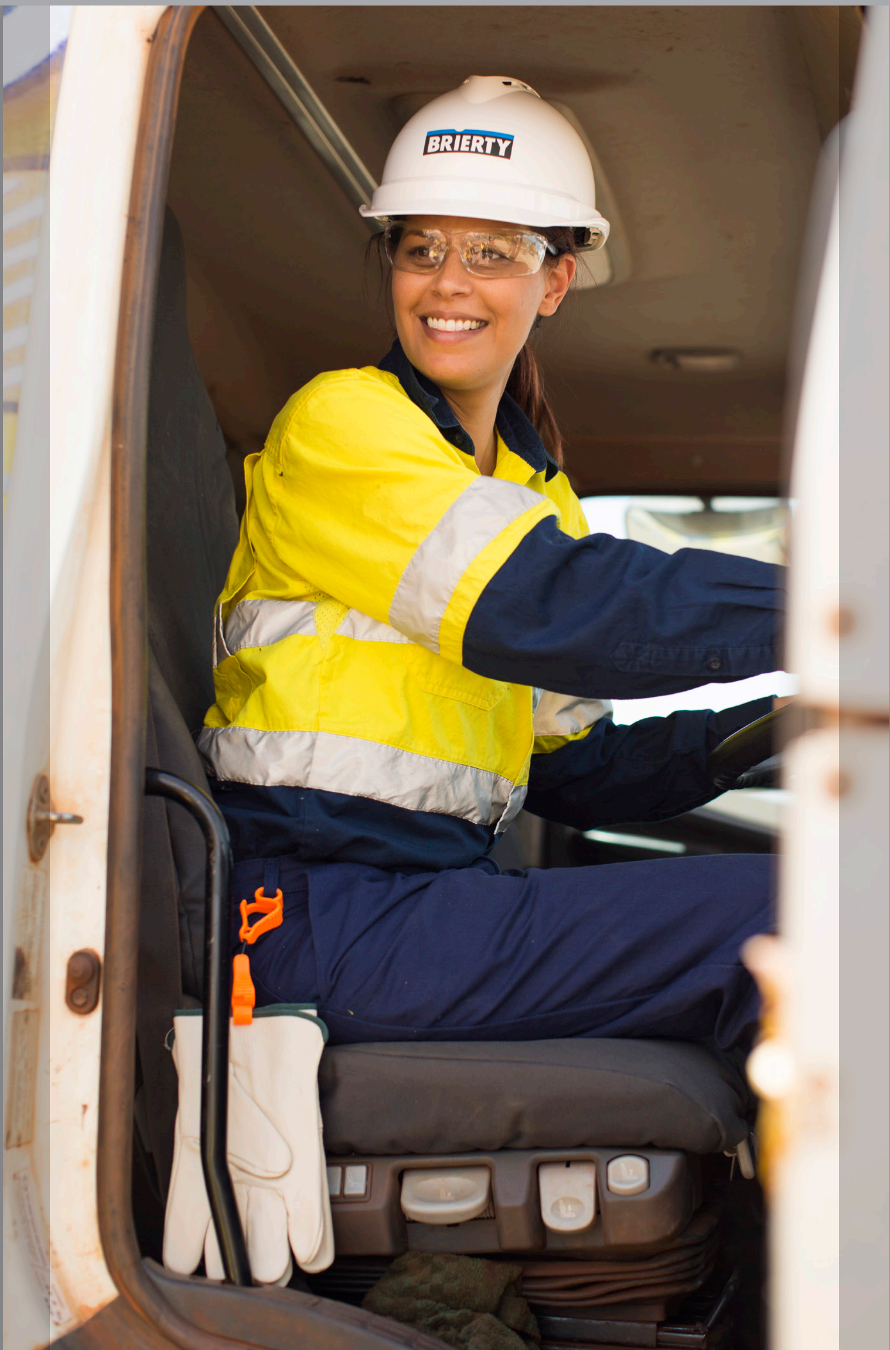


2016

ANNUAL REPORT

BRIERTY

“Brierty maintained its focus on safety in the year, reporting a considerable improvement in its total reportable injury frequency rate..... and again achieving a lost time injury frequency rate of zero for the year.”



BRIERTY

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CHAIRMAN'S REPORT

"...Brierty has entered FY2017 with a $286 million order book that provides a solid foundation for the year to come... demonstrating our ability to continue winning work in a competitive environment."

Dear fellow shareholders,

On behalf of Brierty Limited's Board, I present to you the 2016 Annual Report.

Brierty's performance in the 2016 financial year was disappointing, with issues at the North West Coastal Highway (NWCH) Project having an adverse financial impact on the business. The Project loss was unacceptable and masked the solid performance achieved at many of our other projects during the year, including our $300 million mining project at Western Turner Syncline, our major land development project at Mitchell Creek Green in the Northern Territory, and other smaller civil projects.

The Company reported revenue of $212.5 million in FY2016, which was 27.3 per cent lower than FY2015. This reflected reduced turnover in our civil division due to the highly competitive environment for new projects and lower revenue from our mining division following completion of the Karara contract in November 2014. There was a small increase in revenue from our land development division, reflecting the steady performance from the Mitchell Creek Green project.

Brierty reported a net loss after tax of $52.4 million. This included two one-off, non-cash items – a $23.1 million impairment (after-tax) to the carrying value of Brierty's plant and equipment following an independent valuation by Smith Broughton and not recognising a deferred tax asset to the value of $11.0 million. After removing these items, Brierty reported an underlying net loss after tax of $18.3 million. This was principally driven by issues at the NWCH Project, including a provision for future losses associated with the Project through to completion in Q2 FY2017. Given the result, the Board elected to not declare a final dividend.

A key outcome of the year was ensuring we learnt lessons from the NWCH Project and implemented those across the business to best position Brierty to deliver improved operational and financial performance in the coming years. This included altering the Company's business strategy to target projects that play to Brierty's strengths, such as targeting mining services projects and smaller civil jobs, and rebasing future bids for road construction projects. We also established an expenditure review committee to identify and implement significant cost efficiencies to deliver meaningful structural change that ensures Brierty can better compete in the current competitive market. Importantly, Brierty maintained its focus on safety in the year, reporting a considerable improvement in its total reportable injury frequency rate (TRIFR), from 5.95 to 1.94, and again achieving a lost time injury frequency rate of zero for the year.

In addition, in July 2016 Brierty's Chief Operating Officer Ray Bushnell was promoted to the position of Chief Executive Officer, following the resignation of Peter McBain as Managing Director. The transition to a new CEO was mutually agreed between the Board and Mr McBain. Mr Bushnell entered the CEO role after leading our successful mining business over the past year, and the Board has every confidence his extensive experience and expertise in both contract mining and civil construction provides the right skill set to lead the Company.

In May 2016 Mr Alan Brierty retired as a Non-Executive Director. Mr Brierty co-founded Brierty with his wife Kylie, as a civil construction business in 1981. Brierty expanded into roads and highway construction and established a reputation for completing contracts safely and efficiently, before expanding again to provide a full range of civil infrastructure services, as well as adding contract mining services. Alan has left a significant and long-lasting legacy; none more important than the enduring culture of evolving the business and delivering projects. On behalf of the Board and all current and former staff, I would like to thank Alan for his passion and commitment to Brierty over his long career. We wish him all the best in his retirement.

Looking ahead, Brierty has entered FY2017 with a $286 million order book that provides a solid foundation for the year to come. This includes a $30 million contract awarded by Newmont Mining in August 2016, demonstrating our ability to continue winning work in a competitive environment. I would like to thank Brierty's staff for their dedication to the business during a challenging period and also thank shareholders for their ongoing support. With the changes made at Brierty over the past twelve months and our quality order book, the Board looks forward with cautious optimism to deliver improved results in FY2017.

Dalton Gooding
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

“In mining services, Brierty accelerated into full operating phase at the $300 million Western Turner Syncline Stage 2 contract for Rio Tinto.”

It was a challenging year for Brierty, given issues experienced at the North West Coastal Highway Project as well as significant competition for new contracts. Notwithstanding these challenges, I am pleased that Brierty continued to win its share of work through our expertise, high standard of project delivery and strong customer relationships.

Operations Overview

In the year Brierty worked on a diverse range of civil, mining, and land development projects, both in Western Australia and the Northern Territory. Clients included Rio Tinto, Main Roads WA, the Northern Territory Government, Brookfield Multiplex, Landcorp, Peet, and the City Busport Alliance.

Work at civil projects during the year included road upgrades performed for Main Roads WA, at Perth Stadium for Brookfield Multiplex, at the Perth City Link for the City Busport Alliance, at Broome for Landcorp, and at Lakelands for Peet, as well as a number of smaller contracts. Competition for civil projects remained strong as ongoing subdued mining infrastructure investment meant operators focused on government and urban infrastructure. Despite the limited mining infrastructure investment, Brierty demonstrated its ability to win work in that sector with a $30 million contract from Newmont Mining for civil works at the Boddington gold mine awarded in August 2016, and in joint venture with Eastern Guruma won the $15 million Marandoo Waste Fines Storage Facility for Rio Tinto in the Pilbara.

In mining services, Brierty accelerated into full operating phase at the $300 million Western Turner Syncline Stage 2 contract for Rio Tinto. The transition from the ramp up phase to operating phase ensured we delivered improved performance from the division during the year, despite there being less revenue in FY2016 after Karara operations ended in FY2015. While the resources industry overall was challenging, there have been some bright spots presenting opportunities, such as in the gold sector.

The land development division delivered ongoing solid performance, with construction continuing at the Mitchell Creek Green development in the Northern Territory. Brierty completed 163 blocks and sold 110 lots in the year, with construction to continue over FY2017 and sales activity expected to remain stable.

Safety and People

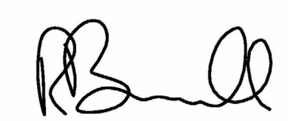
Brierty remained focused on its people and safety during the year and the Company built on the strong improvements made in FY2015, with a total reportable injury frequency rate (TRIFR) of 1.94 (FY2015: 5.95) and a lost time injury frequency rate (LTIRF) of zero (FY2015: 0). Brierty’s TRIFR and LTIFR rates are industry leading and the Company continues to target further improvements in FY2017. In a competitive environment, the ability to perform work safely is highly valued by customers.

At 30 June 2016, Brierty employed 353 people, 28% lower than the previous year given fewer projects and accordingly fewer project support staff. Brierty improved female participation and Indigenous engagement in its workforce, in line with the Company’s strategy. Female employees represented 16 per cent (2015: 14%) of Brierty’s workforce at 30 June 2016 and 15 per cent of Brierty’s workforce identified as either Aboriginal or Torres Strait Islander (2015: 13%). Brierty intends to build on its current diverse workforce in order to meet set gender diversification and Indigenous engagement targets.

Outlook

At the end of August 2016, Brierty had an order book of $286 million, providing a solid foundation for FY2017. In the coming year, Brierty will target mining services projects and smaller civil jobs, while rebasing tenders for road construction projects, in line with our new business strategy. The environment for new work remains competitive, however we are cautiously optimistic for improved financial performance in the year.

In summary I would like to thank staff for their hard work and dedication to Brierty during what has been a challenging year for the Company. I also wish to thank the Board for their counsel and the senior management team for their support.



Ray Bushnell
Chief Executive Officer

CORPORATE DIRECTORY

Directors	Dalton L Gooding (Chairman) *Non-Executive Chairman* Ken J Hellsten *Non-Executive Director* Richard J O'Shannassy *Non-Executive Director*
Secretary	Mark J Davies
Australian Business Number	65 095 459 448
Principal registered office in Australia	Ground Floor, 72 Melville Parade South Perth, WA 6151
Location of Corporate Governance Statement	http://www.brierty.com.au/investors-and-media/corporate-governance.html
Share and debenture register	Computershare
Auditor	EY 11 Mounts Bay Road Perth, Western Australia
Bankers	Bankwest 108 St Georges Terrace Perth, Western Australia
Stock exchange listings	Brierty Limited shares are listed on the Australian Securities Exchange. ASX Code BYL
Website	www.brierty.com.au

DIRECTOR'S REPORT

Your directors present their report on the consolidated entity consisting of Brierty Limited and the entities it controlled at the end of, or during, the year ended 30 June 2016. Throughout the report, the consolidated entity is referred to as the Group.

Directors

The following persons were non-executive directors of Brierty Limited during the whole of the financial year and up to the date of this report:

Dalton L Gooding (Chairman)

Ken J Hellsten

Richard J O'Shannassy

Former Non-executive Director

Alan R Brierty (resigned as director on 23 May 2016)

Former Executive Director

Peter McBain
(resigned as director on 21 July 2016)

Principal activities

The principal continuing activities of the Group are civil and mining contracting and land development activities.

(a) Civil - Major highway and road construction, railway formation, airport runways, site works, concrete and pavement works, earthworks, drainage and service installation, sewer reticulation, roadworks and subdivisional infrastructure for the creation of housing lots.

(b) Mining - Surface mining including site preparation, such as stripping overburden, site works for building infrastructure, road works, tailings dams, drill and blast, load and haul, material handling and road haulage.

(c) Residential Land Development - The subsidiary company, Bellamack Pty Ltd (trading as Territory Life), engages in residential land development activities in Darwin, Northern Territory.

Dividends - Brierty Limited

No dividends were declared or paid during the year.

	2016	2015
	$	$
Final dividend for the year ended 30 June 2016 Nil (2015: 1.75 cents per share)	-	1,925,000
Special dividend Nil (2015: 8 cents per share)	-	10,120,000
Interim dividend for year ended 30 June 2016 Nil (2015: 1.25 cents per share)	-	1,581,250
	-	13,626,250
Proposed final dividend not recognised as a liability at 30 June		
No final dividend for the year ended 30 June 2016 (2015: Nil)	-	-

The directors have decided that there will be no final dividend for the year ended 30 June 2016 (2015: no final dividend).

Operating and Financial Review

OVERVIEW

Brierty is a diversified contractor that provides civil construction, mining services and land development through its operations in Western Australia and Northern Territory. In the past year, Brierty was involved with the following activities:

- Urban land development contracting - residential and commercial subdivisions in metro and regional areas of Western Australia and the Northern Territory for Landcorp, and Peet.
- Road construction - metro and regional roads for Main Roads WA and local government councils.
- Airport works - car parks, roads and taxi and bus ranks for Perth Airport.
- Mine site civil works - road construction for Rio Tinto.
- Mining services - contract mining including drill and blast, load and haul, crushing, road haulage and train loading for Rio Tinto.
- Land developer and seller - blocks developed and sold at Bellamack and Mitchell Creek Green for wholly owned subsidiary Bellamack Pty Ltd.
- Civil construction – Newmont's Boddington gold mine, Perth Busport and New Perth Stadium for Brookfield Multiplex, and Tindal Airbase for the Department of Defense.

As the principal contractor, Brierty delivers quality products and services for its clients in projects ranging in size from $1 million up to $100 million in the civil division and full range of mining projects up to circa $500 million in value. On most projects, works are self-performed with Brierty's own equipment and people, with specialised activities sub-contracted.

SAFETY

The Group continued to focus on safety during the year and continued the trend of reducing safety incidents with a total reportable injury frequency rate (TRIFR) of 1.94 (2015: 5.95) and a lost time injury frequency rate of zero (2015: 0). Our TRIFR rate and LTIFR rate is industry leading and the Group continues to targeted further improvements for the coming year.

PEOPLE

At 30 June 2016, the Group employed 353 people. Given the contract nature of Brierty's business, the number of employees can vary significantly at a given point in time. At 30 June 2016, the number of employees was 28% lower than the previous year due to a reduction in the number of operating projects and corresponding associated reduction in overhead project support personnel.

DIVERSITY

Brierty actively promotes female participation and Indigenous engagement within our workforce. The representation of female employees within the Group is currently 16% (2015: 14%) of our workforce, highlighting the Group's continued push to increase female participation levels across blue-collar, engineering and professional based positions.

In order to track Brierty's progress in increasing diversity within the workforce, Brierty monitors and measures participation levels within the Group, particularly in relation to female participation and Indigenous employment. Brierty's strong commitment to increasing female participation and Indigenous engagement through diversity strategies and recruitment processes has resulted in significant diversity successes in both areas. Brierty will continue to build on our current diverse workforce in order to meet set female participation and Indigenous engagement targets.

INDIGENOUS

Indigenous engagement is a cornerstone of Brierty's diversity policy. Paramount to our commitment to Indigenous Engagement is the direct employment of Aboriginal and Torres Straits Island employees and providing lasting employment and development opportunities within our business. At the end of June 2016, 14.7% of Brierty's workforce identifies as either Aboriginal or Torres Strait Islander. Brierty's commitment to Indigenous engagement is industry leading.

BUSINESS MODEL

The Group is split into three divisions being civil contracting, mining services and land development and all 3 divisions are supported by centralised plant, procurement, human resources, safety, commercial and finance. Systems are in place to support all areas of the business and we are certified for quality, environment and health and safety.

FINANCIAL RESULTS

Revenue and Profit

In the year ended 30 June 2016, the Group had revenue of $213 million (2015: $292 million) a 27% decrease. The civil division had revenues of $117million (2015 $156 million) with the decreased turnover due to an increasingly competitive market reducing new work opportunities.. The mining division had revenues of $65 million (2015 $107 million) as new mining work contracted with the main focus being the operations at Western Turner Syncline. Land development had revenue of $30 million (2015: $30 million) with the maintenance of sales from the development at Mitchell Creek Green.

The Group is not dependent upon any one customer and has a good range of blue chip clients including Rio Tinto, Main Roads WA, Peet, Newmont Mining, Perth Airport, Brookfield Multiplex, and Landcorp. Land at Mitchell Creek Green and Bellamack is sold to the general public.

The Group reported a net loss after tax of $52.4 million (2015 $3.1 million profit). The performance was largely a result of an impairment of property, plant, equipment and inventory of $34.4 million and significant losses on the North West Coastal Highway Project. In January 2016 the Group finalized the weather related insurance claim on the Great Eastern Highway Project with recoveries totaling $2.5 million. The Group reached an agreement with Main Roads WA on the Great Eastern Highway contract dispute in September 2016.

The Group also experienced tighter margins in the civil and mining divisions offset by better margins in land development. With the slowdown in mine construction activity there has been increased competition in major civil projects with margins being squeezed. The lower iron ore price has led to most iron ore producers looking to save costs from contractors and this has resulted in lower margins generally in mining contracting. Land development margins increased with the sale of lots at Mitchell Creek Green starting during the year, and the ability to recognise margin on the final sales at Bellamack.

The three operating divisions contributed profit as per the following table:

Segment Results (Pre-corporate overheads)

	Civil	Mining	Land Development	Total
Revenue - FY 2016	$117,269,163	$65,108,766	$30,172,393	$212,550,322
Segment result - FY 2016	($33,181,832)	$8,262,200	$7,902,357	($17,017,275)
Margin - FY 2016	-28.3%	12.7%	26.2%	-8.0%
Revenue - FY 2015	$156,160,167	$106,657,271	$29,542,859	$292,360,297
Segment result - FY 2015	$938,903	$7,838,676	$2,878,714	$11,656,293
Margin - FY 2015	0.6%	7.3%	9.7%	4.0%

Note that the segment revenue and results are considered non-IFRS information. The basis of preparation is as per the segment note in the financial statements. This information is unaudited and has been included to show the performance of each division after allocating divisional overheads.

For a reconciliation of segment results to loss from continuing operations before income tax for the period of $64,712,487 please refer to note 5, segment information, within the notes to the consolidated financial statements.

Assets and Liabilities

At 30 June 2016, the major assets on the statement of financial position were cash, trade debtors, plant and equipment, land inventory, spare parts inventory and work in progress.

The carrying value of the Group's plant and equipment has been reviewed, as part of normal year-end processes. The carrying value reflects the outcome of an independent valuation of the Group's plant and equipment which determined a $33m impairment. The Board considers the carrying value of the equipment to be an appropriate reflection of the fair market value of the Groups plant and equipment.

For the year ended 30 June 2016, the Group has recorded a net loss after tax of $52,377,096 (30 June 2015 a net profit after tax of $3,111,702) and generated net operating cash outflows of $7,568,155 (30 June 2015 an outflow of $1,787,474). As at 30 June 2016, the Group had a net current asset deficiency of $42,063,482 (30 June 2015 a net current asset deficiency of $9,918,544) including an overdraft of $21,502,750 (30 June 2015 overdraft of $0). The financial covenants attached to the overdraft facility were in breach at period end and continue to be in breach at the date of this report.

The Group prepares rolling 12 month cash flow forecasts. The 12 month cash flow forecast to 30 September 2017 indicates that the Group will require additional funding during the period. As the Group is in breach of its bank debt financial covenants in relation to the working capital facility, the Group will also require the ongoing financial support of its bank debt financier.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis based on the following matters:

- The Group's bank debt financier continues with its current level of support.
- If the ongoing financial support is not forthcoming, the Directors believe that they will be able to source alternative debt or additional equity capital to meet this requirement.
- The Group has been successful, subsequent to 30 June 2016, in winning work totaling $38m.
- The Group has a number of tenders currently in the pipeline which may result in additional revenue being generated.

- The Group is in negotiations with clients to recover additional claims in respect of civil works undertaken.
- An agreement has been entered into with a customer to use its supply chain funding program. This has resulted in shorter payment terms for projects undertaken on that customer's behalf.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to achieve the matters set out above, to enable it to meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability or classification of the recorded asset amounts (including the recoverability of the Group's recognised deferred tax assets) or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

DIVIDENDS

The practice of the Group is to have 25% to 35% of Net Profit After Tax (NPAT) available for distribution as dividends, with the balance being retained for funding ongoing growth. Dividends are franked to the extent franking credits are available. No final dividend has been declared for FY2016, but this does not alter the Group's stated dividend policy .

BUSINESS STRATEGY

The Group's strategy is to continue to deliver quality products for our clients across the three divisions and to grow the business organically.

PROSPECTS FOR FUTURE FINANCIAL YEARS

The outlook for FY2017 is promising, despite conditions remaining highly competitive. At the end of August 2016, Brierty had an order book of $286 million, providing a solid foundation for FY2017. Brierty expects to win further work in civil construction, urban land development and contract mining, in addition to smaller civil contracts that Brierty continues to win. Mining services will be expanded to target drill & blast and crushing & screening. Major projects that will continue or commence during the year include the civil works at the Boddington gold mine, construction of the subdivision at Mitchell Creek Green in the Northern Territory, Marandoo tailings dam construction, further subdivisions at Lakelands near Perth and mining at Western Turner Syncline Stage 2 for Rio Tinto.

Civil

Competition for civil projects remained strong as ongoing subdued mining infrastructure investment meant operators focused on government and urban infrastructure. There is also strong demand for housing blocks in the first home buyer market with developments continuing across Perth and regional Western Australia. There is continued spend on infrastructure assets across Western Australia particularly at Perth Airport, Perth Stadium and revitalisation and build form projects across Perth. There are numerous opportunities in the Northern Territory that the Group is pursuing including airport works, and oil and gas civil works. The landscape remains competitive for these projects, however Brierty is well positioned due to its established relationships and proven record to deliver projects safely and cost effectively for clients.

Mining

In the mining sector the Group expects there to be further opportunities in iron ore mining with the major iron ore producers, which will lead to construction and contract mining opportunities. There are also opportunities in other mining operations such as gold, copper and silver that the Group is pursuing.

Land Development

In land development the Group will continue with the development and sale of land at Mitchell Creek Green. It is expected demand for these blocks will be strong as many will be priced at the lower end of the market to cater for first home buyers.

RISKS

The Group employs extensive risk management processes to identify risks to the business and to put in place actions, monitoring and reporting activities to mitigate these risks.

Project Execution

Project execution is important to Brierty and its customers and each project faces a number of risks during its execution. Some projects involve an element of design while others are construct only where the customer provides the design. Brierty has put in place a number of strategies to manage risks, including insurance, risk management and work practice programs designed to ensure risks are identified and managed.

Pricing Risk

There is always a risk that pricing is incorrect or excludes activities that may impact financial performance. To mitigate this risk, Brierty has an extensive tender review process to ensure that nothing is missed from the tender and that our prices are consistent with our experience and expertise.

Major Asset Damage

The Group owns a large amount of earth moving equipment. To mitigate the risk of damage, the Group ensures that all operators are competent and equipment is checked daily prior to use. Brierty has adequate insurance and programs in place to ensure the assets are maintained in accordance with the manufacturer's recommendations. Assets are secured at all of the Group's locations.

Reputation

Repeat business is critical to Brierty's success as can be seen with continued work at Perth Airport, Lakelands, Western Turner Syncline Stage 2 for Rio Tinto and for Landcorp across WA. It is vitally important that Brierty delivers a quality product at all times and meets the market's financial performance expectations. We have a rigorous full review of each project's progress and financial performance each month.

Brierty operates in a competitive market with many competitors tendering the same projects. To ensure Brierty maintains a robust order book, Brierty targets projects carefully with a view to ensuring the Group does not compete in markets where margins are too low. In markets where Brierty does operate it targets projects where the Group has a competitive advantage, and the robust tender process ensures Brierty's bids are competitive and accurate.

Strategy

Brierty's Board and senior executives hold bi-annual strategy sessions to review the current strategy and include new target markets, products and geographical areas in future endeavours to maintain market relevance.

Customer

Brierty is reliant on its customers being able to meet their financial responsibilities and Brierty regularly monitors the financial health of its current and potential customers. To mitigate risk in relation to new customers, Brierty conducts a financial health check and in some cases will ask for assurances.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 18 April 2016 the company announced an estimated pre-tax loss of $15 million on the North West Coastal Highway project and later that month announced a restructure involving some senior managers taking on wider responsibilities together with a number of redundancies across the business with anticipated annual cost savings of $3 million. On 20 June 2016 the company revised that estimated pre-tax loss to $22 million and an estimated underlying net after tax loss of $10 to $12 million for FY2016. The company also announced in June 2016 an expected impairment expense relating to the carrying value of its plant and equipment to the extent of $25 million. Other than as stated above, there have been no significant changes in the state of affairs of the company or the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 22 July 2016 Ray Bushnell was appointed to the position of Chief Executive Officer following the resignation of Peter McBain as Managing Director. On 1 August 2016 the company announced it had been awarded a $30 million contract to perform civil works at the Boddington gold mine. In late September 2016 the company commenced participation in a supply chain financing initiative with a client and as a result will receive early payment of its invoices. Other than as stated above, there have been no matters that have arisen since 30 June 2016 that have or may significantly affect the operations result or state of affairs of the Group in future financial periods.

ENVIRONMENTAL REGULATION

The Group's operations are subject to significant environmental regulation under Commonwealth, State and Territory legislation. There have not been any breaches of significant environmental regulations and there were no fines or penalties imposed upon the Group during the year.

INFORMATION ON DIRECTORS

D L Gooding

Chairman. Age 61.

Experience and expertise

Independent Chairman. Dalton was formerly a long standing partner at Ernst & Young and is a Fellow of the Institute of Chartered Accountants in Australia. He has over 35 years' experience and is currently the Senior Partner of Gooding Partners where he advises a wide range of business with an emphasis on taxation and accounting issues, due diligence, feasibilities and general business advice. Dalton holds a Bachelor of Business degree from Curtin University and is a Fellow of The Institute of Chartered Accountants Australia.

Other current directorships

Chairman of Katana Capital Ltd.

Chairman of TFS Corporation Ltd

Former directorships in last 3 years

Chairman of Avita Medical Ltd

Director of SIPA Resources Ltd.

Special responsibilities

Chairman of the Board

Chairman of the Nomination and Remuneration Committee

Member of Audit Committee

Member of Risk and Compliance Committee

Interests in shares and options

1,562,500 ordinary shares in Brierty Limited (at the date of this report).

K J Hellsten

Non-executive Director. Age 59.

Experience and expertise

Independent non-executive director. Ken has over 35 years' experience in the resources industry. He has been employed in senior executive roles ranging from exploration to development to operations with both large multinational and smaller resource companies. Ken has extensive project and contract management experience having held leadership roles on several major projects including Mt Pleasant Gold, Cawse Nickel and Ravensthorpe Nickel. Ken has been Managing Director for a number of listed companies including Strike Resources Limited, Polaris Metals NL and of Ironclad Mining Limited.

Other current directorships

Chairman of Golden Cross Resources Ltd

Former directorships in last 3 years

None.

Special responsibilities

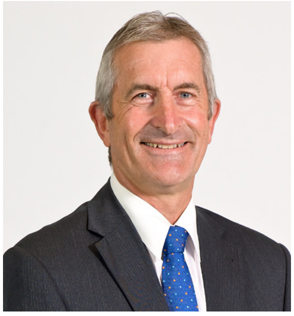
Deputy Chairman

Member of Nomination and Remuneration Committee Member of Audit Committee

Member of Audit Committee

Interests in shares and options

200,000 ordinary shares in Brierty Limited (at the date of this report).



R J O'Shannassy

Non-executive Director. Age 60.

Experience and expertise

Independent non-executive director. Richard is a commercial lawyer with over 30 years' experience in the mining and energy sectors. He has advised resource companies on a broad range of corporate and commercial matters while in a private legal practice. He has also held in house roles as General Counsel and Company Secretary for Hardman Resources Limited, BHP Iron Ore and Mt Newman Mining Co Pty Limited. He has served on mining industry committees over a number of years and is also a member of the Law Society of WA (Inc.) and the Australian Mining and Petroleum Law Association Inc.

Other current directorships

None.

Former directorships in last 3 years

Avenira Ltd (formerly Minemakers Ltd).

Special responsibilities

Chairman of Audit Committee

Chairman of Risk and Compliance

Committee Member of Nomination and Remuneration Committee

Interests in shares and options

160,000 shares in Brierty Limited (at the date of this report).

Company secretary

The Company Secretary is Mr M J Davies. Mr Davies was appointed to the position on 26 April 2016. Mr Davies is a corporate lawyer who holds a Bachelor of Laws degree and is admitted to the Supreme Court of Western Australia. Mr I W Sydney ceased as Company Secretary on 26 April 2016.

INFORMATION ON FORMER DIRECTORS

P McBain

Managing Director. Age 51.

Experience and expertise

Peter has over 20 years' experience and knowledge in the civil infrastructure, construction and mining sectors from both a contractor and client perspective. Most recently, Peter was General Manager - Development for Gindalbie Metals' Karara Mining Project. Previously, Peter held general management roles at NRW and HWE Mining

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

None.

A R Brierty

Non-executive Director. Age 67.

Experience and expertise

Alan founded the business in 1981 and has been a central part of its operations and growth since that time. He has focused on building a successful company through the delivery of excellent service to customers and through strategic vision setting goals for employees and the Group. Alan has over 30 years' experience in the civil contracting industry.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Member of Nomination and Remuneration Committee Member of Risk and Compliance Committee

Meetings of Directors

The numbers of meetings of the Group's board of directors and of each board committee held during the year ended 30 June 2016, and the numbers of meetings attended by each director were:

	Board	Meetings of committees		
		Audit	Nomination and Remuneration	Risk and Compliance
Number of meetings held	**16**	**4**	**2**	**2**
Number of meetings attended:				
Dalton L Gooding	16	4	2	2
Alan R Brierty (resigned 23 May 2016)	12 (from 15)	1*	1 (from 1)	1 (from 1)
Ken J Hellsten	16	4	2	2*
Richard J O'Shannassy	16	4	2	2
Peter McBain	16	4*	2*	2*

* = Not a member of the relevant Committee but attended meetings during the year.

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2016 outlines the remuneration arrangements of the Group in accordance with the requirement of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report is set out under the following main headings:

(a) Introduction

(b) Remuneration governance

(c) Executive remuneration arrangements

(d) Executive remuneration outcomes for 2016 (including link to performance)

(e) Executive contracts and non-executive director remuneration arrangements

(f) Additional disclosures relating to options and shares

(a) Introduction

The remuneration report details the remuneration arrangements for "Key Management Personnel (KMP)" who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

For the purpose of this report, the term "executive" includes the Chief Executive Officer (CEO), Managing Director (MD), executive directors and other senior executives of the parent and the Group.

Non-executive directors (NEDs)

D L Gooding	Chairman (non-executive)
K J Hellsten	Director (non-executive)
R J O'Shannassy	Director (non-executive)
A R Brierty	Director (non-executive) (resigned 23 May 2016)

Executive directors

P McBain	Managing Director (resigned 21 July 2016)

Other key management personnel

R Bushnel	General Manager Mining (appointed 13 July 2015) Chief Operating Officer (from 26 April 2016) Chief Executive Officer (from 22 July 2016)
T Buswell	General Manager Commercial Chief Financial Officer (from 26 April 2016)
D Humphreys	General Manager People
D Cappelluti	General Manager Plant & Procurement
I Sydney	Chief Financial Officer (ceased employment on 26 April 2016) Company Secretary (resigned 26 April 2016)
S Collins	General Manager Civil (ceased employment on 26 April 2016)
R Erwin	General Manager Mining (ceased employment 21 July 2015)

(b) Remuneration governance

Remuneration Committee

The Nomination and Remuneration Committee comprises three Non-Executive Directors (NEDs).

The Nomination and Remuneration Committee has delegated decision making authority for some matters related to the remuneration arrangements for NEDs and executives, and is required to make recommendations to the Board on other matters.

Specifically, the Board approves the remuneration arrangements of the MD or CEO, and other executives and all awards made under the short term (STIP) and long-term incentive (LTIP) plans, following recommendations from the Nomination and Remuneration Committee. The Board also sets the aggregate remuneration of the NEDs, which is then subject to shareholder approval, and NED fee levels. The Nomination and Remuneration Committee approves, having regard to the recommendations made by the MD or CEO, the level of the Group short term incentive (STIP) pool.

Remuneration Report (Audited) (continued)

The Nomination and Remuneration Committee meets regularly throughout the year. The MD or CEO attends certain Nomination and Remuneration Committee meetings by invitation, where management input is required. The MD or CEO is not present during any discussions related to their own remuneration arrangements.

Use of remuneration consultants

To ensure the Nomination and Remuneration Committee is fully informed when making remuneration decisions, it seeks external remuneration advice. Remuneration consultants are engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and requires independence from the Group's KMP and other executives as part of their terms of engagement. The Group did not engage any remuneration consultants during FY2016.

Remuneration report approval at FY15 AGM

The FY15 remuneration report received positive shareholder support at the FY15 AGM with a vote of 82% in favour.

(c) Executive remuneration arrangements

C.1 Remuneration principles and strategy

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and Group performance. The remuneration framework includes "at-risk" components, including both short and longer term elements, and performance is assessed against a suite of financial and non-financial measures relevant to the success of the Group generating returns for shareholders. The remuneration offering is competitive for companies of a similar size and complexity and deferred and longer-term remuneration encourages retention. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

Remuneration component	Vehicle	Purpose	Link to performance
Fixed remuneration	Represented by total remuneration package (TRP). Comprises base salary, superannuation contributions and other benefits.	To provide competitive fixed remuneration set with reference to role, market and experience.	Group and individual performance are considered during the annual remuneration review.
STIP	Paid in cash	Rewards executives for their contribution to achievement of Group and business unit outcomes, as well as individual key performance indicators (KPIs).	Net Profit After Tax (NPAT) of the Group. Other internal financial and non-financial measures including cost savings, safety and indigenous employment.
LTIP	Issue of shares	Rewards executives for their contribution to the creation of shareholder value over the longer term.	The same measures as for STIP

C.2 Details of incentive plans

Short term incentive program (STIP)

The Group operates an annual STIP program that is available to executives and awards a cash bonus subject to the attainment of clearly defined Group and business unit measures. Specific criteria for the STIP have been formulated for executives and senior management by the Nomination and Remuneration Committee. The STIP is a formal structured reward program in which participation is by way of written personal invitation from the MD or CEO on an annual basis. The Board has the sole discretion on who shall participate in the scheme.

The STIP has been designed to:

- Help the Group compete in the employment market;
- Focus key staff on the achievement of financial and business targets that the Group believes will lead to sustained and improved business performance;
- Establish a direct link between business performance and personal reward; and
- Recognise the contributions individuals make to the success of the business and reward superior performance.

Actual STIP payments awarded to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key performance indicators (KPIs) covering financial and non-financial, corporate and business unit measures of performance. A summary of the measures and weightings are set out on next page.

Remuneration Report (Audited) (continued)

Executive	NPAT*	Safety - TRIFR	Indigenous employment content	KPIs#
Managing Director	75%	incl. in KPI	incl. in KPI	25%
Chief Executive Officer	25%	15%	10%	50%
Other executives	25%	15%	10%	50%
Other managers	25%	15%	10%	50%

* minimum NPAT hurdles must be met to qualify for any STIP or LTIP reward.

KPIs for Managing Director include secondary budget and safety requirements.

NPAT was chosen as the measure for financial performance as it represents the key driver for the short term success of the business and provides a framework for delivering long term value.

Total recordable injury frequency rate (TRIFR) was chosen as the measure for safety as the safety of our people is important to the Group.

Indigenous employment content was chosen as the measure in accordance with our diversity policy and because indigenous employment is important to our clients and the success of the business.

Other financial and non-financial measures are specific for each employee and are designed to encourage the employee to contribute to the overall success of the business. The measures (and their intended objectives) include:

- Divisional revenue measured against budget - to encourage General Managers to win new work and increase turnover and profit for the Group and shareholders benefit.
- Project margins measured against tendered margins - to encourage project managers to exceed tender margins that will increase the profit of the Group and shareholders benefit.
- Labour and efficiency factor improvements - to increase productivity and lower the relative cost of labour to the Group.
- Client satisfaction surveys - to ensure we perform well for our clients and win repeat business that will contribute to the success of the Group.

The MD, CEO and executives have a target STIP opportunity between 20% and 25% of TRP.

On an annual basis, after consideration of performance against KPIs, the Board, in line with their responsibilities, determine the amount, if any, of the short-term incentive to be paid to each executive, seeking recommendations from the MD or CEO as appropriate.

Long term incentive program (LTIP)

LTIP awards are made annually to executives in order to align remuneration with the creation of shareholder value over the long-term. As such, LTIP awards are only made to executives and other KMP who have an impact on the Group's performance against the relevant long-term performance measure. The LTIP is a formal structured reward program in which participation is by way of written personal invitation from the MD or CEO on an annual basis. The Board has the sole discretion on who shall participate in the scheme.

LTIP awards to executives are made under the executive LTIP plan and are delivered in the form of shares.

The LTIP has been designed to:

- Focus key staff on the achievement of financial and business targets that the Group believes will lead to sustained and improved business performance.
- Establish a direct link between business performance and personal reward.
- Recognise the contributions individuals make to the success of the business and to reward superior performance.
- Attract and retain key personnel.

Each employee who participates in the LTIP will also participate in the STIP, and the STIP targets will also serve as the LTIP targets.

LTIP benefits received are shares in the Parent to the equivalent value of the STIP payment based on the average share price of the Parent for the first five trading days of the current financial year. The shares are issued in three tranches of 33% with the first 33% granted in April of the year following the award and the second 33% granted in the April of the year following that with the final award granted in the April of the following year.

This is designed to ensure executives remain employed by the Group over the period.

Option Plan

Options are issued at the Board's discretion.

On 7 March 2011 options were issued to Mr Peter McBain on the following terms:

Continuous employment options

Fifteen percent of the options (being 750,000) will become capable of exercise provided that Mr McBain remains in the continuous employment of the Group as follows:

- 250,000 options become capable of exercise from 7 March 2012 (at an exercise price of $0.451 per option) provided he has been in continuous employment for 1 year;
- 250,000 options become capable of exercise from 7 March 2013 (at an exercise price of $0.601 per option) provided he has been in continuous employment for 2 years; and
- 250,000 options become capable of exercise from 7 March 2014 (at an exercise price of $0.751 per option) provided he has been in continuous employment for 3 years.

No performance conditions were attached to these options as they were issued with the aim of incentivising Mr Peter McBain to remain in employment with the Group in the medium term.

Performance based options

The remaining 85% of the options (being 4,250,000) became capable of exercise subject to the achievement of key performance indicator (KPI) based performance hurdles. Performance against the various KPI's will be assessed by the Board on a rating scale which will determine the number of options that become capable of exercise up to a maximum of the following:

- Up to 1,416,666 options (subject to achievement of KPI's) become capable of exercise from 30 September 2012 (at an exercise price of $0.451 per option);

Remuneration Report (Audited) (continued)

- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2013 (at an exercise price of $0.601 per option); and
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2014 (at an exercise price of $0.751 per option).

Of the above performance-based options, Mr McBain was ultimately issued:

- 1,388,542 options that became capable of exercise from 30 September 2012 (at an exercise price of $0.451 per option). These options expired on 30 September 2015;
- 283,332 options that became capable of exercise from 30 September 2013 (at an exercise price of $0.601 per option). These options expire on 30 September 2016; and
- 1,062,500 options that became capable of exercise from 30 September 2014 (at an exercise price of $0.751 per option). These options expire on 30 September 2017.

Following Mr McBain's resignation on 22 July 2016, all options lapsed on 22 August 2016.

Seventy five percent of the performance based options are based on achieving a target net profit after tax; this measure was chosen to help maximise return to shareholders.

The remaining twenty five percent are issued at the discretion of the Board, with options being issued on the successful delivery of the following key performance indicators:

- Safety targets must exceed performance thresholds which are set at the start of the financial year. This measure was chosen as the safety of our people is important to the Group.
- Indigenous employment must exceed a percentage threshold. This measure was chosen in accordance with our diversity policy.
- Investor relationships measured by the relationship with key fund managers. This measure was chosen to maximise return to shareholders.

These terms were chosen as it was believed these would best align the MD's performance with Group objectives.

The Group's Securities Dealing Policy contains a prohibition on certain designated officers (which includes the executive and Directors) entering into contracts to hedge their exposure to shares granted as part of their remuneration package.

(d) Executive remuneration outcomes for 2016 (including link to performance)

Group performance and its link to STIP and LTIP

The financial performance measure driving STIP and LTIP payments are NPAT and the following table shows NPAT for the last 5 years:

	(Loss)/Profit after tax	EPS (cents)	Share Price at 30 June (cps) (cents)	Dividends Paid (cps)
FY2016	$(52,377,096)	(41.14)	8.9	-
FY 2015	$3,111,702	2.45	34.5	11.00
FY 2014	$9,881,705	8.98	39.5	3.00
FY 2013	$10,211,149	9.28	21.5	3.00
FY 2012	$9,442,474	8.58	30.0	2.75

The NPAT hurdle for the year was not met for the year ended 30 June 2016, so no bonuses will be paid.

The non-financial performance measures driving STIP and LTIP payments are TRIFR and Indigenous employment content and the following table shows performance against these targets:

Item	Measure	FY16 Performance vs. Target Outcome
Safety	TRIFR	Target met
Indigenous employment	Indigenous employment numbers	Below target

Remuneration Report (Audited) (continued)

The following table outlines the proportion of maximum STIP that was earned and forfeited for the year:

Name	Proportion of maximum STIP/LTIP earned in FY 2016	Proportion of maximum STIP/LTIP forfeited in FY 2016
R Bushnell	0%	100%
T Buswell	0%	100%
D Humphreys	0%	100%
D Cappelluti	0%	100%
P McBain	0%	100%
I Sydney	0%	100%
S Collins	0%	100%
R Erwin	0%	100%

The performance measures for LTIP are the same as for STIP.

Remuneration Report (Audited) (continued)

2016	Directors fees	Short-term employee benefits			Post employment benefits	Long term benefits	Share based payments	Termination benefits	Total	Performance related
Name		Cash salary and fees	Non-monetary benefits	Cash bonus	Super-annuation	Long service leave	Options/ Shares			
	$	$	$	$	$	$	$	$	$	%
Non-executive directors*										
D L Gooding	129,675	-	-	-	12,635	-	-	-	142,310	-%
K J Hellsten	73,226	-	-	-	6,957	-	-	-	80,183	-%
R J O'Shannassy	82,379	-	-	-	7,826	-	-	-	90,205	-%
A R Brierty	73,226	-	-	-	6,957	-	-	-	80,183	-%
Sub-total non-executive directors	358,506	-	-	-	34,375	-	-	-	392,881	-%
Executive directors*										
P McBain	-	617,116	-	-	37,432	4,102	-	-	658,650	%
Other key management personnel										
R Bushnell	-	364,352	28,854	-	18,565	-	-	-	411,771	-
T Buswell	-	337,618	-	-	32,074	-	-	-	369,692	-
D Humphreys	-	293,756	-	-	27,907	4,795	6,567	-	333,025	2.0%
D Cappelluti	-	335,721	-	-	31,893	5,480	6,567	-	379,661	1.7%
I Sydney	-	243,982	-	-	25,527	(14,228)	7,388	87,376	350,045	2.1%
S Collins	-	349,317	-	-	18,872	(27,521)	8,209	107,967	456,844	1.8%
Total KMPs	**358,506**	**2,541,862**	**28,854**	**-**	**226,645**	**(27,372)**	**28,731**	**195,343**	**3,352,569**	**0.9%**

*Brierty's directors elected to take a 15% reduction in their fixed remuneration from 1 May 2016. As the directors are paid quarterly in arrears, the fee reduction does not appear in 2016.

2015	Directors fees	Short-term employee benefits			Post employment benefits	Long term benefits	Share based payments	Termination benefits	Total	Performance related
Name		Cash salary and fees	Non-monetary benefits	Cash bonus	Super-annuation	Long service leave	Options/ Shares			
	$	$	$	$	$	$	$	$	$	%
Non-executive directors										
D L Gooding	133,000	-	-	-	12,635	-	-	-	145,635	-%
K J Hellsten	73,227	-	-	-	6,957	-	-	-	80,184	-%
R J O'Shannassy	82,380	-	-	-	7,826	-	-	-	90,206	-%
A R Brierty	73,227	-	-	-	6,957	-	-	-	80,184	-%
Sub-total non-executive directors	361,834	-	-	-	34,375	-	-	-	396,209	-%
Executive directors										
P McBain	-	613,834	-	-	35,385	10,122	161,209	-	820,550	19.6%
Other key management personnel										
D Humphreys	-	288,049	-	-	27,470	4,864	19,161	-	339,544	5.6%
I Sydney	-	286,475	5,278	-	27,716	4,836	21,553	-	345,858	6.2%
S Collins	-	410,718	-	-	22,446	6,956	23,952	-	464,072	5.2%
R Erwin	-	537,449	-	-	-	-	46,250	-	583,699	7.9%
Total KMPs	**361,834**	**2,136,525**	**5,278**	**-**	**147,392**	**26,778**	**272,125**	**-**	**2,949,932**	**9.2%**

The share based payment to Mr McBain is an expense recognised by the Group and has not been paid to Mr McBain in cash. This benefit would have accrued to Mr McBain if he had exercised his options, which he did not.

Remuneration Report (Audited) (continued)

(e) Executive contracts

Brierty entered into an executive service agreement with P McBain as Managing Director (MD). All other key management personnel have employment contracts. The executive service agreement for Mr Peter McBain and other key management personnel employment contracts:

- are not fixed term agreements and continue on an ongoing basis until terminated;
- provide for annual salary, short and long term incentives, superannuation contributions, annual leave and long service leave, company vehicles and other fringe benefits;
- provide for remuneration to be reviewed annually;
- in the case of the MD, may be terminated by either the executive or the Group giving six months' notice of termination (or in lieu); and
- In relation to other KMP's, may be terminated by either the KMP or the Group giving one month notice of termination (or in lieu).
- No other termination payments are due.

Brierty entered into a consultancy agreement with Nain Pty Ltd dated 25 July 2016 for the consultancy services of P McBain. Under this agreement a total sum of $275,009.28 plus GST will be paid for services provided by Mr McBain subsequent to his resignation as Managing Director from Brierty.

(f) Additional disclosures relating to rights, options and shares

(i) Options

No options were granted during the year ended 30 June 2016. The Managing Director P.McBain was granted options in 2011.

The percentage of the Managing Director's remuneration for the financial year that consists of options is nil (2015: 0%).

In 2011, 5,000,000 options were granted to the Managing Director. No options vested during the financial year (2015: 1,062,500 options vested). No options were exercised during the year (2015: nil).

Number of options	Grant date	Options awarded during year	Fair Value of options at award date	First exercise date	Exercise price	Expiry date	No. vested during year	No.	No. lapsed during year
250,000	07/03/2011	-	$0.136	07/03/2013	$0.601	07/03/2016	-	-	250,000
250,000	07/03/2011	-	$0.155	07/03/2014	$0.751	07/03/2017	-	-	-
1,383,542	07/03/2011	-	$0.131	30/09/2012	$0.451	30/09/2015	-	-	1,383,542
283,332	07/03/2011	-	$0.150	30/09/2013	$0.601	30/09/2016	-	-	-
1,062,500	07/03/2011	-	$0.165	30/09/2014	$0.751	30/09/2017	-	-	-

Following Mr McBain's resignation on 22 July 2016, all options lapsed on 22 August 2016.

Consolidated entity 2016 Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of share options for the year
	$	$	$	%
P McBain	-	-	215,357	-

Consolidated entity 2015 Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of share options for the year
	$	$	$	%
P McBain	-	-	27,900	-

The number of options over ordinary shares in the Group held during the financial year by each director of Brierty Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2016	Balance at start of the period 1 July 2015	Granted as remuneration	Options exercised	Lapsed / forfeited	Balance at end of the year 30 June 2015	Exercisable	Not exercisable
Directors of Brierty Limited							
P McBain	3,229,374	-	-	1,633,542	1,595,832	1,595,832	-

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

Remuneration Report (Audited) (continued)

(ii) Shares

Shares awarded, vested and lapsed during the year under the LTIP.

The table below discloses the number of shares granted to KMP's during the financial year ended 30 June 2016.

Share rights issued under the LTIP do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met.

There were no share rights granted under the LTIP, during the year.

Name	Balance at start of year	Converted to shares	Vested	Cancelled	Balance at end of year
I Sydney	90,000	90,000	-	-	-
D Cappelluti	80,000	80,000	-	-	-
D Humphreys	80,000	80,000	-	-	-
S Collins	100,000	100,000	-	-	-
R Erwin	100,000	-	-	(100,000)	-

(iii) Share holdings

The number of shares in the Group held during the financial year by each director of Brierty Limited and key management personnel of the Group, including their personally related parties, are set out below.

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

2016 Share holdings

Directors of Brierty Limited	Balance at start of year	Shares Purchased/Issued	Shares sold	Balance at end of year
D L Gooding	1,562,500	-	-	1,562,500
P McBain	700,000	-	-	700,000
K J Hellsten	200,000	-	-	200,000
RJ O'Shannassy	160,000	-	-	160,000
AR Brierty	22,995,000	-	-	22,995,000
Key management personnel				
R Bushnell	-	-	-	-
T Buswell	-	-	-	-
D Humphreys	49,100	80,000	-	129,100
D Cappelluti	160,000	80,000	50,000	190,000
I Sydney	90,000	90,000	180,000	-
S Collins	160,000	100,000	-	260,000
R Erwin	-	-	-	-

Remuneration Report (Audited) (continued)

2015 Share holdings

Directors of Brierty Limited	Balance at start of year	Shares Purchased/Issued	Shares sold	Balance at end of year
D L Gooding	1,562,500	-	-	1,562,500
P McBain	700,000	-	-	700,000
K J Hellsten	200,000	-	-	200,000
R J O'Shannassy	160,000	-	-	160,000
A R Brierty	22,995,000	-	-	22,995,000
Key management personnel				
D Humphreys	2,400	80,000	33,300	49,100
D Cappelluti	80,000	80,000	-	160,000
I Sydney	-	90,000	-	90,000
S Collins	60,000	100,000	-	160,000
R Erwin	-	100,000	100,000	-

Loans to directors and executives

There were no loans to/from related parties during the year ended 30 June 2016 (2015: nil).

Other transactions and balances with KMP and their related parties

During the year, the Group paid rent to Jamstakes Pty Ltd (a company owned by Alan & Kylie Brierty and other shareholders of Brierty), the owner of the premises at 38 Mandarin Rd, Maddington. Rent totaling $356,400 (2015: $356,400) was paid during the year in accordance with a lease agreement on normal terms and conditions. There were no amounts owing to or from Jamstakes Pty Ltd at the end of the financial year.

Gooding Partners, an accounting practice in which Mr D L Gooding is a partner, provided consulting services in 2015 in relation to due diligence activities, for which Gooding Partners were paid $53,353. No consulting services were provided in FY 2016. No monies were owing to Gooding Partners at the end of the financial year (2015: nil).

Richard O'Shannassy & Co Pty Ltd, a legal practice in which Mr R O'Shannassy is the principal, provided general legal advice during the year for which Richard O'Shannassy & Co Pty Ltd was paid $2,517 (2015: $2,138).

Ken Hellsten provided consultancy advice on the Titan Affordable housing project in the Northern Territory during the financial year and was paid an amount of $17,000 (2015: nil). An amount of $7,500 was owing at the end of the financial year (2015: $5,000).

During the year, the Group hired two water carts from Erwin & Associates, a company owned by R.Erwin. Erwin & Associates were paid $30,000 (2015: $120,000). No monies were owing to Erwin & Associates at the end of the financial year (2015: $22,000).

END OF REMUNERATION REPORT

Indemnification and Insurance of Directors and Officers

The Group has executed a deed of access, indemnity and insurance in favour of each Director. The indemnity requires the Group to indemnify each Director for liability incurred by the Director as an officer of the Group subject to the restrictions prescribed in the Corporations Act 2001. The deed also gives each Director a right of access to Board papers and requires the Group to maintain insurance cover for the Directors.

The Group has also executed a deed of access, indemnity and insurance in favour of certain executives of the Group. The deed requires the Group to indemnify each of these executives for liability incurred by them as executives of Brierty subject to the restrictions prescribed in the Corporations Act 2001. The deed also gives each executive a right of access to Board papers and requires the Group to maintain insurance cover for the executives.

The agreements provide for the Group to pay an amount not exceeding $20,000,000 provided that the liability does not arise out of:

- any conduct or contravention in respect of which a liability is the subject of a prohibition in section 199B(I) of the Corporations Act 2001.
- the committing of any deliberately dishonest or deliberately fraudulent act.

The Group has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or director of the Group or of any related body corporate against a liability incurred as such an officer or director.

The Group has not disclosed the premium paid for the insurance policy as there is a confidentiality condition contained in the contract.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, EY, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify EY during or since the financial year.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

The following non-audit services were provided by the Group's auditor, EY. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit services provided means that auditor independence was not compromised.

EY received the following amounts for provisions of non-audit services:

	Consolidated entity Year ended	
	2016	2015
	$	$
Taxation services		
EY firm:		
Tax compliance services	31,180	26,000
Tax advisory services	33,000	45,095
Total remuneration for taxation services	64,180	71,095
Other services		
EY firm:		
Other advisory services	-	299,677
Total remuneration for other services	-	299,677
Total remuneration for non-audit services	64,180	370,772

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 27,

Auditor

EY continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

D L Gooding
Chairman

South Perth, Western Australia

30 September, 2016

AUDITOR'S INDEPENDENCE DECLARATION

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Building a better working world

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Auditor's independence declaration to the Directors of Brierty Limited

As lead auditor for the audit of Brierty Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Brierty Limited and the entities it controlled during the financial year.

Ernst & Young

G H Meyerowitz
Partner
30 September 2016

GHM:TJ:BRIERTY:008

2016 FINANCIAL STATEMENTS

Financial Statements

The consolidated financial report of Brierty Limited (the Group) for the year 30 June 2016 was authorised for issue in accordance with a resolution of directors on 30 September, 2016.

Brierty Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

Brierty Limited
Consolidated statement of Comprehensive Income
For the year ended 30 June 2016

	Notes	Consolidated entity Year ended	
		30 June 2016	30 June 2015
		$	$
Revenue from services and land sales	6	**212,550,322**	292,360,297
Cost of services and sales	8	**(221,734,878)**	(270,706,236)
Gross margin on services and land sales		**(9,184,556)**	21,654,061
Other income	7	**1,300,151**	871,756
Administration expenses, excluding finance costs		**(17,928,727)**	(16,799,022)
Finance costs	8	**(4,528,494)**	(3,510,511)
Impairment of plant, equipment and inventory	8	**(34,370,861)**	-
(Loss)/profit from continuing operations before income tax		**(64,712,487)**	2,216,284
Income tax benefit	9	**12,335,391**	895,418
(Loss)/profit from continuing operations after income tax		**(52,377,096)**	3,111,702
Other comprehensive income		**-**	-
Total comprehensive income for the period		**(52,377,096)**	3,111,702
		Cents	Cents
(Loss)/earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic (loss)/earnings per share	34	**(41.14)**	2.45
Diluted (loss)/earnings per share	34	**(41.14)**	2.45

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

Brierty Limited
Consolidated statement of financial position
As at 30 June 2016

	Notes	Consolidated entity as at 30 June	
		2016	2015
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	10	802,199	2,760,756
Trade and other receivables	11	31,519,857	31,053,195
Contracts in progress and inventories	12	7,047,604	20,484,885
Prepayments		1,400,264	1,218,881
Current tax receivable		362,221	2,389,798
Land held for development	13	15,435,997	14,272,924
Total current assets		56,568,142	72,180,439
Non-current assets			
Property plant and equipment	14	34,787,593	77,166,162
Work in progress	12	16,615,860	18,466,266
Deferred tax assets	15	10,001,952	-
Total non-current assets		61,405,405	95,632,428
Total assets		117,973,547	167,812,867
LIABILITIES			
Current liabilities			
Trade and other payables	16	49,056,009	62,535,515
Bank overdraft	10	21,502,750	-
Borrowings	17	12,588,344	15,584,648
Provisions	18	13,530,684	2,765,771
Contract income in advance		1,953,837	1,213,049
Total current liabilities		98,631,624	82,098,983
Non-current liabilities			
Borrowings	19	14,645,301	26,403,309
Deferred tax liabilities	20	-	2,336,632
Provisions	21	271,874	217,599
Total non-current liabilities		14,917,175	28,957,540
Total liabilities		113,548,799	111,056,523
Net assets		4,424,748	56,756,344
EQUITY			
Contributed equity	22	37,194,172	37,148,672
Reserves	23	500,191	500,191
Retained earnings/(accumulated losses)	23	(33,269,615)	19,107,481
Total equity		4,424,748	56,756,344

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

Brierty Limited
Consolidated statement of changes in equity
For the year ended 30 June 2016

Consolidated Entity	Attributable to owners of Brierty Limited			
	Contributed Equity	Share based payments	Retained earnings/ (accumulated losses)	Total Equity
	$	$	$	$
Balance at 1 July 2014	**29,170,572**	338,982	29,622,029	59,131,583
Profit for year	-	-	3,111,702	3,111,702
Total comprehensive income for the year	-	-	3,111,702	3,111,702
Transactions with equity holders in their capacity as equity holders				
New capital raised	7,978,100	-	-	7,978,100
Dividends paid	-	-	(13,626,250)	(13,626,250)
Share based payments	-	161,209	-	161,209
	7,978,100	161,209	(13,626,250)	(5,486,941)
Balance at 30 June 2015	**37,148,672**	**500,191**	**19,107,481**	**56,756,344**
Loss for year	-	-	**(52,377,096)**	**(52,377,096)**
Total comprehensive income for the year	-	-	**(52,377,096)**	**(52,377,096)**
Contributions of equity, net of transaction costs				
Conversion of performance rights to shares	**45,500**	-	-	**45,500**
Balance at 30 June 2016	**37,194,172**	**500,191**	**(33,269,615)**	**4,424,748**

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

Brierty Limited
Consolidated statement of cash flow
For the year ended 30 June 2016

	Notes	2016	2015
Cash flows from operating activities		$	$
Receipts from customers (inclusive of GST)		**250,000,187**	261,646,084
Payments to suppliers (inclusive of GST)		**(256,136,854)**	(260,879,551)
Interest received		**89**	147,651
Other revenue		**1,072,533**	540,402
Finance costs		**(4,528,494)**	(3,510,511)
Income taxes refunded/(paid)		**2,024,384**	268,451
Net cash (outflow) from operating activities	33	**(7,568,155)**	(1,787,474)
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,285,388)**	(2,966,466)
Proceeds from sale of property, plant and equipment		**1,265,463**	970,738
Net cash (outflow) from investing activities		**(19,925)**	(1,995,728)
Cash flows from financing activities			
Repayment of borrowings		**(15,873,227)**	(14,830,000)
New capital raised		**-**	7,820,600
Dividends paid	25	**-**	(13,626,250)
Net cash (outflow) from financing activities		**(15,873,227)**	(20,635,650)
Net change in cash and cash equivalents		**(23,461,307)**	(24,418,852)
Cash and cash equivalents at the beginning of the financial year		**2,760,756**	27,179,608
Cash, cash equivalents and overdrafts at end of financial year	10	**(20,700,551)**	2,760,756

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

1 Corporate Information

The consolidated financial statements of Brierty Limited and its subsidiaries (the Group) for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 30 September 2016.

Brierty Limited (the Company or the Parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. Brierty Limited is a for-profit for the purpose of preparing financial statements.

The nature of the operations and principal activities of the Group are described in the Director's' Report. Information on the Group's structure is provided in note 24. Information on other related party relationships is provided in note 32.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The financial report is presented in Australian dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Going Concern

For the year ended 30 June 2016, the Group has recorded a net loss after tax of $52,377,096 (30 June 2015 a net profit after tax of $3,111,702) and generated net operating cash outflows of $7,568,155 (30 June 2015 an outflow of $1,787,474). As at 30 June 2016, the Group had a net current asset deficiency of $42,063,482 (30 June 2015 a net current asset deficiency of $9,918,544) including an overdraft of $21,502,750 (30 June 2015 cash and cash equivalents of $2,760,756). The financial covenants attached to the overdraft facility were in breach at period end and continue to be in breach at the date of this report.

The Group prepares rolling 12 month cash flow forecasts. The 12 month cash flow forecast to 30 September 2017 indicates that the Group will require additional funding during the period. As the Group is in breach of its bank debt financial covenants in relation to the working capital facility, the Group will also require the ongoing financial support of its bank debt financier.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis based on the following matters:

- The Group's bank debt financier continues with its current level of support.
- If the ongoing financial support is not forthcoming, the Directors beieve that they will be able to source alternative debt or additional equity capital to meet this requirement.
- The Group has been successful, subsequent to 30 June 2016, in winning work totaling $38m.
- The Group has a number of tenders currently in the pipeline which may result in additional revenue being generated.
- The Group is in negotiations with clients to recover additional claims in respect of civil works undertaken.
- An agreement has been entered into with a customer to use its supply chain funding program. This has resulted in shorter payment terms for projects undertaken on that customer's behalf.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to achieve the matters set out above, to enable it to meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability or classification of the recorded asset amounts (including the recoverability of the Group's recognised deferred tax assets) or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

2.2 Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.3 Changes in accounting policy, accounting standards and interpretations

New and amended accounting standards and interpretations

In the current year, the Group has not adopted any new or amended Australian Accounting Standards or AASB interpretations.

Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2016. The impact of the relevant standards and interpretations outlined below has not yet been determined.

AASB 9 Financial Instruments

Application date of standard - 1 January 2018. Application date for Group - 1 July 2018.

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

(a) Financial assets that are debt instruments will be classified on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in other comprehensive income (OCI);
- the remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restarting prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes:

1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.
2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time.
3. In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be 1 January 2018.

Amendments to AASB 116 and AASB 138 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 1 38)*

Application date of standard - 1 January 2016. Application date for Group - 1 July 2016.

AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

AASB 15 Revenue from Contracts with Customers*

Application date of standard - 1 January 2018. Application date for Group - 1 July 2018.

AASB 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

AASB 15 supersedes:

(a) AASB 111 Construction Contracts

(b) AASB 118 Revenue

(c) IFRIC 13 Customer Loyalty Programmes

(d) IFRIC 15 Agreements for the Construction of Real Estate

(e) IFRIC 18 Transfers of Assets from Customers

(f) SIC-31 Revenue - Barter Transactions Involving Advertising Services

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer

(b) Step 2: Identify the performance obligations in the contract

(c) Step 3: Determine the transaction price

(d) Step 4: Allocate the transaction price to the performance obligations in the contract

(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.

*These IFRS amendments have not yet been adopted by the AASB.

(a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2016. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements, all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises the surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Investment in associates and joint arrangements

The Group has interests in joint arrangements that are joint operations. A joint operation is a type of joint arrangement whereby the parties have a contractual agreement to undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the ventures rather than the establishment of a separate entity. The Group recognises its interests in the joint operations by recognising its interests in the assets and liabilities of the joint operation, including its share of any assets held and liabilities incurred jointly. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations, including any expenses incurred and revenue received jointly. Details relating to the joint operations are set out in note 29.

(c) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team and the Board.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where the information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(d) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(e) Revenue

(i) Construction contracting

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

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

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

Claims and variations are only recognised when they are considered certain of recovery if negotiations have reached an advanced stage or the customer has agreed or approved the claim.

(ii) Mining contracting

Mining services revenue is recognised when the services are provided by reference to the stage of completion of the service rendered at the end of the reporting period.

(iii) Sale of land

Revenue and profits from the sale of blocks from completed stages of land subdivisions are recognised on settlement of the sale. This represents the point when risks and rewards have passed to the buyer.

(iv) Hire of equipment

Revenue is recognised for hire of equipment over the contract period.

(f) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax balances attributable to the amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

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

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

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 9.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(g) Leases

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(ii) Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition - date fair values of the asset transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(i) Impairment of non-financial assets

The Group does not currently have goodwill and intangible assets. Accordingly all relevant 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within current liabilities on the consolidated statement of financial position.

(k) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(l) Inventories

(i) Fuel, spares and major components

Stock of fuel, spares and major components are stated at the lower of cost and net realisable value. Cost of fuel and spares comprises purchase cost determined after deducting rebates and discounts and assigned on a first in, first out basis. The cost of major components can include direct materials, direct labour. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Construction work in progress

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

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

WIP is classified as a current asset where it is expected to be recovered within 12 months. In some cases, such as for long term mining contracts, WIP might be recovered over a longer period, and the portion of WIP that will be recovered after 12 months is classified as a non-current asset.

(iii) Land held for resale

Land held for development and resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Land held for residential development is classified as current when lots within the development are expected to be sold within 12 months.

(m) Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using either a unit of production method based on the total available number of machine hours or the diminishing value basis over the estimated useful lives of the specific assets.

	2016	2015
Major Plant & Equipment	Hours of Production	Hours of Production
Minor Plant & Equipment	3 - 9 years	3 - 9 years
Motor Vehicles	4 - 5 years	4 - 5 years
Office Furniture & Fittings	1 - 9 years	1 - 9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

(n) Trade and other payables

Trade and other payables are carried at amortised cost due to their short term nature. 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 45 days of recognition.

(o) Borrowings

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

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(q) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(r) Employee benefits

(i) Wages and salaries, annual leave and productivity payments

Liabilities for wages and salaries, including non-monetary benefits, annual leave and site specific productivity payments expected to be settled within 12 months of the reporting date are recognised in other payables 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. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. In determining employee benefits the Group has considered the likelihood of annual leave extending beyond 12 months in accordance with AASB 119.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share based payments

Share-based compensation benefits are provided to employees via the Brierty Limited Employee Option Plan, long term incentive plan and an employee share scheme. Information relating to these schemes is set out in note 35.

The fair value of options granted under the Group's Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

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

The fair value of options granted is adjusted to reflect market vesting conditions, but excludes the impact of non- market vesting conditions (for example, profitability and sales growth targets).

Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

The fair value of shares granted is based on the market price of Brierty's securities at the date of grant.

(s) Contributed equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. No provision is made for any dividend not declared, but decided by the board and still at the discretion of the entity.

(u) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

(v) 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 taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flows.

3 Financial risk management

The Group's principal financial instruments comprise cash and cash deposits, receivables, payables, bank overdrafts and hire purchase liabilities.

Exposure to credit, interest rate and currency risks arise in the normal course of the Group's business. The Group's policy and objectives remain unchanged from prior years.

Primarily, the Group aims to ensure that financial security is maintained and capital availability is appropriate to all stakeholders. In this respect debt borrowings are driven by balancing cash, short term borrowings and longer term capital financing of the entity.

The Group's key management personnel report to the Risk & Compliance Committee and Board regularly on the progress and objectives of the risk and the associated corporate governance policy objectives. The Group aims to reduce risk where commercially possible. In this regard, the risk management covers at least the risks associated with market, liquidity and credit activity.

The Group held the following financial assets and liabilities at balance date:

	Notes	2016	2015
		$	$
Financial assets			
Cash and cash equivalents	10	**802,199**	2,760,756
Trade and other receivables	11	**31,519,857**	31,053,195
		32,322,056	33,813,951
Financial liabilities			
Trade and other payables	16	**49,056,009**	62,535,515
Bank overdraft	10	**21,502,750**	-
Borrowings	17, 19	**27,233,645**	41,987,957
		97,792,404	104,523,472

(a) Market risk

(i) Foreign exchange risk

The Group has occasional exposure to foreign exchange and currency exposure by virtue of the purchase price of new capital equipment being denominated in overseas currency. Where possible, the Group may seek to limit this risk by fixing the exchange rate at the time of placing the order, by entering into a forward foreign exchange contract.

There were no foreign currency balances at the end of the financial year.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

(ii) Interest rate risk management

The Group does not enter into any specific swap or hedges to cover any interest rate volatility. Predominantly, the only interest rate exposure on financial liabilities is on the bank overdraft (when utilised). In management's opinion however, Australia is experiencing a relatively low interest rate environment with an expectation of only moderate increases or decreases in the next 12 months and therefore a sensitivity of 0.5% has been applied. Interest rate risks are considered manageable.

The Group employs a mixture of fixed and variable borrowings to manage both cash and long term capital purchases. This risk is managed by utilising fixed hire purchase contracts predominantly for capital purchases. It provides a fixed result with little risk of change.

The impact of a 0.5% (2015: 0.5%) increase in interest rate on cash deposit and bank overdraft (being the only financial assets/ liabilities subject to Australian variable interest rate risk) would be a loss before tax of approximately $103,503 per annum (2015: $13,804).

	30 June 2016		30 June 2015	
	Weighted average	Balance	Weighted average	Balance
	Interest rate	$	Interest rate	$
Cash Balance	**2.00 %**	**802,199**	2.00 %	2,760,756
Bank Overdraft	**8.25%**	**21,502,750**	7.75 %	-

(b) Credit risk

Where terms are exceeded interest can be charged on late payments. Management follows a strict credit policy as part of day to day cash flow management. The credit worthiness of customers is considered at contract negotiation stage.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in note 11 trade and other receivables, and note 12 contracts in progress.

Management ensures concentration of credit risk is managed by having a wide variety of customers so no one customer has a material impact on outstanding receivables.

Cash is held with recognised financial institutions which management believes appropriately manages the credit risk of these assets.

(c) Liquidity risk

Cash is monitored daily and ensures the Group will be able to pay its debts as and when they fall due. Borrowings form part of this. However, operating cash flows are primarily used to cater for general day-to-day costs. Cash flows will also include dividend and tax disbursements as required. Asset purchases for long term use are generally placed under hire purchase with fixed rate payment cycles. This provides a good risk profile and generally terms do not exceed 5 years.

The Group's banker imposes certain debt covenants relating to gearing (gearing ratios at year end are detailed in Note 22). The Board discuss with management its capital requirements and borrowings to date. This is aimed at balancing the needs of all stakeholders and providing sufficient capital needs for meeting contractual obligations and driving strategic growth.

The following summary of effective interest rates and maturities on financial liabilities is provided:

Maturity analysis of financial liabilities based on contractual terms

	Less than 6 months	6 - 12 months	Between 1 and 5 years	Over 5 years
2016 Financial Liabilities	$	$	$	$
Trade payables	49,056,009	-	-	-
Hire purchase liabilities	7,669,061	6,045,144	15,444,951	-
Total	56,725,070	6,045,144	15,444,951	-

	Less than 6 months	6 - 12 months	Between 1 and 5 years	Over 5 years
2015 Financial Liabilities	$	$	$	$
Trade payables	62,535,515	-	-	-
Hire purchase liabilities	9,210,499	8,305,475	28,250,291	-
Total	71,746,014	8,305,475	28,250,291	-

(d) Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The carrying amounts continue to approximate their fair values except for the hire purchase liabilities which have a carrying value of $27,233,645 (FY2015: $41,987,957) and a fair value of $27,414,033 (FY2015: $43,730,457).

All financial assets and liabilities are payable within a year with the exception of retentions and hire purchase liabilities which are payable in accordance with the disclosures set out in Note 31.

4 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturer's warranties for plant and equipment, lease terms for leased equipment and turnover policies for motor vehicles. In addition the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(ii) Recovery of deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to use them.

(iii) Impairment

The valuation used by the Group to determine recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For FY2016, an independent valuation of plant and equipment was completed by Smith Broughton. For FY2015, the value in use methodology was utilised resulting in no impairment. Using fair value less cost of disposal methodology an impairment of $32,879,396 was recognised in FY2016.

The Group carries no goodwill and all assets are depreciated using units of production or the diminishing value method. The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For value in use methodology, the Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

(iv) 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 with the assistance of an external valuer using a binomial model. The related assumptions are detailed in note 35. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(v) Contracting Revenue

Construction contracting and mining contracting revenue and cost of sales are recognised in the consolidated statement of comprehensive income by reference to the stage of completion. Fundamental to the calculation of the percentage of completion is a reliable estimate of project revenues and project costs. Various factors contribute to the Group's reliability of those estimates including, but not limited to, a thorough review process of all project costs and revenues, and the experience and knowledge of project management.

In determining the revenue and expenses for contracting revenue, management make key assumptions regarding estimated revenues and expenses over the life of the contracts. Key assumptions regarding costs to complete contracts include estimation of labour, technical costs, impact of delay and productivity. Changes in these estimation methods could have a material impact on the reported results of the Group.

5 Segment information

(a) Description of segments

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation and reflected in the adjustments and elimination rows.

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

The operating segments are identified by management based on the nature of the services provided. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Reportable segments

The entity is organised into the following divisions by project type.

Civil

Civil infrastructure works for mines, energy, utilities and pipelines and residential lot developments, urban and regional roads, highways, rail, port and airport infrastructure.

Mining

Contract mining and mine maintenance.

Land Development

Residential lot development in Palmerston, Northern Territory.

Due to the nature of the Group's internal reporting system, some income and expenses are not allocated to reportable segments and as such are included as unallocated net income/(expenses). These include:

- Corporate overheads
- Over/under recovery of plant workshop expenses
- Other income

The Group allocates land held for development and accounts receivable to segments. However, the Group does not allocate other assets (including plant and equipment), liabilities and cash flows as they cannot be considered directly attributable to a segment based on the use of a centralised pool of employees, plant and equipment and centralised management processes for liabilities and cash flows.

The Group has a pool of assets that it uses across the different segments. Depreciation expense is charged to the pool and this depreciation is recovered from the segments via internal plant charges. Therefore, depreciation is included in the segment results, however, the pool of assets remains unallocated.

The Group has a number of customers to which it provides both products and services. The most significant customer accounts for 41% of the 2016 turnover (2015: 37%) and the second most significant customer accounts for 35% (2015: 30%) with all other customers below 6% of external revenue.

All revenue is from customers located in Australia and all non-current assets are located in Australia.

(i) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 2 with the exception of over/under recovery of plant and workshop expenses, which are allocated on a budgeting basis.

Certain costs including plant and workshop expenses are allocated to contracts within divisions and are included in cost of sales based on a budgeting basis. The assets and liabilities to which these costs relate are not allocated. Over/under recovery of plant and workshop expenses (actual compared to budget) is not allocated to segments.

(b) Segment information provided to the Chief Operating Decision Maker

	Civil	Mining	Land Development	Total Operations
2016	$	$	$	$
Segment revenue				
Total segment revenue	117,269,163	65,108,766	30,172,393	212,550,322
Intersegment transactions	14,847,794	-	-	14,847,794
Intersegment elimination	-	-	-	(14,847,794)
Total contract revenue	132,116,957	65,108,766	30,172,393	212,550,322
Segment result	(33,181,832)	8,262,200	7,902,357	(17,017,275)
Administration overheads	-	-	-	(14,624,502)
Other income	-	-	-	1,300,151
Impairment of plant, equipment and inventory	-	-	-	(34,370,861)
Loss before income tax				(64,712,487)
Segment assets	17,575,769	30,298,953	15,697,015	63,571,737
Property plant and equipment	-	-	-	34,787,593
Inventories of materials and spares	-	-	-	7,047,585
Deferred tax asset	-	-	-	10,001,952
Other unallocated assets	-	-	-	2,564,680
Total assets				117,973,547
Unallocated liabilities				113,548,799
Total liabilities				113,548,799

	Civil	Mining	Land Development	Total Operations
2015	$	$	$	$
Segment revenue				
Total segment revenue	156,160,167	106,657,271	29,542,859	292,360,297
Intersegment transactions	19,609,021	-	-	19,609,021
Intersegment elimination	-	-	-	(19,609,021)
Total contract revenue	175,769,188	106,657,271	29,542,859	292,360,297
Segment result	938,903	7,838,676	2,878,714	11,656,293
Administration overheads	-	-	-	(10,311,765)
Other income	-	-	-	871,756
Profit before income tax				2,216,284
Segment assets	34,584,403	30,080,636	14,272,924	78,937,963
Inventories of materials and spares	-	-	-	7,886,823
Property plant and equipment	-	-	-	77,166,162
Other unallocated assets	-	-	-	3,821,919
Total assets				167,812,867
Unallocated liabilities				111,056,523
Total liabilities				111,056,523

6 Revenue

	2016	2015
	$	$
From continuing operations		
Contract revenue	**182,377,929**	262,793,115
Hire of equipment	**-**	24,323
Sale of land	**30,172,393**	29,542,859
	212,550,322	292,360,297

7 Other income

	2016	2015
	$	$
Recoveries	**36,619**	310,678
Net gain on disposal of property, plant and equipment	**227,530**	208,026
Other revenue	**1,036,002**	353,052
	1,300,151	871,756

8 Expenses

	2016	2015
	$	$
Cost of services and sales		
Cost of providing services	**199,464,842**	244,042,091
Cost of land sales	**22,270,036**	26,664,145
	221,734,878	270,706,236
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation		
Administration plant and equipment	**542,667**	616,469
Operational plant and equipment	**10,322,876**	8,587,564
	10,865,543	9,204,033
Employee benefits expenses		
Salaries and wages	**58,070,909**	68,182,188
Superannuation	**3,863,648**	4,634,626
Share based payments	**45,500**	161,209
	61,980,057	72,978,023
Finance costs		
Interest and finance charges payable under the hire purchase contracts	**2,522,874**	2,722,412
Bank facility fees	**590,306**	343,012
Bank overdraft interest	**1,415,314**	445,087
Finance costs expensed	**4,528,494**	3,510,511
Impairment		
Plant and equipment	**32,879,396**	-
Inventory	**1,491,465**	-
	34,370,861	-

9 Income tax benefit

(a) Income tax benefit

	2016	2015
	$	$
The major components of income tax (benefit) are:		
Current tax	-	-
Adjustments to current tax for prior year periods	51,449	(1,634,856)
Origination and reversal of temporary differences	(12,386,840)	739,438
	(12,335,391)	(895,418)

(b) Reconciliation between aggregate tax (benefit) recognised in the consolidated statement of comprehensive income and tax expense calculated at the statutory income tax rate

	2016	2015
	$	$
Accounting (loss)/profit before tax	(64,712,487)	2,216,284
Tax at statutory rate of 30%	(19,413,746)	664,885
Non-deductible expenses	34,591	74,553
R&D credits	(4,053,511)	-
Deferred tax asset not recognised	11,045,827	-
Prior year adjustments	51,449	(1,634,856)
Income tax (benefit)	(12,335,391)	(895,418)

(c) Amounts charged or credited directly in equity

There is no deferred income tax in the current or prior year related to items charged directly to equity.

(d) Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. The accounting policy in relation to this legislation is set out in note 2(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Brierty Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entity fully compensate Brierty Limited for any current tax payable assumed and is compensated by Brierty Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Brierty Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entity financial statements.

(e) Tax consolidation legislation

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognised as current intercompany receivables or payables.

(f) Unrecognised temporary differences

The Group recognises deferred tax assets to the extent they can be utilised. The utilisation of deferred tax assets depends on the ability of the Group to generate sufficient future taxable profits. At 30 June 2016 the Group had unrecognised deferred tax assets of $11,045,827 (2015: nil).

10 Cash and cash equivalents

	2016	2015
	$	$
Cash at bank and in hand	**802,199**	2,760,756

(a) Reconciliation to cash at the end of the year

	2016	2015
	$	$
Cash at bank and in hand	**802,199**	2,760,756
Bank overdrafts	**(21,502,750)**	-
Cash shown in consolidated statement of cash flows	**(20,700,551)**	2,760,756

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Cash at bank and on hand

The credit deposits accrue interest rates of 2.00% (2015: 2.00%).

(d) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

Refer to note 28 for details of the security under the bank overdraft facility.

11 Trade and other receivables

	2016	2015
	$	$
Trade receivables	**31,609,218**	33,529,924
Retentions receivable/(payable)	**(116,177)**	70,787
Provision for doubtful debts	**(429,459)**	(3,033,756)
Sundry debtors	**456,275**	486,240
	31,519,857	31,053,195

(a) Past due but not impaired

	2016	2015
	$	$
Up to 3 months	-	-
3 to 6 months	-	-
	-	-

(b) Retentions

These amounts arise as part of the usual operating activities of the Group. There are no amounts past due or impaired at year end.

(c) Sundry debtors

These amounts arise from transactions outside the usual operating activities of the company. At year end they do not contain impaired assets and are not past due. It is expected that these balances will be recovered when due.

(d) Foreign exchange and interest rate risk

The Group has no exposure to foreign currency risk and interest rate risk in relation to trade and other receivables.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

The credit quality of a client is assessed based on an extensive credit check, and where the Group believes a client may pose a credit risk, the client is asked to provide some form of surety as a guarantee. As at 30 June 2016, all trade debtors, other than those past due but not impaired, are current.

12 Contracts in progress and inventories

	2016	2015
	$	$
Current assets		
Construction work in progress	-	21,674,858
Provision for impairment of contracts in progress	-	(9,076,796)
Inventories of materials and spares	**7,047,604**	7,886,823
	7,047,604	20,484,885
Non-current assets		
Construction work in progress	**16,615,860**	18,466,266

(a) Construction work in progress

	2016	2015
	$	$
Costs incurred to date plus profits recognised	**208,861,355**	183,990,608
Less progress billing	**(194,199,313)**	(154,139,329)
	14,662,042	29,851,279

	2016	2015
Represented by:	$	$
Amounts due from customers	**16,615,879**	31,064,328
Amounts due to customers	**(1,953,837)**	(1,213,049)
	14,662,042	29,851,279

Construction work in progress is expected to be recovered when due. These relate to a number of independent customers for whom there is no recent history of default, the credit quality is considered high and full payment is either expected or since received.

Inventory is measured at the lower of cost and net realisable value.

13 Land held for development

	2016	2015
	$	$
Land held for development and resale	15,435,997	14,272,924

(a) Total land held for development (current and non-current)

	2016	2015
	$	$
At beginning of year	14,272,924	10,425,381
Additions	23,433,109	27,913,474
Less sales	(22,270,036)	(24,065,931)
	15,435,997	14,272,924
Disclosed as current	15,435,997	14,272,924

(b) Property held for development and resale

Title on the residential housing blocks transfer from the Crown to the Group prior to settlement of lots of land.

14 Property, plant and equipment

	Plant and equipment	Office furniture and equipment	Motor vehicles	Total
	$	$	$	$
Year ended 30 June 2015				
Opening net book value	53,197,445	1,862,594	514,055	55,574,094
Additions	30,717,594	535,987	305,231	31,558,812
Disposals	(705,932)	-	(56,780)	(762,712)
Depreciation expense	(8,374,854)	(634,520)	(194,658)	(9,204,032)
Closing net book value	74,834,253	1,764,061	567,848	77,166,162
At 30 June 2015				
Cost or fair value	135,072,530	4,524,763	1,545,328	141,142,621
Accumulated depreciation	(60,238,277)	(2,760,702)	(977,480)	(63,976,459)
Closing net book value	74,834,253	1,764,061	567,848	77,166,162
Year ended 30 June 2016				
Opening net book value	74,834,253	1,764,061	567,848	77,166,162
Additions	2,041,843	214,838	-	2,256,681
Disposals	(890,311)	-	-	(890,311)
Depreciation expense	(10,176,439)	(565,863)	(123,241)	(10,865,543)
Impairment	(32,879,396)	-	-	(32,879,396)
Closing net book value	32,929,950	1,413,036	444,607	34,787,593
At 30 June 2016				
Cost or fair value	132,418,430	4,739,600	1,545,328	138,703,359
Accumulated depreciation and impairment	(99,488,480)	(3,326,565)	(1,100,721)	(103,915,766)
Closing net book value	32,929,950	1,413,036	444,607	34,787,593

Refer to note 17 and 19 for details of asset encumbrances.

Impairment

Assets are reviewed for impairment at each reporting date or whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. The Group engaged Smith Broughton to complete an independent valuation of all plant and equipment during FY2016. As a result of this valuation, an impairment of $32,879,396 (FY2015: nil) was made to the carrying value of plant and equipment. The methodology used to determine the impairment was fair value less cost of disposal and has been classified as level 2 under the fair value hierarchy. Smith Broughton valued items of plant and equipment based on their previous experience and additional investigations.

15 Deferred tax assets

	2016	2015
	$	$
The balance comprises temporary differences attributable to:		
Property plant and equipment	4,010,566	-
Research and development rebate	4,053,511	-
Provision for losses on projects	3,380,461	-
Annual leave	553,738	631,167
Long service leave	184,069	172,197
Capital costs	38,162	86,327
Accrued audit fees	39,000	13,500
Unpaid superannuation	284,789	117,231
Current year tax loss carried forward	8,070,854	876,785
Borrowing costs	8,961	21,868
Doubtful debts	128,838	910,127
Stock obsolescence	447,440	-
Other accruals	154,013	-
Other provisions	148,252	91,646
Total deferred tax assets	21,502,654	2,920,848
Set-off of deferred tax liabilities (note 20)	(454,875)	(2,920,848)
Net deferred tax assets	21,047,779	-
Deferred tax assets not recognised	(11,045,827)	-
Carrying value deferred tax assets	10,001,952	-

The losses in 2016 were primarily attributable to the pre-tax impairment charge of $32,879,396 in relation to plant and equipment, and pre-tax losses on civil road contracts. The reduced profitability in 2015 was also attributable to a number of civil road contracts. The directors have decided that once the remaining civil road contracts are completed in the second quarter of the 30 June 2017 financial year, no further contracts of this nature will be entered into.

The directors are confident that the source of the current losses has been stemmed. The Group has prepared budgets for the next four financial years up to 30 June 2020. These budgets indicate that the Group will generate sufficient taxable income against which the unused tax losses and tax credits can be utilised and accordingly the directors feel confident that the deferred tax asset as recorded at 30 June 2016 will be realised by 30 June 2020.

16 Trade and other payables

	2016	2015
	$	$
Trade payables	35,639,082	44,568,366
Accrued expenses	12,076,141	16,817,043
Insurance premium funding	830,888	1,091,379
Other payables	509,898	58,727
	49,056,009	62,535,515

(a) Fair Value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

17 Current borrowings

	2016	2015
	$	$
Secured		
Lease liabilities (note 31)	12,588,344	15,584,648

(a) Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 19.

(b) Loans from related parties

During the year, there were no loans from related parties.

18 Current provisions

	2016	2015
	$	$
Provision for losses on projects	**11,268,204**	-
Annual leave	**1,845,792**	2,103,894
Long service leave	**341,688**	356,391
Productivity payment	**-**	176,285
Other	**75,000**	129,201
	13,530,684	2,765,771

19 Non-current borrowings

	2016	2015
	$	$
Secured		
HP liabilities (note 31)	**14,645,301**	26,403,309

(a) Secured liabilities and assets pledged as security

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

	2016	2015
	$	$
Secured		
HP liabilities (note 32)	**27,233,645**	41,987,957

The hire purchase liabilities are secured by the assets under finance and in the event of default, the asset reverts to the finance company. Details of the assets pledged as security are as follows:

	Notes	2016	2015
		$	$
Current			
Floating charge			
Cash and cash equivalents	10	**802,199**	2,760,756
Receivables		**31,519,857**	31,053,195
Other		**24,246,086**	38,366,488
Total current assets pledged as security		**56,568,142**	72,180,439
Non-current			
Finance lease			
Plant and equipment		**23,655,564**	57,395,939
Floating charge			
Plant and equipment		**11,132,030**	19,770,223
Total non-current assets pledged as security	14	**34,787,594**	77,166,162
Total assets pledged as security		**91,355,736**	149,346,601

(b) Interest rate risk exposures

The Group's exposure to interest rate risk, including the contractual re-pricing dates and the effective weighted average interest rate by maturity periods is explained in note 3(a).

Exposures arise predominantly from liabilities bearing variable interest rates.

(c) Financing arrangements

The Group had access to the following borrowing facilities at the reporting date:

	2016	2015
	$	$
Floating rate overdraft		
- expiring within one year (bank overdraft)	**25,000,000**	30,000,000
- used at balance date	**21,502,750**	-
Bank guarantees	**10,000,000**	8,130,544
- used at balance date	**7,282,957**	8,130,544

The bank overdraft facilities are repayable on demand, subject to annual review and can be cancelled by the bank. Refer to note 28 for more detail.

(d) Fair value

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
On-balance sheet				
Non-traded financial liabilities				
Hire purchase liabilities	**27,233,645**	**27,414,033**	41,987,957	43,730,457

Interest rates used to discount estimated cash flows of borrowings to arrive at the fair value of borrowings, are based on current rates available in the market, and were assessed to be 5.91% (2015: 5.44%). The HP liabilities have been classified as level 2 within the fair value hierarchy.

20 Deferred tax liabilities

	2016	2015
	$	$
The balance comprises temporary differences attributable to:		
Property, plant and equipment	-	4,607,354
Stock of parts - materials	**315,052**	584,990
Workers compensation prepaid	**75,209**	21,812
Diesel fuel rebate	**51,764**	43,324
Prepayments	**12,850**	-
Total deferred tax liabilities	**454,875**	5,257,480
Set-off of against deferred tax assets (note 15)	**(454,875)**	(2,920,848)
Net deferred tax liabilities	-	2,336,632

21 Non-current provisions

	2016	2015
	$	$
Employee benefits - long service leave	**271,874**	217,599

22 Contributed equity

(a) Share capital

	2016	2015	2016	2015
	Shares	Shares	**$**	$
Ordinary shares	**127,300,000**	126,950,000	**37,194,172**	37,148,672

	2016	2015	2016	2015
Ordinary Shares	Shares	Shares	$	$
At beginning of reporting period	**126,950,000**	110,000,000	**37,148,672**	29,170,572
Capital raised	**-**	16,500,000	**-**	7,820,600
Conversion of performance rights	**350,000**	450,000	**45,500**	157,500
At end of reporting period	**127,300,000**	126,950,000	**37,194,172**	37,148,672

b) Ordinary shares

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

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

Management monitor capital through the gearing ratio (net debt/total capital). Current gearing ratios are considered elevated but manageable. The gearing ratios at 30 June 2016 and 30 June 2015 were as follows:

	2016	2015
	$	$
Total borrowings	**48,736,395**	41,987,957
Less: cash and cash equivalents	**(802,199)**	(2,760,756)
Net debt	**47,934,196**	39,227,201
Total equity	**4,424,748**	56,756,344
Total capital	**52,358,944**	95,983,545
Gearing ratio	**91.5%**	40.9%

23 Reserves and retained earnings/(accumulated losses)

(a) reserves

	Notes	2016	2015
		$	$
Share-based payments reserve		**500,191**	500,191
Movements:			
Opening balance		**500,191**	338,982
Share based payments	35	**-**	161,209
Closing balance		**500,191**	500,191

(b) Retained earnings/(accumulated losses)

Movements in retained earnings/(accumulated losses) were as follows:	2016	2015
	$	$
Opening retained earnings	**19,107,481**	29,622,029
Net (loss)/profit for the period	**(52,377,096)**	3,111,702
Dividends paid	**-**	(13,626,250)
Closing retained earnings/(accumulated losses)	**(33,269,615)**	19,107,481

(c) Nature and purpose of share based payments reserves

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

24 Subsidiaries

(a) Significant investments in subsidiaries

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

	Country of incorporation	Class of shares	Equity holding	
			2016 %	2015 %
Controlled entities				
Bellamack Pty Ltd	Australia	Ordinary	**100**	100
Brierty International Pty Ltd	Australia	Ordinary	**100**	100
Brierty Middle East Pty Limited	UAE	Ordinary	**100**	100

25 Dividends

(a) Dividends paid and proposed

No dividends were declared or paid during the year.

	2016	2015
	$	$
Final dividend for the year ended 30 June 2016 Nil (2015: 1.75 cents per share)	-	1,925,000
Special dividend Nil (2015: 8 cents per share)	-	10,120,000
Interim dividend for year ended 30 June 2016 Nil (2015: 1.25 cents per share)	-	1,581,250
	-	13,626,250
Proposed final dividend not recognised as a liability at 30 June		
No final dividend for the year ended 30 June 2016 (2015: Nil)	-	-

(b) Franked dividends

	2016	2015
	$	$
Franking account balance at the end of the financial year at 30% (2015:30%)	**2,894,554**	4,922,918

26 Key management personnel disclosures

(a) Key management personnel during the year were as follows:

Non-executive directors (NEDs)	
D L Gooding	Chairman (non-executive)
K J Hellsten	Director (non-executive)
R J O'Shannassy	Director (non-executive)
A R Brierty	Director (non-executive) (resigned 23 May 2016)
Executive directors	
P McBain	Managing Director (resigned 21 July 2016)
Other key management personnel	
R Bushnell	General Manager Mining (appointed 13 July 2015) Chief Operating Officer (from 26 April 2016) Chief Executive Officer (from 22 July 2016)
T Buswell	General Manager Commercial Chief Financial Officer (appointed 26 April 2016)
D Humphreys	General Manager People
D Cappelluti	General Manager Plant & Procurement
I Sydney	Chief Financial Officer (ceased employment on 26 April 2016) Company Secretary (resigned 26 April 2016)
S Collins	General Manager Civil (ceased employment on 26 April 2016)
R Erwin	General Manager Mining (ceased employment 21 July 2015)

(b) Key management personnel compensation

	2016	2015
	$	$
Directors' fees	**358,506**	361,834
Short-term employee benefits	**2,570,716**	2,141,803
Post-employment benefits	**226,645**	147,392
Long-term benefits	**(27,372)**	26,778
Share-based payments	**28,731**	272,125
Termination benefits	**195,343**	-
	3,352,569	2,949,932

Detailed remuneration disclosures are provided in the remuneration report on pages 15 to 23.

(c) Other transactions with key management personnel

Other transactions with Directors are disclosed in Note 32 Related Party Transactions as they are not in the nature of remuneration.

27 Remuneration of auditors

During the year the following fees were paid or payable for services provided by EY, the auditor of the parent entity.

	2016	2015
	$	$
Audit and other assurance services		
Audit and review of financial statements	**152,245**	130,950
Taxation services		
Tax compliance services	**31,180**	26,000
Tax advisory services	**33,000**	45,095
Total remuneration for taxation services	**64,180**	71,095
Other services		
Other advisory services	**-**	299,677
Total remuneration of EY	**216,425**	501,722

It is the Group's policy to employ EY on assignments additional to their statutory audit duties where EY's expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where EY is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

28 Contingencies

Guarantees

In the ordinary course of business the Group is called upon to provide guarantees and performance bonds in relation to work undertaken.

A performance bond facility of $30,000,000 (2015: $30,000,000) exists with Vero Insurance Limited secured by a Deed of Indemnity and Guarantee provided by the Parent Company. At 30 June 2016 $14,227,174 (2015:$17,796,270) of this facility was utilised.

Brierty Limited has a $35,000,000 bank guarantee and overdraft facility (2015: $30,000,000) established with their bankers. This facility is reduced by the amount of any bank overdraft that is utilised by the Group. At 30 June 2016 the bank overdraft utilised was $21,502,750 (30 June 2015: nil). At 30 June 2016 $7,282,957 (2015: $8,130,544) of the bank guarantee facilities were utilised. This facility is secured by a first ranking general security agreement granted by each of Brierty Ltd and Bellamack Pty Ltd over all of their present and after-acquired property in favour of the bank, as well as an unlimited guarantee and indemnity from Brierty Ltd and Bellamack Pty Ltd.

In undertaking long term engineering and construction contracts there is always the possibility of claims being in progress. To the extent that any such claims or potential claims may exist that the Group is aware of, they are assessed on their merits and if considered necessary (which may be after taking legal advice), a provision for potential costs would be recognised and included in the accounts as part of the forecast outcome on completion of a particular contract. Any such provision would be an estimate based on the information available at the time.

29 Interests in joint arrangements

A joint operating agreement establishing the Brierty NYFL joint operation was executed on 21 December 2011. The principal activity of the joint operation is to deliver urban infrastructure works and other civil construction works in Western Australia.

A joint operating agreement establishing the Brierty Karlayura joint operation was executed July 2013. The joint operation completed its second project being roadworks for Rio Tinto at West Angelas during the financial year.

Brierty Limited and Bocol Pty Ltd entered into a joint operating agreement in January 2015 to do road and bridge construction works for Main Roads WA on North West Coastal Highway.

A joint operating agreement establishing the Brierty Muntulgura Guruma joint operation was executed during the financial year. The joint venture commenced in August 2015 and delivered a road project for Rio Tinto.

A joint operating agreement to establish the Brierty Eastern Guruma joint venture was executed during the financial year. The joint venture commenced civil works for Rio Tinto at Marandoo in June 2016.

The Group has the following interests in joint operations:

Joint operation	Principal activities	Ownership interest %	
		2016	2015
Brierty NYFL Joint Operation	Urban infrastructure works	70%	70%
Brierty-Karlayura Joint Operation	Road construction	70%	70%
Brierty - Bocol	Road construction	83%	83%
Brierty Muntulgura Guruma	Road construction	78%	-
Brierty Eastern Guruma Operation	Road construction	50%	-

a) Joint operation

Summary financial information for the Group's share of joint operations, as included in the consolidated statement of financial position and statement of comprehensive income, is shown below:

	2016	2015
	$	$
Current assets		
Cash and cash equivalents	622,313	4,508,246
Trade receivables	4,897,771	12,664,169
Total current assets	5,520,084	17,172,415
Total assets	5,520,084	17,172,415
Current liabilities		
Trade payables	5,381,069	17,325,595
Total current liabilities	5,381,069	17,325,595
Total liabilities	5,381,069	17,325,595
Net assets	139,015	(153,180)
Share of operation's revenue, expenses and results		
Revenue	53,212,206	53,816,345
Expenses	(52,853,255)	(51,834,810)
Profit before income tax	358,951	1,981,535

(b) Commitments relating to the joint operations

There were no capital commitments relating to the joint operations as at 30 June 2016 (2015: nil).

(c) Contingent liabilities relating to joint operations

There were no contingent liabilities relating to the joint operations as at 30 June 2016 (2015: nil).

d) Impairment

No assets employed in the joint operations were impaired during the year ended 30 June 2016 (2015: nil).

(e) Fair value

The carrying amounts of the assets and liabilities approximate their fair value.

30 Events occurring after the reporting period

On 22 July 2016 Ray Bushnell was appointed to the position of Chief Executive Officer following the resignation of Peter McBain as Managing Director. On 1 August 2016 the company announced it had been awarded a $30 million contract to perform civil works at the Boddington gold mine. In late September 2016 the company commenced participation in a client's supply chain financing initiative and as a result will receive early payment of its invoices.

Other than as stated above, there have been no matters that have arisen since 30 June 2016 that have or may significantly affect the operations result or state of affairs of the Group in future financial periods.

31 Commitments

(a) Lease commitments: group as lessee

(i) Non-cancellable operating leases

The Group leases various items of plant and equipment under non-cancellable operating leases expiring within five years.

	2016	2015
	$	$
Non-cancellable operating lease commitments		
Within one year	**2,680,472**	3,428,072
Later than one but not later than five years	**3,178,744**	3,383,666
Later than five years	**-**	-
	5,859,216	6,811,738

(ii) Non-cancellable property leases

The Group leases its head office under a non-cancellable operating lease which was renewed during FY2016 for a term of eight years, with an option for a further four years. The lease contains market and fixed percentage review clauses during the term of the lease. The lease also allows for part of the building to be surrendered after October 2019 for a surrender payment.

	2016	2015
	$	$
Non-cancellable property lease commitments		
Within one year	**637,215**	937,092
Later than one but not later than five years	**2,894,244**	2,322,768
Later than five years	**2,098,333**	193,564
	5,629,752	3,453,424

(iii) Hire purchase

The Group has various plant and equipment with a carrying amount of $23,463,880 (2015: $56,800,845) under hire purchase contracts leases expiring within one to five years.

	Notes	2016	2015
		$	$
Finance lease commitments			
Within one year		**13,714,204**	17,517,527
Later than one but not later than five years		**15,444,951**	28,250,291
Minimum lease payments		**29,159,155**	45,767,818
Future finance charges		**(1,925,510)**	(3,779,861)
Total lease liabilities		**27,233,645**	41,987,957
Representing lease liabilities			
Current	17	**12,588,344**	15,584,648
Non-current	19	**14,645,301**	26,403,309
		27,233,645	41,987,957

The weighted average interest rate implicit in the hire purchase contracts is 5.91% (2015:6.40%)

As at 30 June 2015, the Group had contractual obligations to purchase equipment for the contract at Western Turner Syncline to the value $1,100,000. There were no obligations outstanding as at 30 June 2016.

32 Related party transactions

(a) Directors

The names of persons who were directors of the Group at any time during the financial year are as follows: D L Gooding, A R Brierty, K J Hellsten, R J O'Shannassy and P McBain. All of these persons were directors during the entire year, excluding A R Brierty who resigned on 23 May 2016.

(b) Key management personnel

Disclosures relating to remuneration of key management personnel are set out in note 26.

During the year, the Group hired two water carts from Erwin & Associates, a company owned by R.Erwin (General Manager Mining). Erwin & Associates were paid $30,000 (2015: $120,000). No monies were owing to Erwin & Associates at the end of the financial year (2015: $22,000).

(c) Transactions with directors and their related parties

During the year, the Group paid rent to Jamstakes Pty Ltd (a company owned by Alan & Kylie Brierty and other shareholders of Brierty), the owner of the premises at 38 Mandarin Rd, Maddington. Rent totaling $356,400 (2015: $356,400) was paid during the year in accordance with a lease agreement on normal terms and conditions. There were no amounts owing to or from Jamstakes Pty Ltd at the end of the financial year (2015: nil).

Gooding Partners, an accounting practice in which Mr D L Gooding is a partner, provided consulting services in 2015 in relation to due diligence activities, for which Gooding Partners were paid $53,353. No consulting services were provided in FY 2016. No monies were owing to Gooding Partners at the end of the financial year (2015: nil).

Richard O'Shannassy & Co Pty Ltd, a legal practice in which Mr R O'Shannassy is the principal, provided general legal advice during the year for which Richard O'Shannassy & Co Pty Ltd was paid $2,517 (2015: $2,138).

Ken Hellsten provided consultancy advice on the Titan Affordable housing project in the Northern Territory during the financial year and was paid an amount of $17,000 (2015: $5,000). An amount of $7,500 was owing at the end of the financial year (2015: nil).

The Group entered into a consultancy agreement with Nain Pty Ltd dated 25 July 2016 for the consultancy services of P McBain. Under this agreement a total sum of $275,009.28 plus GST will be paid for services provided by Mr McBain subsequent to his resignation as Managing Director from Brierty.

(d) Loans to/from related parties

There were no loans to/from related parties during the year ended 30 June 2016 (2015: nil).

(e) Guarantees

There are no guarantees provided by a related party.

33 Cash flow statement reconciliation

Reconciliation of net profit after tax to net cash flows from operations

	2016	2015
	$	$
(Loss)/profit for the year	**(52,377,096)**	3,111,702
Depreciation and amortisation	**10,865,543**	9,204,033
Impairment of plant, equipment and inventories	**34,370,861**	-
Non-cash employee benefits expense	**45,500**	318,709
Net (gain)/loss on sale of non-current assets	**(227,530)**	(208,026)
(Decrease)/increase in income in advance	**740,788**	(1,803,935)
(Increase)/decrease in inventories and work in progress	**13,796,222**	(33,880,641)
(Decrease)/increase in trade creditors	**(13,479,506)**	21,929,974
(Increase)/decrease in trade debtors and other assets	**216,459**	(192,065)
(Increase)/decrease in deferred tax	**(12,338,584)**	(626,967)
Increase/(decrease) in other provisions	**10,819,188**	359,742
Net cash (outflow)/inflow from operating activities	**(7,568,155)**	(1,787,474)

During the year $1,252,169 (2015: $27,005,032) of assets were acquired by means of hire purchase contracts.

34 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(a) Basic (loss)/earnings per share

	2016	2015
	Cents	Cents
Total basic (loss)/earnings per share attributable to the ordinary equity holders of the company	(41.14)	2.45

(b) Diluted (loss)/earnings per share

	2016	2015
	Cents	Cents
Total diluted (loss)/earnings per share attributable to the ordinary equity holders of the company	(41.14)	2.45

(c) Reconciliation of earnings used in calculating earnings per share

	2016	2015
	$	$
Basic earnings per share		
(Loss)/profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	(52,377,096)	3,111,702
Diluted earnings per share		
(Loss)/profit from continuing operations attributable to the ordinary equity holders of the company used in calculating diluted earnings per share:		
From continuing operations	(52,377,096)	3,111,702

(d) Weighted average number of shares used as denominator

	2016	2015
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	127,300,000	126,950,000
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	127,300,000	126,950,000

(e) Information on the classification of securities

i) *Options*

The options vested up to 30 June 2016 (1,595,832) are out of the money as the option price is higher than the current share price and are considered antidilutive.

(ii) *Post balance date*

Since the end of 30 June 2016, the number of performance options forfeited was 1,595,832 (2015: Nil). There were no other options granted, vested, forfeited or exercised post balance date.

35 Share-based payments

(a) Types of share based payment plans

Long term incentive program (LTIP)

Under the LTIP awards are made to executives who have an impact on the Group's performance. The awards are delivered in the form of shares which vest over a period of three years subject to continuous employment and meeting performance measures. The LTIP measures are based on net profit after tax (NPAT) of the Group and other internal financial and non-financial measures including cost savings, safety and indigenous employment.

The fair value of shares granted is based on the market price of Brierty's securities at the date of grant.

The grant price for the shares is equal to the market price of the underlying shares on the date of grant. The contractual term of the shares is three years and there are no cash settlement alternatives for the executives. The Group does not have a past practice of cash settlement for these awards.

Issue of options under employment contract

Set out below are the details of the options granted to the Managing Director on 7 March 2011:

Continuous employment options

15% of the options (being 750,000) became capable of exercise as Mr McBain remained in the continuous employment of the Group as follows:

- 250,000 options became capable of exercise from 7 March 2012 (at an exercise price of $0.451 per option). These options expired on 7 March 2015;
- 250,000 options became capable of exercise from 7 March 2013 (at an exercise price of $0.601 per option). These options expired on 7 March 2016; and
- 250,000 options became capable of exercise from 7 March 2015 (at an exercise price of $0.751 per option). These options expire on 7 March 2017.

Performance based options

The remaining 85% of the options (being 4,250,000) will become capable of exercise subject to the achievement of key performance indicator (KPI) based performance hurdles. Performance against the various KPI's will be assessed by the Board on a rating scale which will determine the number of options that become capable of exercise up to a maximum of the following:

- Up to 1,416,666 options (subject to achievement of KPI's) become capable of exercise from 30 September 2012 (at an exercise price of $0.451 per option). These options expired on 30 September 2015;
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2013 (at an exercise price of $0.601 per option). These options expire on 30 September 2016; and
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2014 (at an exercise price of $0.751 per option). These options expire on 30 September 2017.

Mr McBain was ultimately issued:

- 250,000 options became capable of exercise from 7 March 2012 (at an exercise price of $0.451 per option). These options expired on 7 March 2015;
- 250,000 options became capable of exercise from 7 March 2013 (at an exercise price of $0.601 per option). These options expired on 7 March 2016;
- 250,000 options became capable of exercise from 7 March 2015 (at an exercise price of $0.751 per option). These options expire on 7 March 2017;
- 1,388,542 options that became capable of exercise from 30 September 2012 (at an exercise price of $0.451 per option). These options expired on 30 September 2015;
- 283,332 options that became capable of exercise from 30 September 2013 (at an exercise price of $0.601 per option). These options expire on 30 September 2016; and
- 1,062,500 options that became capable of exercise from 30 September 2014 (at an exercise price of $0.751 per option). These options expire on 30 September 2017.

In total at 30 June 2016 Mr McBain held a total of 1,595,832 options. Following Mr McBain's resignation on 22 July 2016, all remaining options lapsed on 22 August 2016.

Performance based options granted during the year ended 30 June 2016:

No options vested to Mr McBain based on his performance during the year ended 30 June 2016 (2015: Nil). Refer to the remuneration report (audited) for additional disclosures relating to the options.

Issue of shares under LTIP

Executives entitled to shares under the LTIP are entitled to shares to the value of the STIP payment they received for the same year. Shares are valued as the average price for the first five trading days of the plan financial year. The shares are issued in three tranches with the first tranche issued on 1 April of the following year, the second tranche issued on 1 April the year following the first issue, and the third tranche on 1 April the year following the second issue.

(b) Fair value of options granted

The assessed fair value at grant date of the options to the Managing Director during the year ended 30 June 2011 was as follows:

Continuous Employment options

		Value per option
Exercisable after	- 7 March 2012	11.6 cents
	- 7 March 2013	13.6 cents
	- 7 March 2014	15.5 cents

Performance based options

		Value per option
Exercisable after	- 30 September 2012	13.1 cents
	- 30 September 2013	15.0 cents
	- 30 September 2014	16.5 cents

The fair value at grant date is independently determined using a Binomial model taking into account the terms and conditions upon which the options were granted.

The inputs to the model for the options granted during the year ended 30 June 2011 included:

(i) share price at grant date: $0.315
(ii) grant date: 7 March 2011
(iii) exercise price: as detailed above
(iv) expiry date: as detailed above.
(v) expected price volatility of the company's shares: 100%.
(vi) expected dividend yield: 8.7%.
(vii) risk-free interest rate: 5.3%.

(c) Fair value of shares granted

The assessed fair value at grant date of the shares to the executives during the year ended 30 June 2016 was nil.

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2016	2015
	$	$
Expense arising from equity-settled share based payment transactions	**45,500**	161,209

36 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2016	2015
	$	$
Balance sheet		
Current assets	**37,045,968**	72,134,520
Non-current assets	**54,759,064**	90,412,430
Total assets	**91,805,032**	162,546,950
Current liabilities	**91,960,239**	90,750,474
Non-current liabilities	**14,917,175**	28,957,540
Total liabilities	**106,877,414**	119,708,014
Net assets/(liabilities)	**(15,072,382)**	42,838,936
Shareholders' funds/(deficiency)		
Issued capital	**37,194,172**	37,148,672
Reserves	**500,191**	500,191
Retained earnings/(accumulated losses)	**(52,766,745)**	5,190,073
	(15,072,382)	42,838,936
(Loss) for the year	**(57,956,819)**	(3,902,722)
Total comprehensive income/(loss)	**(57,956,819)**	(3,902,722)

(b) Guarantees entered into by the parent entity

The parent entity has provided no financial guarantees in respect of loans of subsidiaries. Guarantees entered into by joint ventures are via those entities directly.

(c) Contingent liabilities of the parent entity

Other than those guarantees and performance bonds disclosed in Note 28 the parent entity did not have any contingent liabilities as at 30 June 2016 or 30 June 2015.

(d) Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July as at 30 June 2016 or 30 June 2015. The accounting policy in relation to this legislation is set out in note 2(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Brierty Limited. No amounts have been recognised by the parent on the basis that the possibility of default is remote.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Brierty Limited for any current tax payable assumed and are compensated by Brierty Limited for any current tax receivables and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Brierty Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of the financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognised as current intercompany receivables or payables.

(e) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2015, the parent entity had contractual obligations to purchase equipment for the contract at Western Turner Syncline to the value $1,100,000. There were no obligations outstanding as at 30 June 2016.

Directors' Declaration

In accordance with a resolution of the directors of Brierty Limited, I state that: In the directors' opinion:

(a) the financial statements and notes set out on pages 29 to 60 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(ii) 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;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.2.

(c) subject to the matters disclosed in Note 2.1, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.

Dalton L Gooding

Director

Perth, Western Australia

30 September 2016

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Independent auditor's report to the members of Brierty Limited

Report on the financial report

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

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2.2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

GHM:JT:BRIERTY:007

Opinion

In our opinion:

a. the financial report of Brierty 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

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.2.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2.1 in the financial report. The matters set forth in Note 2.1 indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 23 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 Brierty Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

G H Meyerowitz
Partner
Perth
30 September 2016

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 31 August 2016.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security Ordinary shares		
Holding	Number of Shareholders	Shares	% of Issued Capital
1 - 1000	62	20,258	.02%
1,001 - 5,000	378	1,183,587	0.93%
5,001 - 10,000	243	2,067,789	1.62%
10,001 - 100,000	712	25,729,947	20.21%
100,001 and over	130	98,298,419	77.22%
	1,525	127,300,000	100.00%

B. Equity security holders

Twenty five largest quoted equity security holders.

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

	Ordinary Shares	
Name	Number held	Percentage of issued shares
Mr Alan Robert Brierty	19,250,000	15.10
Ms Kylie Ann Brierty	17,711,955	13.90
National Nominees Ltd	6,934,693	5.40
Mr Kenneth John Beer <Beer Super Fund A/C>	4,623,978	3.60
Bond Street Custodians Limited < Forager Wholesale Value FD>	2,775,589	2.20
Mr Alan Brierty	2,650,000	2.10
Treasure Island Hire Boat Company Pty Ltd <Staff Super Fund Account>	2,500,000	2.00
63rd Arcadian Pty Ltd	1,661,000	1.30
Lincoln Properties Pty Ltd <Anderson Super Fund A/c>	1,580,000	1.20
Kailva Pty Ltd <Superannuation A/c>	1,400,000	1.10
Moulyinning Nominees Pty Ltd <Gooding Family S/Fund A/c>	1,287,500	1.00
Mr Michael Sloan	1,268,970	1.00
Mr Tim Abrahams	1,150,000	0.90
Mrs Ruth Anne Sutton <The Sutton Family A/c>	1,150,000	0.90
Ace Property Holdings Pty Ltd	1,120,000	0.90
Mr Victor Jay <The Jay Family A/c>	1,100,000	0.90
Mr Alan Robert Brierty + Mrs Kylie Ann Brierty <A & K Brierty Super Fund A/c>	1,095,000	0.90
Avania Nominees Pty Ltd	1,000,000	0.80
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/c>	897,474	0.70
Mr Kenneth Beer	832,290	0.70
Avebury Investments Pty Ltd <Avebury Investment A/c>	811,500	0.60
Mr Ian Gerald Arnot	806,604	0.60
Mr Michael John Horn & Mrs Lynda Anne Wood ,Horn Superannuation A/c>	800,000	0.60
Vanward Investments Limited	800,000	0.60
Fort Baramba Pty Ltd	787,463	0.60
	75,994,016	59.70

C. Substantial holders

Substantial holders in the company are set out below:

	Ordinary Shares	
Name	Number held	Percentage of issued shares
Mr Alan Robert Brierty	21,900,000	17.20%
Ms Kylie Ann Brierty	17,711,955	13.90%
National Nominees Ltd	6,934,693	5.40%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

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

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