Annual Report & Appendix 4E

For the Financial Year Ended 30 June 2016

E&A Limited

ABN 22 088 588 425

This Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period:	Financial Year Ended 30 June 2016
Previous Corresponding Period:	Financial Year Ended 30 June 2015

Contents

Results for announcement to the market

Financial Year Ended 30 June 2016

Revenue and Net Profit

	Change %		Amount $'000
Revenue from ordinary activities*	(18.26%)	To	161,864
Reported net loss from ordinary activities after tax attributable to members	-	To	(19,863)
Loss from ordinary activities before interest and tax	-	To	(19,863)

* Excludes 'Other Income'

(Loss) / Earnings Per Share

	2016	2015
(Loss) / Earnings per share (diluted)	(14.51) cents	(18.33) cents
(Loss) / Earnings per share (undiluted)	(14.51) cents	(18.33) cents

Net Tangible Assets / (Liabilities)

	2016	2015
NTA / (NL) per share (undiluted)	(20.96) cents	(11.19) cents

Dividends

No interim or final dividend has been declared or paid relating to the FY16 result (FY15: nil).

Review of Operations

For the Financial Year Ended 30 June 2016

Overview

Diversified investment company, E&A Limited's (**ASX: EAL**) (**the 'Company' or 'Group' or 'EAL'**) FY16 results show the ongoing impact of the downturn in mining and oil & gas construction activity, the failure of clients and alliance partners and the legacy issues of the preceding year coupled with early progress following the initiatives taken by the company to address the challenges it faced.

The gains made include the realisation of a number of claims, progress towards recovery of the remaining claims, cost reductions, finalisation of difficult contracts and a positive turnaround in operating cash flow in the closing six months of the year.

The company has closed the year with a stronger secured work position, a successful expansion of programmed maintenance and shutdown capability and an improved tender outlook for its subsidiaries.

Directors expect improvement to be ongoing and that the next financial year will see the business reduce debt and record substantially improved financial and operating results.

E&A Limited reports Financial Year 2016 (FY16) revenue and earnings:

- **Revenue of $163.3 million, down 18%, impacted by tighter market conditions;**
- **Statutory net loss after tax of $19.9 million after non-cash goodwill impairment of $6.1m, compared with a net loss after tax of $24.4 million in FY15;**
- **Generated a positive Operating Cashflow of $4.4 million for the second half of FY16;**
- **All subsidiaries continue to improve their safety records and cultures through proactive safety leadership, training and communication with our employees;**
- **19% reduction administration and operating expenses: Productivity & Profit Improvement Program has reduced operating expenses from $38.5 million (FY15) to $31.3 million (FY16);**
- **Improved outlook: EAL commences FY17 with Secured and Recurring Revenue significantly up, together with greater exposure towards maintenance rather than major construction project revenue. Whilst trading conditions remain highly competitive and suppressed, due to low commodity prices, the immediate outlook across our subsidiaries has strengthened.**

THE 2016 YEAR IN REVIEW

Income Statement

FY16 Statutory Results Summary EAL Group ($000s)	Full Year FY16	Full Year FY15	Percentage Change (%)
Revenue*	**163.3**	198.6	**(18%)**
EBIT / (LBIT) from continuing operations	**(18.2)**	(30.1)	**40%**
Net interest expense	(7.3)	(4.8)	**53%**
Net profit / (loss) before tax	**(25.5)**	(34.9)	**27%**
Tax Benefit / (Expense)	5.7	10.5	**(46%)**
Reported statutory net profit / (loss) after tax	**(19.9)**	(24.4)	**19%**

* = includes Other Income

EAL has recorded a loss before interest and tax of $18.2 million for the year ended 30 June 2016, including a non-cash impairment of $6.1 million against the goodwill associated with its Heavy Mechanical and Electrical Engineering CGU, work in progress and debtor impairment of $8.1 million primarily associated with the Bluenergy CMC Pty Ltd (**Bluenergy CMC**) company failure, and other significant one off costs of $1.3 million. The total statutory net loss after tax was $19.9 million, down from the prior year statutory net loss after tax of $24.4 million.

Sales revenue for the period was $163.3 million, down 18% from FY15 as a result of reduced mining, oil & gas construction opportunities. As a consequence, EAL's focus on maintenance and sustainability programs rather than major construction project work. EAL's reduction in revenue was consistent with BIS Schrapnel's research into mining investment, which suggested an accelerating fall in investment in 2016 and a drop of nearly 60% over the three years to 2017/18.

This result was adversely impacted by the finalisation of two problematic contracts, one for the New Royal Adelaide Hospital (**NRAH**) and the other for the construction of de-watering facilities for Sino Iron at Cape Preston. The second half performance has improved as a consequence of the completion of Ottoway Engineering's contract works on the NRAH and Sino Iron projects during the first half of FY16.

Non-Cash Impairment of Goodwill

The Company has carried out a detailed assessment of its assets and reported at the Half Year that it was appropriate to recognise a non-cash impairment to goodwill of $6.1 million during this year.

The board considered at the half year that the carrying value of the goodwill associated with its Heavy Mechanical and Electrical Engineering CGU as a consequence of the continued delay in wind tower orders following the Abbott Government's Renewable Energy Target review and the uncertainty surrounding Arrium Limited's (**Arrium**) operations in Whyalla at that time that it was appropriate for the Company to recognise a non-cash impairment to goodwill of $6.1 million.

In April 2016 Arrium entered into voluntary administration. The Federal and State Governments and the Arrium's Administrator are confident that Arrium's steel making business will be sold as a going concern. Subsequent to the Arrium Administration, the Heavy Mechanical and Electrical Engineering entities have secured ongoing work opportunities with Arrium.

Impairment Work-in progress and Debtors

The Company has carried out a detailed assessment of its work in progress and debtors as part of its year end review and has resolved to provide $8.1 million against bad debts and disputed work in progress.

During the first half of FY16, Ottoway Engineering negotiated terms upon which it could exit certain of its obligations in respect of the Sino Iron de-watering contract and the NRAH steel mains and risers piping contract.

Notwithstanding these negotiations Ottoway Engineering incurred further losses in respect of the Sino Contract and the NRAH contract. As previously reported, Ottoway Engineering's alliance partner Bluenergy CMC entered voluntary administration on 22 March 2016. Ottoway Engineering was successful in petitioning for Bluenergy CMC to be wound up and on 13 April 2016, Mr Michael Ryan of FTI Consulting was appointed liquidator of Bluenergy CMC. Ottoway Engineering are working with Mr Ryan who is investigating a number of irregular transactions which took place in the six months prior to the company being placed into administration. As Bluenergy CMC is in liquidation, the Directors of EAL have elected to fully provide for the carrying value of the claims it is entitled to recover from the Sino Iron de-watering construction contracts.

Whilst the Bluenergy CMC claim comprises the majority of the $8.1 million provision, bad debts and disputed claims arising from other contracts within Ottoway Engineering, Fabtech, Tasman Power, ICE Engineering and Heavymech make up the remainder of the provision.

Strategy to Rebuild Shareholder Value

E&A Limited adopted four major strategies to rebuild shareholder value and we comment on those strategies and progress made as follows:

1. ***A two year US$10M convertible note facility with LIM OCMF and the restructure of the term, repayment obligations and borrowing cost of our NAB loan facilities***

   The first USD $6.0M tranche of the LIM OCMF facility was drawn down on 1 September 2015 and the second USD $4.0M tranche was drawn down on 24 December 2015. Since that date USD $0.9M has been repaid. The facility is due for repayment on 31 August 2017.

   The NAB loan facilities have been further extended to 31 August 2017.

   The Lim OCMF and NAB facilities are scheduled to be in part reduced throughout the course of FY17.

2. ***The recovery of the disputed variation, delay and disruption contract claims for their existing carrying value***

   EAL has previously advised of its intention to protect shareholder value through diligent and prudent pursuit of claims for amounts considered owing to the Group. While these claims relate to difficult contracts, they are also symptomatic of an uncompromising business climate and the increasingly litigious nature of the Australian construction industry.

   EAL has equipped itself to deal with the requirement for legal advice and the need for litigation support by establishing an in-house legal and commercial team together with the retention of an experienced construction counsel on a permanent basis.

   To date, the Company has collected $10.3 million from successful claim adjudication decisions in respect of the GELOR and NRAH claim disputes. The Ottoway Engineering `Roma' claim and ICE 'Mooka' claim have been progressed to arbitration and mediation phases respectively and outcomes for both of these matters are expected during FY17.

   The other disputes continue in mediation, arbitration and are being prepared for court proceedings, if not settled.

3. ***The delivery of an improved EBITDA***

   EAL established an ongoing Productivity and Profit Improvement Program (PPIP) under the leadership of a senior executive reporting directly to the Managing Director. This PPIP has delivered real administration and overhead costs savings of approximately $7.2 million per annum.

   In addition to absolute cost reduction, the PPIP has been addressing internal processes to ensure that all contracts are more tightly managed, monitored and contracting risks are identified such that these risks are mitigated to the maximum degree possible. The in-house legal and commercial team mentioned above are assisting the EAL subsidiaries in identifying and mitigating risk at the time of contract award as well as dealing expeditiously with contractual issues as they arise.

   EAL subsidiaries are presently trading across a range of industries all of whom are experiencing significant challenges. During FY16, EAL worked closely with the Federal and State Governments to influence policy in the renewable energy industry, the South Australian steel and mining industry and also the defence industry's naval shipbuilding sector. The Federal and State Governments' commitment to each of these industries has been exceptional.

   Further comment on the opportunities in these sectors is included as part of the outlook section of this report.

   The Company has successfully increased the number of recurrent maintenance, shutdown and minor upgrade projects for established clients. This type of work offers recurrent revenue, lower risk and is less litigious than major greenfield construction work.

Consistent with this initiative, EAL established a new maintenance business in 2015, Tasman Rope Access. This service line successfully competes with the traditional scaffolding industry and provides an opportunity for clients to reduce the down time associated with programmed shutdowns.

The focus on recurrent maintenance, shutdown and minor upgrade projects has been successful.

4. The potential sale of one or more of the Group's operating subsidiaries

As previously reported, EAL engaged PwC to ascertain interest in a potential purchase of some of EAL's subsidiaries. The sale of any subsidiary for commercial value is, to a significant degree, dependent upon investor confidence on the outlook for the industries in which the subsidiary operates, and certainty in respect of completed and ongoing contracts, and any obligations arising from the same. Whilst this process has generated expressions of interest, no transaction is imminent at this time.

The restoration of shareholder value will take time. Significant progress has been made during the year on the turnaround of EAL, and the outlook for EAL subsidiaries, and the industries in which they operate. The market conditions are more positive entering this financial year than it was at the same time last financial year.

Shareholder value is constrained by EAL's debt. The Company's borrowings are scheduled to reduce progressively over the course of the next twelve months. The servicing of EAL's debt, whilst significant, has been assisted by the low interest rate environment which is forecast by the interest rate futures market to continue for at least the next three years.

OPERATIONAL OVERVIEW

Safety & Our People

Safety

EAL's management and employees share a mutual responsibility to deliver work in a manner which does not harm either the employee, or those who work alongside them. EAL's group subsidiary employees maintained their attention to this essential obligation last financial year and once again we are proud to announce another year's lost time injury free performance.

All of EAL's subsidiaries continue to improve their safety cultures through proactive safety leadership both internally and by working with their customers, training and communication with their employees, ensuring safe workplaces, processes, and procedures. The outcome of this is reflected in their safety performance which resulted in significant milestones as at August 2016, as follows:

- ICE completed 3,673 days without a Lost Time Injury (LTI) and has worked more than 1,850,000 hours on site without a LTI claim.
- Fabtech completed 2,519 days without an LTI and has worked more than 1,730,000 hours on site without a LTI claim.
- QMM completed 2,403 days without a LTI and worked more than 500,000 hours in the workshop and on-site without a LTI.
- Ottoway Engineering completed 2,179 days without a LTI and has worked more than 2,875,000 hours in the workshop and on site without a LTI.
- Ottoway Fabrication completed 1,855 days without a LTI and worked more than 1,280,000 hours in the workshop and on site without a LTI.
- Tasman Power & Tasman Rope Access completed 1,885 days without a LTI and worked more than 1,220,000 hours in the workshop and on-site without a LTI.
- Heavymech completed 1,320 days without a LTI and worked more than 180,000 hours in the workshop and on-site without a LTI.

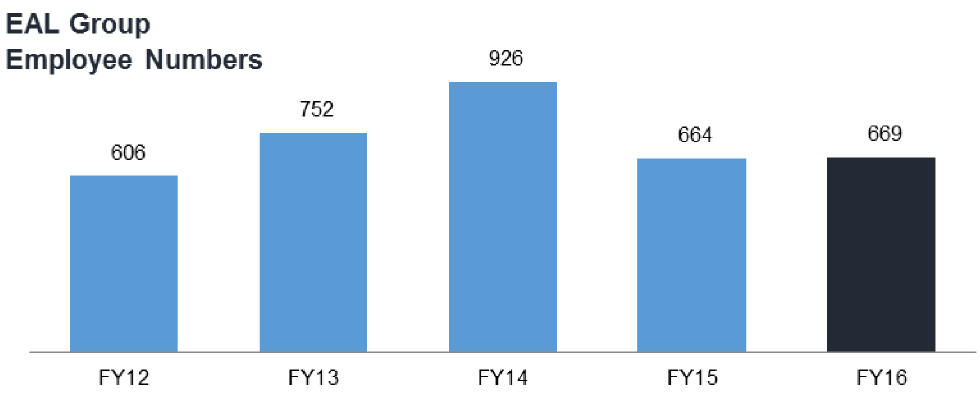
These safety outcomes are extraordinary and are due to the remarkable efforts of our employees, our management teams and clients, all who contributed to this achievement.

On 14 June 2016, EAL subsidiaries' self-insurance status for South Australian operations was extended for a further term of two years.

People

EAL's subsidiaries continue to adjust their direct and indirect employment levels to reflect the markets they service. EAL's board have continued to meet marketplace expectations including, where necessary, reducing margins to maintain skilled employment in order to retain the essential skills which form the core value of our subsidiaries.

Details of EAL group's employee numbers over the last five years are as follows:



During the year the number of construction employees fell and in the second half of FY16 the number of maintenance employees increased.

FINANCIAL OVERVIEW

Cashflow

Cashflow for the year was consistent with the demands brought by the difficult contracts and claims already noted and the decision by a number of major clients to extend trading terms from 30 to 45 days or 60 days.

EAL recorded negative cashflow from operations, before interest and tax of $8.3 million and, after payment of interest, tax and deferred earn out agreements, a net outflow of $14.6 million during the year ended 30 June 2016.

However within the full year result, there was a marked improvement in cash generation in the closing six months for the year during which the company recorded a net inflow from operations after payment of interest, tax and deferred earn out agreements of $4.4 million.

Net Debt & Gearing

Net debt at 30 June 2016 was $94.6 million. Gearing at 30 June 2016 was 77% (as measured by the ratio of net debt to net debt plus shareholder equity).

The first USD $6.0M tranche of the LIM OCMF facility was drawn down on 1 September 2015 and the second USD $4.0M tranche was drawn down on the 24 December 2015. Since that date USD $0.9M has been repaid. The facility is due for repayment on 31 August 2017.

The NAB loan facilities have been further extended to 31 August 2017.

Both the Lim OCMF and NAB facilities are scheduled to be progressively reduced throughout the course of FY17

Dividends

The company has not declared any dividends in respect of the financial year ended 30 June 2016.

OPERATING SEGMENTS ACTIVITY

Detailed comments in respect of E&A Limited's operating segments are presented below.

Heavy Mechanical & Electrical Engineering

Heavy Mechanincal & Electrical Engineering *(in thousands)*	Full Year FY16	Full Year FY15		Percentage Change (%)
Segment Revenue	**86,319**	128,160	▼	**(33%)**
EBIT / (LBIT)	**(17,430)**	(30,142)	▲	**(42%)**

Heavy Mechanical and Electrical Engineering comprises the services provided by Ottoway Engineering Pty Ltd (**Ottoway Engineering**), ICE Engineering & Construction Pty Ltd (**ICE**), and Ottoway Fabrication Pty Ltd (**Ottoway Fabrication**).

The Heavy Mechanical and Electrical Engineering segment's revenue fell 33% and contributed a loss before interest and tax of $17.4 million compared to a loss of $30.1 million in the prior financial year.

Ottoway Engineering's first half performance was adversely impacted by the finalisation of two problematic contracts, one for the New Royal Adelaide Hospital (NRAH) and the other for the construction of de-watering facilities for Sino Iron at Cape Preston. Ottoway's second half performance has improved as a consequence of the substantial completion of the contract works on the NRAH and Sino Iron projects.

Ottoway Engineering is presently engaged to construct the gas making facilities, together with Air Liquide Australia, for Nyrstar at Port Pirie and AGL at Torrens Island. Ottoway Engineering has recently won further work at Port Pirie working directly for Nyrstar and at Olympic Dam with BHPB.

ICE Engineering & Construction continues to work with Santos in the Cooper Basin and Arrium in Whyalla. ICE Engineering & Construction is contracted to perform the electrical work for Air Liquide Australia at both Port Pirie and Torrens Island.

As previously reported, Ottoway Fabrication's first half of FY16 was slower than expected. Recently Ottoway Fabrication has secured further work with Arrium, BHPB, Nyrstar and Air Engineering.

The Australian windfarm industry remains confident that compliance with the legislative 2020 Renewable Energy Target (RET) will require the procurement and construction of more than 1,600 wind towers. The Australian steel industry, wind tower fabricators and, more broadly, the community at large expect the renewable energy industry to require a significant level of local manufacturing. The anticipated demand arising from the establishment of new wind farms remains very high. However, the principal issue seems to be the unwillingness of electrical retailers to commit to long term power takeoff agreements. Recently this issue became even more complex as a result of the price volatility in the South Australian Electricity Market. In August 2016 the Council of Australian Governments (**COAG**) met to discuss the Australian Power Market and, whilst the delays are most frustrating, it is apparent to all participants that changes will be required to enable Australia to meet its 2020 RET. In addition to the delay in commitment to establishing new wind farms, Ottoway Fabrication faces significant competition from overseas wind tower suppliers.

A number of parties have expressed interest in developing solar parks in the Iron Triangle (Port Pirie, Port Augusta and Whyalla). Ottoway Fabrication has already fabricated the pipe work and solar tower for the Sundrop 20 hectare solar powered greenhouse facility located in Port Augusta. Ottoway Fabrication has entered into discussions to fabricate components with a number of potential solar farm developers.

Notwithstanding the positive outlook for renewables, there continues to be an unforeseen impasse in commitments. Whilst confidence is returning to the renewable energy industry, there remains a reluctance for electricity retailers to enter into long term power purchasing agreements and the competition from overseas wind tower fabricators will continue to be significant due to their access to lower steel and labour prices.

Prior to the release of the 2016 half year results, the Company decided to impair the goodwill held in the accounts of Ottoway Fabrication for an amount of $6.1 million as a consequence of the uncertainty associated with future wind tower orders and the uncertainty relating to Arrium's Whyalla steel businesses.

In April 2016, Arrium Limited entered administration. EAL subsidiaries have worked closely with the Arrium Administrator and continue to lobby both the Federal and State Governments to provide certainty for the Australian Steel Industry and funding for the upgrade of the Whyalla mining and steel making facilities. These commitments should ensure that the Whyalla mining and steel businesses will be competitive and profitable in the future which should enable those businesses to be sold as a going concern.

Water & Fluid Solutions

Water & Fluid Solutions *(in thousands)*	**Full Year FY16**	**Full Year FY15**		**Percentage Change (%)**
Segment Revenue	**32,459**	40,394	▼	**(20%)**
EBIT / (LBIT)	**(735)**	(285)	▼	**158%**

This segment comprises the services provided by Fabtech Australia Pty Ltd (**Fabtech**) and Blucher (Australia) Pty Ltd (**Blucher**).

The Water & Fluid Solutions segment recorded a 20% decrease in revenue and 158% decrease in operating earnings compared to the prior financial year.

Fabtech Australia (Fabtech) enters FY17 with secured and expected orders of approximately $23 million of geomembrane supply and installation work across the mining, oil and gas, landfill and water industries. As a consequence, Fabtech expects to significantly improve its contribution to EAL group profitability during FY17.

Blucher's FY16 was adversely impacted the mining and oil and gas construction downturn. In particular, the Queensland market has continued to remain weak for longer than anticipated. The expansion of new processing facilities to accommodate growth in the agribusiness sector is providing increased opportunities to Blucher in Australia and New Zealand.

Blucher will launch a number of new products to the market during FY17 which are expected to improve sales and earnings.

Maintenance Engineering & Plant Construction

Maintenance Engineering & Plant Construction *(in $000s)*	**Full Year FY16**	**Full Year FY15**		**Percentage Change (%)**
Segment Revenue	**55,302**	41,235	▲	**34%**
EBIT / (LBIT)	**2,401**	1,741	▲	**38%**

The Maintenance Engineering & Plant Construction segment comprises the services provided by Quarry & Mining Manufacture Pty Ltd (**QMM**), Heavymech Pty Ltd (**Heavymech**) and Tasman Power WA Pty Ltd (**Tasman Power**) and Tasman Rope Access Pty Ltd (**Tasman Rope Access**).

The segment recorded a 34% increase in revenue and operating earnings rose by 38% compared to the prior financial year.

The electrical maintenance division of Tasman Power, has continued to expand its maintenance, shutdown and sustainability project work in the Pilbara region. Importantly, during the year Tasman Power secured services agreement contract extensions for two of its major customers in the Pilbara.

Whilst revenue rose during FY16, margins have reduced due to client demand following further falls in commodity prices.

Tasman Rope Access was established in 2015. This business seeks to compete with the scaffolding industry by offering a more efficient means of undertaking work at height. This enables Tasman's clients to shorten fixed plant shutdown programs whilst also reducing their shutdown costs. The business is forecast to continue to grow in line with the business plan approved by the Board.

The market conditions for breakdown, repair and maintenance services offered by Heavymech continued to remain soft during FY16. Furthermore, Heavymech's Whyalla division continued to predominately undertake mechanical repairs for OneSteel's Steelworks and on-site services to Arrium's mines in the Middleback Ranges. Both of Arrium's business units experienced significant financial difficulties during the year and were progressively restructured both before, and following, entry into Voluntary Administration. Trading conditions with Arrium have now settled, although work is being undertaken at reduced margins.

The FY17 outlook for Heavymech has improved although this remains dependent upon the continuance of Arrium's Whyalla businesses as going concerns.

QMM was impacted by the reduction in commodity prices for quarrying, mining and material handling products. During FY16, QMM completed the construction of a fixed plant at Arrium's Iron Baron mine. QMM is well placed to assist with the construction of the Iron Ore Beneficiation Plants to be constructed at Iron Duke and Iron Baron in the Middleback Ranges. QMM has tendered for the fabrication of two large material handling fixed plants and its outlook for FY17 remains dependent upon securing one of these major plant fabrication and construction programs.

Investment & Corporate Advisory

Investment & Corporate Advisory *(in $000s)*	**Full Year FY16**	**Full Year FY15**		**Percentage Change (%)**
Segment Revenue	**6,782**	7,847	▼	**(14%)**
EBIT / (LBIT)	**(2,439)**	(1,414)	▼	**(72%)**

The Investment and Corporate Advisory segment comprises the services provided by Equity & Advisory Ltd (**Equity & Advisory**) and EAL. During the year the majority of Equity & Advisory's consulting capacity has been applied to implementing the strategy to rebuild shareholder value for E&A Limited.

Segment revenue has decreased by 14% compared to FY15, and the segment recorded a loss before interest and tax of $2.4 million.

The segment incurred significant one off restructuring costs together with the costs associated with establishing the LIM OCMF finance facility. In addition this segment impaired the carrying value of work in progress by $0.4 million.

OUTLOOK FOR FY17

EAL commences FY17 with a significant improvement in the value of committed recurrent and project work as compared to FY16. This improvement in part reflects the EAL Board's focus on securing recurrent maintenance, shutdown and sustaining project work for established clients.

The challenging market conditions experienced by a number of EAL's trading entities as a result of low iron ore, oil and gas commodity prices is expected to continue during FY17. EAL's subsidiaries have been progressively adapting their businesses in the expectation that these challenging trading conditions will remain for a period of time.

As a consequence of the improved outlook, several of EAL's subsidiaries have budgeted significant improvements in their forecast trading performances for FY17.

EAL also expects to generate increased earnings contribution from the growth of the Tasman Rope Access business during FY17.

The Renewable Energy Target (**RET**) is expected to underwrite demand of about 1,600 wind towers over the next 4 years to 2020, however the timing of this demand and the degree to which it is to be satisfied by overseas competitors remains uncertain. Equally, opportunity exists to fabricate components for solar parks. The establishment of these solar parks is dependent upon obtaining the necessary approvals, power take-off agreements with the electricity retailers and government co-investment. EAL remains committed to fabricating components for the Renewable Energy industry, however the timing and extent of demand remains uncertain.

In the medium to long-term, EAL expects to benefit from the recently announced $89 billion of defence shipbuilding budget for the construction of the new class off shore patrol vessels, frigates and submarines to be assembled in its home state of South Australia. EAL subsidiaries have supplied piping systems for the Air Warfare Destroyer project and is also piping supplier to the Western Australian commercial shipbuilding industry. EAL subsidiaries previously tendered on the assembly of modules for the Air Warfare Destroyer Program and were successful in fabricating sub-assemblies and module lifting equipment for that program.

During FY16 EAL undertook the changes necessary to return the EAL Group to profitability. This action together with the resolution of the outstanding contractual claims is essential to restoring shareholder value. The EAL board expect this will deliver a significant improvement in earnings in FY17 and a reduction of its debt.

Annual Financial Report

For the Financial Year Ended 30 June 2016

E&A Limited

ABN 22 088 588 425

COMPANY OVERVIEW

E&A Limited is a diversified South Australian based investment and engineering services group comprising the following wholly owned operating businesses:

SEGMENT	OPERATING COMPANIES	SERVICES	INDUSTRY EXPOSURE	EMPLOYEES
Investment & Corporate Advisory	E&A Limited	▪ Comprehensive range of corporate advisory services relating to the analysing, negotiating, financing and completing of business transactions for external and internal clients	▪ Public ▪ Private ▪ Government organisations ▪ E&A Limited subsidiaries	15
	Equity & Advisory	▪ Investment and Corporate Advisory also provides a range of corporate advisory services to E&A Limited subsidiaries as they continue to expand both organically and through acquisition		
Water & Fluid Solutions	Fabtech Australia	▪ Flexible geomembrane liners and floating covers for dams, reservoirs, tunnels, channels and landfills	▪ Industrial ▪ Mining ▪ Waste water ▪ Waste management ▪ Ship building ▪ Food & beverage processing ▪ Potable and waste water containment ▪ Agriculture	107
	Blucher Australia	▪ Drainage and supply systems for industrial and commercial applications		

COMPANY OVERVIEW (Continued)

SEGMENT	OPERATING COMPANIES	SERVICES	INDUSTRY EXPOSURE	EMPLOYEES
Heavy Mechanical & Electrical Engineering	Ottoway Engineering	▪ Pipe fabrication and installation involving all aspects of turn-key project management including design, engineering, procurement, manufacture, fabrication, machining, installation and maintenance	▪ Industrial ▪ Petro-chemical ▪ Oil & gas ▪ Mining ▪ Water ▪ Defence ▪ Power generation ▪ Infrastructure ▪ Petro-chemical	296
	Ottoway Fabrication	▪ Steel fabrication and structural engineering services, including project management, design, engineering support, procurement and erection		
	ICE Engineering & Construction	▪ Electrical engineering including the design of electrical control systems for heavy industry, manufacturing and installations		

COMPANY OVERVIEW (Continued)

SEGMENT	OPERATING COMPANIES	SERVICES	INDUSTRY EXPOSURE	EMPLOYEES
Maintenance Engineering & Plant Construction	Tasman Power	▪ Electrical services specialising in the planning, management and execution of electrical maintenance for major iron ore producers in Western Australia	▪ Mining ▪ Power ▪ Quarry ▪ Recycling ▪ Heavy industrial	251
	Tasman Rope Access	▪ Rope access maintenance and shutdown services		
	Heavymech	▪ Breakdown and repair services to the heavy industrial, mining and power generation industries		
	QMM	▪ Equipment, spare parts, plant construction and repair, and onsite maintenance to the quarry, recycling and mining sectors		

DIRECTORS' BIOGRAPHIES

Information on directors

The following persons acted as directors of the Company during the year and up to the date of this report.

MR JOHN ROBERT NICHOLLS *B.Comm, MBA*

Non-Executive Director & Chairman,

Mr Nicholls has over 30 years' experience as a Chairman, Director and Chief Executive of listed and private companies across the Asia Pacific with direct industry experience encompassing manufacturing, non-ferrous and ferrous fabrication, mining services and waste management including being chairman of ASX listed Brandrill Limited (a ASX mining services company).

Mr Nicholls holds a B.Comm and a M.B.A. from the University of New South Wales.

MR STEPHEN ELLIOTT YOUNG *B. Ec, FCA, FAICD*

Managing Director,

Stephen Young is the Founder and Managing Director of E&A Limited and is a Director of its subsidiaries. Stephen has a Bachelor of Economics, is a Chartered Accountant and a Fellow of the Institute of Company Directors. Stephen has more than 35 years experience involving large corporate advisory, corporate recovery, business turnaround, listed public and private advisory and board engagements.

Stephen was Managing Partner of Arthur Andersen's Adelaide office following their merger with Allert Heard & Co from 1989 to 1997. Stephen was a member of the Arthur Andersen Worldwide Advisory Council for a two year term from 1991 and held a number of national and international leadership positions within the firm.

Stephen has been retained on a number of listed public company boards often in a "turnaround" capacity, Government business enterprises, sporting and charitable boards.

Stephen founded Equity & Advisory Limited in 1997 and initiated the Initial Public Offering for E&A Limited in 2007.

MR MARK GABRIEL VARTULI *M. Comm, B.Com, FCA*

Executive Director & Company Secretary,

Mark Vartuli is the Managing Director of Equity & Advisory and specialises in providing commercial advice in relation to capital raisings, mergers and acquisitions, divestments, infrastructure projects and corporate restructures.

Mark is an Executive Director and Company Secretary of E&A Limited and sits on the board of its subsidiaries.

Over the past twenty years Mark has acted as the commercial advisor on transactions involving the sale, purchase and valuation of businesses and infrastructure projects which have a cumulative value in excess of $5 billion.

Mark is also a retained advisor to a number of leading Australian private companies. Prior to joining Equity & Advisory in April 1998, Mark worked for Arthur Andersen in their Assurance and Business Advisory Division and is a Fellow of the Institute of Chartered Accountants and holds a Masters in Commerce.

DIRECTORS' BIOGRAPHIES

MR MICHAEL LEWIS ABBOTT *AO, QC, LLB9 - (Resigned 2 June 2016)*

Non-Executive Director,

Michael Abbott is a Barrister resident in South Australia. He graduated with a law degree from The University of Adelaide in 1965 and commenced in private practice in 1966. He is a past President of the South Australian Bar Association and has appeared as Counsel in a number of significant cases and Royal Commissions in Australia. In 2006 he represented six of the officers of Australian Wheat Board at the Cole Commission into Iraqi wheat payments in Sydney. Michael also acted for the Non-Executive Directors of the State Bank of South Australia and Beneficial Finance Pty Ltd during the Royal Commission into the State Bank of South Australia and in the subsequent litigation against the bank's Directors. He has lectured on corporate responsibility, the fiduciary duties of Directors and other topics relating to the role of Directors.

Michael is the Chairman of the Legal Services Commission and Chairman of the Festival Centre Trust.

MR MICHAEL JOHN TERLET *AO, MBA FAIM, FAICD, JP(ret)*

Non-Executive Director,

Michael Terlet is Chairman of ACHA Hospital Group, Tidswell Financial Services Ltd, Operation Flinders Foundation, International Centre of Excellence in Water Resources Management and a director of Statewide Super.

Michael was responsible for the formation and growth of Australia's largest private sector defence and aerospace company, AWA Defence Industries, from 1978 to 1992. In 1991, he was recognised and made an officer of the General Order of Australia for contributions to industry and export.

He has undertaken a number of directorships in both private and public companies and has served as Chairman of Australia's largest privately owned water company, United Water International Pty Ltd, Workcover, SA Centre for Manufacturing, Defence Manufacturing Council SA (MTIA), South Australian Small Business Advisory council, SDS Corporation Ltd and as President of the South Australian Employers Chamber of Commerce and Industry and the Engineering Employers Association.

MR DAVID JOHN KLINGBERG *AO, FTSE, DUniSA, B.Tech (Civil), FIEAust, FAusIMM, FAICD, KSJ*

Non-Executive Director,

David Klingberg is an Engineer with over 40 years experience in project development and business management and governance. David holds a number of non-executive board appointments with both private and public bodies. He is a Chairman of Central Metals, a director of Litigation Lending Services Ltd and an advisor to the Commonwealth regarding the proposed low and intermediate level Radio Active Waste Facility. David is also patron of the St Andrew's Hospital Foundation.

Formerly Managing Director of Kinhill Limited, one of Australia's largest professional engineering firms operating as consultants and contractors in the resources and public infrastructure sectors, David has developed substantial professional expertise in project evaluation, management and systems and in the structuring of major infrastructure projects.

ANNUAL FINANCIAL REPORT

Financial report for the financial year ended 30 June 2016

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is committed to ensuring the Group is properly directed and accordingly the Directors have adopted corporate governance policies and practices designed to continue to promote the responsible management and conduct of E&A Limited's business. The main policies and practices currently in place are summarised below. In addition, many governance elements are set out in the Constitution.

The overriding objective of the corporate governance practices adopted by the Company is to maintain and increase shareholder value in the Company within an appropriate framework that protects the rights and interests of shareholders and ensures the Company and its controlled entities are properly managed. The objective is supported by an organisation-wide commitment to the highest standards of legislative compliance and financial and ethical behaviour.

A summary of how the Company complies with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Recommendations is included below. In summary, E&A Limited has departed from the Guidelines in one key area. The Chairman of the Audit and Risk Committee, is now an executive director, Mr Stephen Young, following the resignation of Mr Michael Abbott on 2 June 2016 (who previously undertook the role of Chairman of the Audit and Risk Committee).

The various charters and policies are available on the E&A Limited website: www.ealimited.com.au.

The Company's corporate governance statement is structured with reference to the principles and recommendations, which are outlined in the following pages.

CORPORATE GOVERNANCE STATEMENT

Principle 1: Lay Solid Foundations for Management and Oversight			
1.1	A listed entity should disclose: a) The respective roles and responsibilities of its board and management; and b) Those matters expressly reserved to the board and those delegated to management.	Complying	The Board has adopted a Corporate Governance Board Charter which establishes the role of the Board and its relationship with management. The role of the Board of Directors of the Company, as defined by the Board Charter, is to use its expertise to develop, review and implement the strategic direction of the Company while at all times representing the shareholders, protecting the interests of the Company and fulfilling the Board's duties and obligations under the Company's constitution, and the Corporations Act 2001 (Cth). The Board Charter sets out the following key responsibilities and functions of the Board: ▪ regularly considering and monitoring the implementation of corporate strategies and objectives, including E&A Limited's control and accountability systems; ▪ appointing and removing the Managing Director/Chief Executive Officer and where appropriate ratifying the appointment and removal of senior executives; ▪ monitoring and evaluating the performance of all Group management teams and the implementation of corporate strategies and performance objectives; ▪ approving and monitoring compliance with systems of financial reporting, continuous disclosure, corporate governance, legal requirements and ethical standards; ▪ approving and monitoring major capital expenditure, capital management and acquisitions and divestitures; ▪ reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance; ▪ ensuring appropriate resources are available to senior executives; ▪ issuing securities in E&A Limited and establishing any incentive plans for directors and/or staff; ▪ confirming that audit arrangements (including internal and external) are in compliance with all legal requirements and reviewing E&A Limited's policies on such issues; and ▪ delegating an appropriate level of authority to management. The Board retains ultimate authority over management; however, as is customary, the Board has delegated authority over the day-to-day management of E&A Limited to the Executive Directors and in-turn to management.

ASX Principle		Status	Reference/Comment
Principle 1: Lay Solid Foundations for Management and Oversight			
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complying	To assist in the execution of its responsibilities, the Board has established a Nomination and Remuneration Committee ("**Remuneration Committee**") and an Audit and Risk Management Committee ("**Audit Committee**"). These committees have written charters. The following information about a candidate standing for election or re-election as a director is provided to security holders to enable them to make an informed decision on whether or not to elect or re-elect a candidate: ▪ biographical details, including their relevant qualifications, experience and the skills they bring to the board; ▪ details of any other material directorships currently held by the candidate; ▪ any material adverse information revealed by the checks E&A Limited has performed concerning the director; ▪ details of any interest, position, association, or relationship that might influence in a material respect the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders in general; ▪ the term of office already served by the director (if applicable); ▪ if the board considers the director to be an independent director, a statement to that effect; and ▪ a statement by the board as to whether it supports the election or re-election of the candidate.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	Each new non-executive Director is required to sign and return a letter of appointment which sets out the key terms of the Director's appointment. The content of the letters of appointment for new non-executive Directors is consistent with the ASX principles. E&A Limited also has formal employment contracts in place with the Executive Directors which describe amongst other things, their term of office, duties, rights, responsibilities and entitlements. E&A Limited conducts annual performance reviews of all senior management. E&A Limited will conduct a review of Directors' performance before the end of the calendar year.

ASX Principle		Status	Reference/Comment
Principle 1: Lay Solid Foundations for Management and Oversight			
1.4	A company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	The role of the company secretary includes: ▪ Advising the board and its committees on governance matters; ▪ Monitoring that board and committee policy and procedures are followed; ▪ Coordinating the timely completion and despatch of board and committee papers; ▪ Ensuring that the business at board and committee meetings is accurately captured in the minutes; and ▪ Helping to organise and facilitate the induction and professional development of directors. Each director has the ability to communicate directly with the company secretary and vice versa.
1.5	A listed entity should: a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) Disclose that policy or a summary of it; and	Complying	E&A Limited is a 'relevant employer' as defined under the Workplace Gender Equality Act. The Company has established a Group Diversity Policy which is available on the Company's website. The Company believes its people are its greatest asset and is strongly committed to the principles of diversity and to promoting a culture that supports the development of a diverse mix of employees throughout all levels of the organisation. Key objectives set by the Board in achieving diversity are as follows: ▪ To create a diverse workforce; ▪ To ensure employment and career progression determined by merit, competency, qualifications and ability to effectively perform the role; ▪ To ensure work practices have the flexibility to support achievement of E&A Limited's diversity objectives; ▪ To promote indigenous employment in the workforce; ▪ To promote apprenticeships within our workforce; ▪ To proactively pursue 457 VISA employment of skilled tradespersons where shortfalls exist in Australian workforce skills and sponsor Australian citizenship of these skilled workers; ▪ Provide relevant and challenging professional development and training opportunities for employees; and ▪ Provide flexible work arrangements to accommodate family commitments, cultural traditions and other personal choices of employees.

ASX Principle	Status	Reference/Comment
c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation; or ii. If the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.		The Board is pleased to advise progress continues to be made in achieving the above objectives and reports the following key achievements for the year ended 30 June 2016: ▪ Enhancement of E&A Limited's Indigenous Reconciliation Action Plan to promote the recruitment of Indigenous Australians; ▪ Continued promotion of the Group Diversity Policy; ▪ Continued support of professional development programs undertaken by employees; and ▪ Continued provision of flexible work arrangements to accommodate family commitments and cultural traditions of employees. E&A Limited reports on the Group's gender profile as part of its annual reporting requirements to the Workplace Gender Equality Agency. A copy of E&A Limited's report can be found at https://www.wgea.gov.au/ The following table provides an overview of the Group's gender profile at 31 March 2016:

Role / Position	Female	Male	Total
Directors	-	5	**5**
Managers	4	46	**50**
Professionals	5	40	**45**
Technicians & Trade	8	435	**443**
Clerical & Administrative	29	7	**36**
Business Development	0	7	**7**
Machinery Operators & Drivers	0	2	**2**
Labourers	1	64	**65**
Graduates	1	2	**3**
Apprentices	-	13	**13**
Total	**48**	**621**	**669**

ASX Principle	Status	Reference/Comment
Principle 1: Lay Solid Foundations for Management and Oversight		
1.6 A listed entity should: a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complying	To assist in the execution of its responsibilities, the Board has established a Nomination and Remuneration Committee ("**Remuneration Committee**") and an Audit and Risk Management Committee ("**Audit Committee**"). These committees have written charters. The Remuneration Committee is responsible for periodically evaluating the performance of the board and individual directors. A performance evaluation was undertaken in the reporting period in accordance with the process developed by the Remuneration Committee.
Principle 2: Structure the Board to Add Value		
2.1 The board of a listed entity should: a) Have a nomination committee which: i. Has at least three members, a majority of whom are independent directors; and ii. Is chaired by an independent director; iii. Discloses the charter of the committee; iv. The members of the committee; and v. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to	Complying	The Board has established a Nomination and Remuneration Committee and an associated Nomination and Remuneration Committee Charter. The Nomination and Remuneration Committee is responsible for: ▪ examining and implementing adequate selection and appointment practices to ensure the composition of the Board is appropriate to meet the needs of the Company; and ▪ ensuring the remuneration within the Company is appropriately designed to enhance corporate and individual performance whilst also meeting the needs of the Company as a whole. The Remuneration Committee: ▪ Has three members, all of which are independent directors; ▪ Is chaired by an independent director; and ▪ Makes disclosures where appropriate. The Nomination and Remuneration Committee consists of the independent non-executive Directors. Mr Terlet chairs the Nomination and Remuneration Committee.

ASX Principle		Status	Reference/Comment
	ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complying	Please refer to the Directors' Biographies section of the Annual Report for further details regarding the directors' relevant qualifications and experience. The board has an extensive range of relevant industry experience, financial and other skills and expertise to meet its objectives. The board considers that the non-executive directors collectively bring the appropriate range of skills, knowledge and experience necessary to direct the Company.
2.3	A listed entity should disclose: a) The names of the directors considered by the board to be independent directors; b) If a director has an interest, position, association or relationship but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) The length of service of each director.	Complying	The following directors are considered to be independent: ▪ John Nicholls, Chairman ▪ Michael Abbott, QC (resigned 2 June 2016); ▪ Michael Terlet; and ▪ David Klingberg. The following table provides details of the date of appointment of each director:

Name	Particulars	Appointed
Stephen Young	Executive Director	Appointed 12 July 1999
Mark Vartuli	Executive Director	Appointed 26 July 2007
Michael Abbott	Non-executive Director	Appointed 16 October 2007 Resigned 2 June 2016
Michael Terlet	Non-executive Director	Appointed 16 October 2007
David Klingberg	Non-executive Director	Appointed 16 October 2007
John Nicholls	Independent Chairman & Non-executive Director	Appointed 1 September 2015

ASX Principle		Status	Reference/Comment
			The relevant interest in E&A Limited of each director is as follows:

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares	Percentage ownership interest in E&A Limited (diluted)
Stephen Young	60,534,319	Nil	44.21%
Mark Vartuli	17,303,228	Nil	12.64%
Michael Abbott	3,086,717	Nil	2.25%
Michael Terlet	911,558	Nil	0.67%
David Klingberg	245,455	Nil	0.18%
Mr John Nicholls	Nil	Nil	Nil%

ASX Principle		Status	Reference/Comment
2.4	The majority of the board of a listed entity should be independent directors.	Complying	The composition of the E&A Limited Board complies with practices recommended as a majority of the Directors are non-executives and independent as defined by ASX guidance notes. The Board has adopted a Policy on Independence of Directors on which the board will assess the independence of the Directors of the Company. Directors are appointed on the specific skills required by the Company and on the independence of their decision-making and judgement. The experience and skills of the Directors is set out in the Directors' Biographies section of this Annual Report. The current Board comprising three non-executive Directors and two executive Directors is appropriate for the size of the Company.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complying	E&A Limited comply with ASX Recommendation 2.5 as the Chairman, Mr John Robert Nicholls, is an independent Director.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complying	The Board has adopted an Induction, Continuing Education and Evaluation of Directors Policy which reflects the Company's emphasis on the importance of a Board of Directors with knowledge regarding the business of the Company and the principles of good corporate governance. The policy prescribes the process of evaluating the performance of the Board. Any director appointed to fill a casual vacancy since the date of the previous Annual General Meeting must submit themselves to shareholders for election at the next Annual General Meeting.

ASX Principle	Status	Reference/Comment
		Retiring directors are not automatically re-appointed. Any direct who retires at the end of their term may offer themselves for re-election by shareholders at the next Annual General Meeting. All directors are expected to maintain the skills required to discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the Company where appropriate. Subject to consultation with the Chairman, the reasonable cost of continuing education and training is met by the Company.
Principle 3: Act Ethically and Responsibly		
3.1 A listed entity should: a) Have a code of conduct for its directors, senior executives and employees; and b) Disclose that code or a summary of it.	Complying	The Company has established a Code of Conduct which provides guidance to all levels of the Company on how to maintain the standards and meet the expectations placed on all employees by both the Company and the community. As the conduct differs between the levels of the Company, the Code separately addresses the conduct of: a) all employees and agents of the Company; b) senior management and executives; c) directors; and d) the Company as a whole, with particular attention to its social responsibility.
Principle 4: Safeguard Integrity in Corporate Reporting		
4.1 The board of a listed entity should: a) Have an audit committee which: i. Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. Is chaired by an independent director, who is not chair of the board; iii. Disclose the charter of the committee; iv. The relevant qualifications and experience of the members of the committee; and v. In relation to each reporting period, the number of times the	Non-Complying	The Company has an Audit and Risk Management Committee. The Audit and Risk Management Committee is a committee established by the Board of Directors of the Company. The objective of the Audit and Risk Management Committee is to assist the Board in discharging its corporate governance duties in relation to: ▪ implementing and maintaining appropriate policies and procedures in relation to risk management and auditing; ▪ financial reporting, internal control structure and internal and external audit functions; and ▪ establishing a sound system of risk oversight and management and internal controls. The Audit and Risk Management Committee consists of two non-executive Directors, following the resignation of Mr Abbott as a director on 2 June 2016, who was the previous Chair of the Audit and Risk Management Committee and one executive Director, Mr Stephen Young. Mr Stephen Young has assumed the role of the Chair the Audit and Risk Management Committee given his experience and expertise, however as a consequence the Company no longer complies with ASX recommendation 4.1 in that the Chair of the Audit and Risk Committee is an executive non- independent director.

ASX Principle		Status	Reference/Comment
	committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Audit and Risk Management Committee has a formal charter which sets out the Committee's role and responsibilities, composition, structure and membership requirements. The Audit and Risk Management Committee is given the necessary powers and resources to meet its charter.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complying	The board confirms that prior to approving this Annual Report, the board received a declaration from the Executive Chairman and Managing Director that, in their opinion, the financial records of E&A Limited have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of E&A Limited and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complying	E&A Limited's external auditor, EY, attends its AGM and is available to answer questions from security holders relevant to the audit.

ASX Principle		Status	Reference/Comment
Principle 5: Make Timely and Balanced Disclosure			
5.1	A listed entity should: a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) Disclose that policy or a summary of it.	Complying	The Company recognises and understands that it has an obligation to disclose information to its Shareholders, the Australian Securities and Investment Commission and the Australian Stock Exchange. The Company respects the importance and value in maintaining an accurate, efficient and informed market place through the continuous disclosure of information to its Shareholders and the market. The Company has adopted a Continuous Disclosure Policy which outlines the procedure, content and responsibility of compliance with the Continuous Disclosure Obligations.
Principle 6: Respect the Rights of Security Holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	The Company provides information about itself and its governance to investors via its website, including: ▪ The names, photographs and biographical information for each of its directors and senior executives; ▪ The Company's constitution, its board charter and the charters of each of its board committees; ▪ The corporate governance policies and other corporate governance materials; ▪ Annual Reports and other financial statements; ▪ ASX releases; ▪ An overview of E&A Limited's current business; and ▪ Share price information.
6.2 **6.3**	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complying	The Board has adopted a Shareholder Communication Policy which aims to ensure that all Shareholders are informed about all material developments in the management and operation of the Company and its business, in a manner which is timely and readily accessible to all Shareholders. To ensure flexibility for Shareholders, relevant information will be communicated to Shareholders via a number of methods, as follows: 1. The Annual Report will communicate to Shareholders annual information about the Company's general and financial performance together with information on the future prospects for the Company. 2. At the Annual General Meeting Shareholders will receive information about the activities of the Company in the past year, the proposed activities for the Company in the forthcoming year, notification of any significant issues for the Company, and have an opportunity to ask questions of the Board of Directors. 3. All major announcements to the Australian Stock Exchange are posted on the Company's website.

ASX Principle	Status	Reference/Comment
6.4 A listed entity should give security holders the option to receive communication from, and send communication to, the entity and its security registry electronically.		4. The Company will provide the following shareholder information on its website: - contact details of the Company's share registry; - current share price; - instructions regarding change of Shareholders details; - shareholder forms; and - corporate profile.
Principle 7: Recognise and Manage Risk		
7.1 The board of a listed entity should: a) Have a committee or committees to oversee risk, each of which: i. Has at least three members, a majority of whom are independent directors; and ii. Is chaired by an independent director; iii. Disclose the charter of the committee; iv. The members of the committee; and v. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have a risk committee that satisfies (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Complying	The Company recognises that a strong system of risk management and oversight is essential to the success of its business operations. The Board has adopted a Risk Management Policy which formalises the Company's response to risk management and oversight, and allocates various aspects of the risk management system to different levels of the Company including reporting, monitoring and review. The Board is responsible for the oversight and establishment of effective and consistent systems to address the risks relevant to the business. In addition, the Audit and Risk Management Committee also monitors compliance with risk management strategies throughout the Company.

ASX Principle		Status	Reference/Comment
7.2	The board or a committee of the board should: a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) Disclose, in relation to each reporting period, whether such a review has taken place.	Complying	The Company as a whole is responsible for the day to day identification, assessment and management of risks. Risk assessment and risk management systems are integrated throughout all levels of the business. All employees, officers and agents of the Company are made aware of this policy and the importance of reporting any risks they identify in their day to day duties, including any suggested mechanisms for managing such risks. The Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.
7.3	A listed entity should disclose: a) If it has an internal audit function, how the function is structured and what role it perform; or b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Complying	The board receives monthly reports about the financial condition and operational results of E&A Limited and its controlled entities. While E&A Limited does not have a formal internal audit function, the role of the Investor Representative in each of the subsidiary investee companies is designed to ensure there is an appropriate level of oversight over risk management and internal control processes.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	The board and management recognise that risk management and internal compliance and control are key elements of good corporate governance. The Company's approach to risk management are based on the identification, assessment, monitoring and management of material business risks embedded in its business and integrated management systems. The board and its Audit and Risk Committee is responsible for the oversight of the material business risks identified. Senior executives are responsible for overseeing the implementation of the Company's stated strategies. The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include: ▪ The board receives regular updates on key risks associated with the development of major projects and tenders; ▪ Implementation of board approved annual operating budgets and plans, then monitoring of actual progress

ASX Principle	Status	Reference/Comment
		against those budgets and plans; and ▪ The board review annually the Company's strategic plan and prospects and the material business risks which may impact the achievement of the Company's strategies.
Principle 8: Remunerate Fairly and Responsibly		
8.1 The board of a listed entity should: a) Have a remuneration committee which: i. Has at least three members, a majority of whom are independent directors; and ii. Is chaired by an independent director; iii. Disclose the charter of the committee; iv. Disclose the members of the committee; v. Disclose at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Complying	The Board has in place a Nomination and Remuneration Committee. The Nomination and Remuneration Committee is responsible for advising the Board on the composition of the Board and its Committees, reviewing the performance of the Board and individual Directors, and developing succession plans. The Nomination and Remuneration Committee is also responsible for ensuring that the remuneration within the E&A Group is appropriately designed to enhance corporate and individual performance whilst also meeting the needs of E&A Limited as a whole. This Committee is responsible for setting the terms and conditions of employment for the Managing Director, Executive Director and other senior executives. The Company recognises that a transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff. The Nomination and Remuneration Committee consists of three non-executive Directors. Mr Terlet chairs the Nomination and Remuneration Committee.
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complying	Details of the Directors and key senior executives remuneration are set out in the Remuneration Report of the Annual Report.

ASX Principle		Status	Reference/Comment
8.3	A listed entity which has an equity-based remuneration scheme should: a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) Disclose that policy or a summary of it.	Complying	E&A Limited does not have an equity-based remuneration scheme. At the Executive Chairman's discretion, an annual bonus of E&A Limited shares may be achieved when clearly defined Key Performance Indicators are met by individuals in accordance with their Annual Performance Plans.

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2016

The Directors of E&A Limited submit herewith the annual financial report of the consolidated entity (referred to hereafter as the Group or E&A Limited) consisting of E&A Limited and the entities it controlled at the end of, or during, the year ended 30 June 2016 and the independent auditor's report thereon.

Directors

The following persons were Directors of E&A Limited during the financial year ended 30 June 2016.

Name	Particulars	Appointed
Stephen Young	Managing Director	Appointed 12 July 1999
Mark Vartuli	Executive Director	Appointed 26 July 2007
John Nicholls	Non-executive Director & Chairman	Appointed 1 September 2015
Michael Abbott	Non-executive Director	Appointed 16 October 2007 Resigned 2 June 2016
Michael Terlet	Non-executive Director	Appointed 16 October 2007
David Klingberg	Non-executive Director	Appointed 16 October 2007

Company Secretary

Name	Particulars	Appointed
Mark Vartuli	M. Comm, B.Com, FCA	Appointed 18 January 2016
Matt Proctor	B.Comm, GradDipCA, B Bus	Appointed 20 December 2013 Resigned 18 January 2016

Directorships of Other Listed Companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Stephen Young	Nil	-
Mark Vartuli	Nil	-
John Nicholls	Austin Engineering Limited	Appointed 1 September 2015 Resigned 8 July 2016
Michael Abbott	Nil	-
Michael Terlet	Nil	-
David Klingberg	Codan Limited	Appointed 29 July 2005 Resigned 28 October 2015
	Centrex Metals Limited	Appointed 19 April 2005

Directors' biographies are contained on pages 4 to 5.

Directors' Interests in the Shares and Options of the Company and Related Bodies Corporate

As at 30 June 2016, the interests of the Directors in the shares and options of E&A Limited and its related bodies corporate were:

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares	Percentage ownership interest in E&A Limited (diluted)
Stephen Young	60,534,319	Nil	44.21%
Mark Vartuli	17,303,228	Nil	12.64%
Michael Abbott (Resigned 2 June 2016)	3,086,717	Nil	2.25%
Michael Terlet	911,558	Nil	0.67%
David Klingberg	245,455	Nil	0.18%
Mr John Nicholls	Nil	Nil	Nil%

Information on Company Secretary

Refer Mr Mark Vartuli's director Biography on page 4.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member).

	BOARD OF DIRECTORS		AUDIT & RISK MANAGEMENT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
Director	**Attended**	**Maximum Possible**	**Attended**	**Maximum Possible**	**Attended**	**Maximum Possible**
Stephen Young*	15	15	4	4	3	3
Mark Vartuli*	15	15	4	4	3	3
John Nicholls*	12	12	2	2	2	3
Michael Abbott	14	14	4	4	2	2
Michael Terlet	15	15	4	4	3	3
David Klingberg	15	15	4	4	3	3

* Mr Nicholls and Mr Vartuli did not form part of the Audit and Risk Management Committee. Mr Nicholls, Mr Young and Mr Vartuli did not form part or the Nomination and Remuneration Committee. Mr Nicholls, Mr Young and Mr Vartuli have been invited to attend meetings when deemed appropriate. Since his appointment as Company Secretary on 18 January 2016, Mr Vartuli attends in his capacity as Company Secretary. Mr Young as previously mentioned assumed the role as Chair of the Audit and Risk Committee upon Mr Abbott's resignation on 2 June 2016.

Principal Activities

During the year the principal continuing activities of the Group consisted of the provision of:

- engineering and maintenance services to the oil and gas industry;
- engineering and maintenance services to the mining and resources industry;
- engineering and maintenance services to the water industry;
- engineering and maintenance services to the defence industry;
- engineering and maintenance services to the power and energy industry; and
- financial advisory services to the corporate sector.

Results

The loss after income tax of the Group for the financial year was $19.86 million (2015 loss: $24.42). The review of operations is outlined in the front section of this Report.

Dividends

No dividend has been declared or paid relating to the 2016 financial year.

Review of Operations

The review of operations and activities is included in the front section of this Report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the year. Further descriptions relating to the principal activities of each segment within the Group can be found in Note 29 of this Report.

Subsequent Events After the Balance Date

The directors are not aware of any material events occurring subsequent to balance sheet date that have not otherwise been disclosed or presented in this report.

Future Developments and Expected Results

Other than as referred to in this report, further information as to likely developments in the operations of the consolidated entity would, in the opinion of the directors, be likely to result in unreasonable prejudice to the consolidated entity.

Environmental Regulation and Performance

The consolidated entity's operations are subject to environmental regulations under Commonwealth and State legislation. The Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations.

For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Profit is considered as one of the financial performance targets in setting short term incentives. Bonuses are paid to executives of each operating subsidiary based on exceeding annual profit targets set at the operating entity level.

As the largest shareholders of EAL, the Executive Directors' remuneration is fixed and is aligned to increasing shareholder wealth both in the short term and long term. For this reason, the remuneration arrangements of the Executive Directors do not include the payment of short term incentives at this present time. Please refer to Section A of this Remuneration Report for further information.

The remuneration report is set out under the following Sections:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share based compensation
E. Key management personnel

REMUNERATION REPORT (AUDITED) (Continued)

A. Principles Used to Determine the Nature and Amount of Remuneration

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Group is required to ensure that Shareholders remain informed and confident in the management of the Group. The Group also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff.

The Group's remuneration policy details the types of remuneration to be offered by the Group and factors to be considered by the Board, Nomination and Remuneration Committee and management in determining the appropriate remuneration strategy. The key objectives of the remuneration policy include:

- to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Group;
- to encourage people to perform to their highest level;
- to allow the Group to compete in each relevant employment market;
- to provide consistency in remuneration throughout the Group; and
- to align the performance of the business with the performance of key individuals and teams within the Group.

Non-executive Directors

The Constitution of the Company provides that subject to the Corporations Act and the Listing Rules, non-executive Directors may be paid, as remuneration for their services, a fixed sum not exceeding the aggregate maximum sum determined from time to time by Shareholders in a general meeting. The aggregate maximum sum may be divided amongst the non-executive Directors in such manner and proportion as the Directors agree. Currently, a maximum aggregate amount of $300,000 per annum is approved to be paid to non-executive Directors of E&A Limited.

The Company will remunerate non-executive Directors in a manner designed to attract and maintain high quality board members. Non-executive Directors will receive a set fee (including superannuation) for their service and shall not be entitled to any options, bonus payments or retirement benefits. Non-executive Directors may not be paid a commission on or a percentage of profits or operating revenue. The remuneration of non-executive Directors must be consistent with, and supportive of, maintaining the non-executive Director's independence.

Where a non-executive Director, or an associated entity of a non-executive Director, provides services outside the scope of ordinary duties of a Director, E&A Limited may pay a fixed sum determined by the directors, in addition to or instead of the director's remuneration. No payment may be made if the effect of the payment would be to exceed the aggregate maximum amount of director's remuneration determined by the Shareholders at the general meeting.

All directors are also entitled to be paid reasonable accommodation and travelling expenses incurred as a consequence of their attendance at meetings of directors and otherwise in the execution of their duties as directors.

Subject to the Corporations Act and ASX Listing Rules, E&A Limited may provide termination benefits to a director or his widows/dependants on retirement or loss of office, including payment of a gratuity, pension or allowance.

REMUNERATION REPORT (AUDITED) (Continued)

Executive Pay

With the assistance of the Nomination and Remuneration Committee, the Board will approve the forms of remuneration to be offered to group executives.

Executive remuneration comprises five components:

- Fixed Remuneration;
- Performance Based Remuneration (short-term incentives);
- Equity Based Remuneration (long-term incentives);
- Termination Payments; and
- Employee Entitlements.

The combination of these components comprises the executive's total remuneration.

Fixed Remuneration

The Board, in consultation with the Nomination and Remuneration Committee and Human Resources, will from time to time determine the fixed remuneration level for each senior executive within the Group. Such remuneration levels will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of the Group's business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Group. Employees may be offered the opportunity to receive part of their fixed remuneration in the form of direct benefits such as company cars.

Short-term Incentives

In addition to fixed remuneration the Group has implemented a system of bonuses and incentives designed to create a strong relationship between performance and remuneration. Performance based remuneration will be linked to specific performance targets which will be disclosed to relevant employees regularly.

Long-term Incentives

To motivate executives and management to pursue the long term growth and success the Group may include various plans and initiatives to deliver parts of the performance based remuneration as equity in the Company. The terms and conditions of any employee share plans will be approved by the Nomination and Remuneration Committee and the Board and disclosed to the shareholders and market in accordance with the continuous disclosure policy.

Termination Payments

Each contract will set out in advance the entitlement to payment upon termination of employment for each employee. The Nomination and Remuneration Committee and the Board must approve all termination payments provided to all employees at the level of director, executive or senior management to ensure such payments reflect the Group's remuneration policy.

REMUNERATION REPORT (AUDITED) (Continued)

Employee Entitlements

The Group will comply with all legal and industrial obligations in determining the appropriate entitlement to long service, annual, sick, parental and maternity leave.

Company Performance and Shareholder Wealth

The Nomination and Remuneration Committee is a committee established by the Board of Directors of the Company to ensure the remuneration within the Group is appropriately designed to enhance corporate and individual performance whilst also meeting the needs of the Group as a whole. The Group's remuneration policy aims to achieve a link between the remuneration received by executives, increase Group earnings and the creation of shareholder wealth.

As required by the Corporations Act 2001, the following 5-year performance information is presented:

Historical Performance	FY'16	FY'15	FY'14	FY'13	FY'12
Net (Loss) / Profit After Tax ($'000)	(19,863)	(24,421)	7,714	7,706	2,879
Dividends Paid Per Share (cents)	-	-	5.50	5.00	4.00
(Loss) / Earnings Per Share (cents)	(14.51)	(18.33)	6.44	7.20	3.00
Share Price at 30 June ($)	0.07	0.15	0.56	0.52	0.17

Short term incentives are not included in the remuneration of Executive Directors at this present time. Accordingly, no short term incentives have been paid to the Executive Directors throughout the historical period presented above.

B. Details of Remuneration

Amounts of Remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the consolidated group for the year ended 30 June 2016, are set out in the following tables.

The key management personnel of the Group are the Executive Directors of E&A Limited and those executives who have significant authority and responsibility for planning, directing and controlling the activities of the group and also act in the capacity of executive directors for each operating subsidiary within the Group.

REMUNERATION REPORT (AUDITED) (Continued)

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the remuneration of each non-executive director, executive director and key management personnel of the Company and consolidated entity for the years ended 30 June 2016 and 30 June 2015 are set out in the following table.

KMP		Base Salary and Fees	Bonus	Non Monetary Benefits	Post Employment & Super Contributions	Value of Shares / Options	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
NON EXECUTIVE DIRECTORS									
		$	$	$	$	$	$	%	%
John Nicholls	2016	127,750	-	-	-	Nil	127,750	-	-
	2015	-	-	-	-	Nil	-	-	-
Michael Abbott	2016	49,500	-	-	4,703	Nil	54,203	-	-
	2015	57,000	-	-	5,415	Nil	62,415	-	-
Michael Terlet	2016	54,000	-	-	5,130	Nil	59,130	-	-
	2015	57,000	-	-	5,415	Nil	62,415	-	-
David Klingberg	2016	54,000	-	-	5,130	Nil	59,130	-	-
	2015	57,000	-	-	5,415	Nil	62,415	-	-

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the remuneration of each non-executive director, executive director and key management personnel of the Company and consolidated entity for the years ended 30 June 2016 and 30 June 2015 are set out in the following table.

KMP		Base Salary and Fees	Bonus	Non Monetary Benefits	Post Employment & Super Contributions	Value of Shares / Options	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
EXECUTIVE DIRECTORS									
		$	$	$	$	$	$	%	%
Stephen Young	2016	371,393	-	14,933	35,995	Nil	422,321	-	-
	2015	674,528	-	17,243	64,080	Nil	755,851	-	-
Mark Vartuli	2016	439,047	-	33,277	25,000	Nil	497,324	-	-
	2015	530,488	-	5,100	25,000	Nil	560,588	-	-

C. Service Agreements

Each executive and senior management employee has entered into employment contracts with the Company which clearly set out the terms and conditions of the remuneration package for that person. The contract sets out the expectations for the performance of the role and the key performance indicators, measures and criteria for assessment. The Nomination and Remuneration Committee and the Board approve all contracts for Key Management Personnel, Executive Directors and Senior Executives.

The various E&A Limited businesses employ senior executives and managers under employment contracts which contain standard terms and conditions for agreements of this nature. All employment agreements contain standard terms and conditions of engagement which include confidentiality, restraint on competition and intellectual property provisions. The Executive Service Agreements for E&A Limited's Executive Directors were renegotiated during the period and are summarised in the table below:

Key Executive Director Service Agreements		
Name	Stephen Young	Mark Vartuli
Position / Title	Managing Director	Executive Director
Length of service (to date)	17 years	17 years
Contract Term	5 years (from 30 September 2012)	5 years (from 30 September 2012)
Remuneration	$219,000 (excluding car park and FBT) plus short-term bonus of $225,000 on the company achieving budget	$450,000 (excluding car park and FBT) plus short-term bonus of $50,000 on the company achieving budget
Termination by Company	12 months notice or breach	12 months notice or breach
Termination by Employee	After 5 year term, with 12 months notice	After 5 year term, with 12 months notice
Restraint	12 month non-solicitation and non-competition if resigns, terminated for cause or payment in lieu of notice. 12 months non-solicitation if 5 year term expires or termination on notice.	12 month non-solicitation and non-competition if resigns, terminated for cause or payment in lieu of notice. 12 months non-solicitation if 5 year term expires or termination on notice.
Review	Annual Performance Review	Annual Performance Review

As the largest shareholders of EAL, the Executive Directors' remuneration is fixed and is aligned to increasing shareholder wealth both in the short term and long term. For this reason, the remuneration arrangements of the Executive Directors do not include the payment of short term incentives at this present time.

D. Share Based Compensation

Options are granted to executives at the discretion of the Board. Entitlements to the options are vested as soon as they become exercisable. Other than the Board's discretion to issue options and the achievement of the relevant exercise price there is no specific performance criteria related to the issue of options.

REMUNERATION REPORT (AUDITED) (Continued)

E. Key Management Personnel

Disclosures relating to key management personnel are set out in the Directors' Report.

Key Management Personnel Compensation

The key management personnel compensation included in employee benefits expense (see Note 7) are as follows:

In thousands of $AUD	2016	2015
Short-term employee benefits	1,143	1,398
Post-employment benefits	76	105
Share based payments	-	-
Total	**1,219**	**1,503**

Loans from Directors and Key Management Personnel

As at 30 June 2016, the balance of unsecured loans payable to directors and key management personnel was $1.995 million. The balance outstanding relates to the Port Tack related party "Come and Go" unsecured loan facility to provide finance to E&A Limited and subsidiary companies for the purpose of funding working capital needs and short term acquisition funding requirements on an as required basis.

In thousands of $AUD	2016	2015
Related Party "Come & Go" Facility *		
Beginning of the year	1,995	1,995
Loans advanced	-	-
Loan repayments made	-	-
End of year	**1,995**	**1,995**

*Port Tack is a related party of Stephen Young as outlined in Note 32(d)(v).

Loans to Directors and Key Management Personnel

As at 30 June 2016, the balance of unsecured loans receivable from directors and key management personnel was $0.175 million. Interest was payable on amounts owing on normal commercial terms and conditions and at market rates.

In thousands of $AUD	Balance at Beginning of Period	Advancement/ (Repayment) of Loans	Balance Outstanding
	1 July 2015		30 June 2016
Stephen Young and controlled entities	165	10	175
Total	**165**	**10**	**175**

Other Related Party Transactions

Port Tack is an entity controlled by Stephen Young, the Managing Director of E&A Limited. In addition, Regent Street Pty Ltd (Regent Street) is an associated entity of Stephen Young. The following related party transactions have been entered into as at 30 June 2016.

(i) Regent Street lease of Northfield premises

Regent Street entered into a lease agreement dated 2 November 2007 with Heavymech to lease the Heavymech premises for $100,000 per annum (exclusive of GST). The lease commenced on 31 January 2008 and continued for a period of 2 years together with two rights of renewal for further periods of 5 years each. The lease is based on commercial arms-length terms and conditions. The related party benefits resulting from execution of the Heavymech premises were approved by the shareholders of E&A Limited on 5 November 2007 in accordance with section 208 of the Corporations Act.

(ii) Regent Street lease of Plymouth Road premises

Regent Street entered into a lease agreement dated 1 February 2014 with Ottoway Engineering to lease the Ottoway Engineering premises for $388,055 per annum (exclusive of GST). The lease is effective from 1 February 2014 and will expire 31 January 2023 together with three rights of renewal for further periods of 5 years each. The lease is based on commercial arms-length terms and conditions. Accordingly, the Directors considered the lease payments which accrued to Regent Street as a related party did not require Shareholder Approval under Chapter 2E of the Corporations Act.

(iii) Regent Street lease of Mt Isa premises

Regent Street entered into a lease agreement dated 1 August 2012 with Ottoway Fabrication to lease the Mt Isa premises for $58,731 per annum (exclusive of GST). The renewed lease will expire 31 July 2017. The lease is based on commercial arms-length terms and conditions. The related party benefits resulting from the execution of the original Mt Isa agreement to lease was approved by the shareholders of E&A Limited on 5 November 2007 in accordance with section 208 of the Corporations Act. The lease renewal has been based on commercial arms-length terms and conditions and the Directors considered the lease payments which accrued to Regent Street as a related party did not require Shareholder Approval under Chapter 2E of the Corporations Act.

(iv) Regent Street lease of Duncan Court premises

Regent Street entered into a lease agreement dated 1 February 2014 with Ottoway Engineering for $249,000 per annum (exclusive of GST). Ottoway Engineering and QMM operate from these premises. The Ottoway Engineering Lease renewal will continue for a period of 5 years together with three rights of renewal for further periods of 5 years each. The related party benefits resulting from the execution of the original Ottoway Engineering agreement to lease was approved by the shareholders of E&A Limited on 5 November 2007 in accordance with section 208 of the Corporations Act. The lease renewal has been based on commercial arms-length terms and conditions and the Directors considered the lease payments which accrued to Regent Street as a related party did not require Shareholder Approval under Chapter 2E of the Corporations Act.

REMUNERATION REPORT (AUDITED) (Continued)

(v) Port Tack "Come & Go" Loan Facility

Port Tack has entered into a "Come and Go" unsecured loan facility to provide finance to E&A Limited and subsidiary companies for the purpose of funding working capital needs and short term acquisition funding requirements on an as required basis. The facility limit is $2 million and has been subordinated to the bank debt and cannot be repaid in cash within 12 months from the date of this report. The balance outstanding at 30 June 2016 was $1.995 million. The Directors consider the Loan Facility is on arms-length terms and conditions, and therefore the financial benefit (i.e. interest payments) which may accrue to Port Tack Pty Ltd as a related party of the Company does not require Shareholder approval under Chapter 2E of the Corporations Act.

The following transactions occurred with related parties:

In thousands of $AUD

	2016	2015
Sale of goods and services	-	-
Rental paid to other related parties	772	674

(vi) Movements in shares

The movement during the reporting period in the number of ordinary shares in E&A Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2015	Purchases	Sales	Held at 30 June 2016
Directors and Key Management				
Mr S Young	60,534,319	-	-	60,534,319
Mr M Vartuli	17,303,228	554,798	554,798	17,303,228
Mr J Nicholls	-	-	-	-
Mr M Abbott (Resigned 2 June 2016)	3,086,717	-	-	3,086,717
Mr M Terlet	878,866	32,692	-	911,558
Mr D Klingberg	245,455	-	-	245,455

REMUNERATION REPORT (AUDITED) (Continued)

Share Options Granted to Directors and other Key Management Personnel

There were no options issued to directors or other key management personnel in the year.

Shares Under Option

No options to acquire unissued ordinary shares of E&A Limited exist as at 30 June 2016.

No options have been granted since the end of the financial year.

Shares Issued on the Exercise of Options

There were no shares issued on the exercise of options during the year.

DIRECTORS' REPORT (CONTINUED)

Indemnification and Insurance of Directors and Officers

During the financial year, E&A Limited paid premiums in respect of Directors' and Officers' liability. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors' and Officers' liability.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of entities in the consolidated entity.

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.

Non-Audit Services

The Company may decide to employ the auditor on assignments in addition to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor (EY) for audit and non-audit services provided during the year are set out below. There were no non-audit services provided during the financial year.

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 38.

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2016

Details of the amount paid or payable to the auditor of E&A Limited in relation to the provision for audit and non-audit services are set out below:

Remuneration Payable to EY	$
Audit services and review of financial reports and other work under the Corporations Act 2001	
Total remuneration for audit services	286,340
Total remuneration for other services	**-**
TOTAL REMUNERATION FOR ALL SERVICES	**286,340**

Rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Auditor's independence declaration

The auditor's independence declaration is set out on page 38 and forms part of the Directors' Report for the financial year ended 30 June 2016.

This report is made in accordance with a resolution of the directors:

Dated at Adelaide this 31st day of August 2016

Stephen Young

Managing Director

Building a better
working world

Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com

Auditor's Independence Declaration to the Directors of E&A Limited

As lead auditor for the audit of E&A 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 E&A Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

David Sanders
Partner
Adelaide
31 August 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2016
In thousands of $AUD

	Note	2016	2015
Revenue	4	161,864	198,034
Cost of sales		(143,748)	(190,142)
Gross profit		**18,116**	**7,892**
Other income	5	1,423	539
Administrative expenses		(27,784)	(29,341)
Other operating expenses		(3,509)	(9,190)
Impairment expense		(6,449)	-
(Loss) / Profit from operating activities		**(18,203)**	**(30,100)**
Finance income	8	25	6
Finance expenses	8	(7,371)	(4,803)
Net finance income / (expense)		**(7,346)**	**(4,797)**
(Loss) / Profit before income tax		**(25,549)**	**(34,897)**
Income tax benefit / (expense)	9	5,686	10,476
(Loss) / Profit after income tax (NPAT)		**(19,863)**	**(24,421)**
Total comprehensive (loss) / income for the period		**(19,863)**	**(24,421)**
(Loss) / Earnings per share			
Basic (loss) / earnings per share (AUD)	23	(14.51) cents	(18.33) cents
Diluted (loss) / earnings per share (AUD)	23	(14.51) cents	(18.33) cents

The notes on pages 43 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2016

In thousands of $AUD

	Share Capital	Retained Earnings	Options Reserve	Total Equity
Balance at 1 July 2014	**66,237**	**5,998**	**74**	**72,309**
Total comprehensive income	-	(24,421)	-	(24,421)
Total	**66,237**	**(18,423)**	**74**	**47,888**
Shares issued under dividend reinvestment plan	2,349	-	-	2,349
Dividends paid	-	(3,681)	-	(3,681)
Share issue	2,000	-	-	2,000
Income tax recognised directly in equity	66	-	-	66
Balance at 30 June 2015	**70,652**	**(22,104)**	**74**	**48,622**
Balance at 1 July 2015	**70,652**	**(22,104)**	**74**	**48,622**
Total comprehensive income	-	(19,863)	-	(19,863)
Total	**70,652**	**(41,967)**	**74**	**28,759**
Dividends paid	-	-	-	-
Balance at 30 June 2016	**70,652**	**(41,967)**	**74**	**28,759**

The notes on pages 43 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

In thousands of $AUD

	Note	2016	2015
Current assets			
Cash and cash equivalents	10	1,206	1,606
Trade and other receivables	11	23,573	20,330
Inventories	12	35,615	38,188
Prepayments	13	952	535
Other current assets	14	390	117
Current tax asset		313	198
Total current assets		**62,049**	**60,974**
Non-current assets			
Property, plant and equipment	16	27,290	29,107
Intangible assets	17	57,454	63,531
Other non-current assets	15	7,102	7,768
Deferred tax assets	18	15,463	14,023
Total non-current assets		**107,309**	**114,429**
Total assets		**169,358**	**175,403**
Current liabilities			
Trade and other payables	19	33,177	31,837
Loans and borrowings	20	20,530	48,850
Deferred revenue		2,895	2,949
Provision for employee entitlements	21	3,578	4,190
Current tax liability		-	-
Total current liabilities		**60,180**	**87,826**
Non-current liabilities			
Trade and other payables	19	3,011	3,379
Loans and borrowings	20	75,273	30,150
Provision for employee entitlements	21	848	844
Provision for workers' compensation	28	637	1,042
Deferred tax liability	18	650	3,540
Total non-current liabilities		**80,419**	**38,955**
Total liabilities		**140,599**	**126,781**
Net assets		**28,759**	**48,622**
Equity			
Issued share capital		70,652	70,652
Reserves		74	74
(Accumulated losses) / retained profits		(41,967)	(22,104)
Total equity attributable to equity holders of the Company		**28,759**	**48,622**
Total equity		**28,759**	**48,622**

The notes on pages 43 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2016
In thousands of $AUD

	Note	2016	2015
Cash flows from operating activities			
Cash receipts from customers		175,653	182,179
Cash paid to suppliers and employees		(183,989)	(196,661)
Cash generated from operations		**(8,336)**	**(14,482)**
Interest paid		(6,550)	(4,803)
Interest received		25	6
Income taxes paid		1,241	(3,325)
Payment of vendor earn-out/settlement liability		(1,015)	-
Net cash from / (used in) operating activities	33	**(14,635)**	**(22,604)**
Cash flows from investing activities			
Payment for acquisition of a subsidiary		-	(6,800)
Payments for acquisition of property, plant and equipment		(1,890)	(1,448)
Proceeds from disposal of property, plant and equipment		143	224
Net cash from / (used in) investing activities		**(1,747)**	**(8,024)**
Cash flows from financing activities			
Proceeds from borrowings		52,098	28,592
Repayment of borrowings		(11,103)	(21,400)
Movement in finance lease liabilities		(1,177)	(1,501)
Related party loans (to)/from		-	-
Dividends paid		-	(1,332)
Net cash from / (used in) financing activities		**39,818**	**4,359**
Net increase / (decrease) in cash and cash equivalents		**23,436**	**(26,269)**
Cash and cash equivalents at 1 July		(31,109)	(4,840)
Cash and cash equivalents at 30 June	10	**(7,673)**	**(31,109)**

The notes on pages 43 to 92 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial Year Ended 30 June 2016

1. Reporting Entity

E&A Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Level 27, 91 King William Street Adelaide SA 5000. The consolidated financial statements of the Company as at and for the year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a for-profit consolidated entity and is primarily involved in providing engineering services to the mining and resources, water and defence industries and financial advisory services to the corporate sector (refer Note 29).

2. Basis of Preparation of the Financial Report

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Boards (IASB).

The consolidated financial statements were approved by the Board of Directors on 31 August 2016.

Basis of Presentation

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

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/19 and in accordance with that legislative instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Going Concern

The financial report has been prepared on the going concern basis.

The Group has incurred operating losses after income tax in the current year of $19.86 million (2015: loss of $24.42 million) and at 30 June 2016 has net current assets of $1.87 million (2015: net current liabilities $26.85 million). Included in current assets is a material amount of work in progress relating to disputed contractual amounts that the Group expects to recover in the next 12 months.

The Directors have made an assessment of the ability of the Group to continue as a going concern. In doing so, the Directors have considered the financial position of the Group, the cash flow requirements of business operations, availability of funding, realisation of operating assets and expected settlement of liabilities.

2. Basis of Preparation of the Financial Report (Continued)

The Group has restructured its operations. The Group uses best estimate assumptions in the development of trading and cash flow forecasts. The forecasts assume that planned cost savings and other operational improvements are achieved. These assumptions are subject to influences and events outside the control of the Group. The current trading environment, presents challenges in terms of revenues, margins and operating cash flows. Whilst the Directors have instituted measures to minimise the cash demands of the business, this environment creates uncertainties over the future trading results and cash flows. The Group expects to be able to reduce debt through cashflows from operations.

The Group's ability to continue as a going concern is uncertain as it is dependent on the achievement of profit forecasts, the settlement of disputed claims at the amounts recorded in the financial statements and the continued support of financiers. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention.

Estimates

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. Basis of Preparation of the Financial Report (Continued)

In preparing these consolidated financial statements, the significant judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty related to:

- contract accounting and the assumptions around recoverability of claims and costs yet to be incurred, including:

- determination of the stage of completion;
- estimation of the total contract revenue and costs;
- assessment of the probability of customer approval of variations and acceptance of claims;
- estimation of project completion date; and
- assumed level of project execution productivity.

- the recoverability of trade and other receivables (note 11);
- goodwill and property, plant and equipment and the key assumptions underlying the discounted cash flows that surround carrying values (note 17);
- the recoverability of deferred tax assets relating to carried forward tax losses (note 18);
- lease classification; and
- estimation of the useful life of property, plant and equipment.

3. Significant Accounting Policies

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

(a) Basis 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 and 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.

3. Significant Accounting Policies (Continued)

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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

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 any 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 dispose of the related assets or liabilities.

A list of all subsidiaries appears in Note 30.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Amounts disclosed as revenue are net of returns, allowances and duties and taxes paid. Revenue is recognised when goods have been despatched to a customer, or a service has been provided to a customer pursuant to a sales order.

Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. For fixed price contracts, the stage of completion is measured by reference to costs incurred to date as a percentage of estimated total costs for each contract.

Project profitability is estimated at a project's inception based on the agreed contract value with the client and the budgeted total cost. Profitability is then reviewed and reassessed on a regular basis.

Unapproved variation revenue is recognised where it is probable that the revenue will be certified by the client and approved. Claim recoveries against clients are recognised when:

- it is probable that the client will accept the claim; and
- the amounts can be measured reliably.

3. **Significant Accounting Policies (Continued)**

Fees from financing transactions are recognised as revenue when the Group has provided all services necessary for a final closing of the transaction, the transaction has closed, the fee is payable and the likelihood of any contingency occurring that could result in a reduction of the fee is remote.

(c) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3 Significant Accounting Policies (Continued)

(c) Income Tax (continued)

E&A Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group ("the Group") under the tax consolidation regime. E&A Limited is the head entity of the tax consolidated group.

Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax balances resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply with effect from 1 July 2014.

(d) 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 Balance Sheet.

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 Australian Taxation Office (ATO), are presented as operating cash flows.

(e) Foreign Currency Transactions and Balances

Foreign currency transactions are initially translated into Australian dollars at the rate of exchange at the date of the transaction. At balance date amounts receivable and payable in foreign currencies are translated into Australian dollars at the rates of exchange current at that date. Resulting exchange variances are brought to account in determining the profit or loss for the year.

(f) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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 circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

3 Significant Accounting Policies (Continued)

(f) Business Combinations (continued)

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 139 *Financial Instruments: Recognition and Measurement,* is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of AASB 139, it is measured in accordance with the appropriate AASB. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

(g) Goodwill and Intangibles

(i) Goodwill

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non- controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair value of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

(ii) Other Intangible Assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets that are acquired by the Group, which have indefinite useful lives, are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

3. Significant Accounting Policies (Continued)

(h) Impairment of Assets

Goodwill and Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that 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.

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

(i) Property, Plant and Equipment

Property, plant and equipment has been recorded at cost. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives, as follows:

Buildings	20 years
Plant and Equipment	5 – 20 years
Office Furniture, Fittings and Equipment	5 – 20 years
Motor Vehicles	4 – 10 years

Rates are consistent with prior years.

3. Significant Accounting Policies (Continued)

(j) Leases

A distinction is made between finance leases which effectively transfer, from the lessor to the lessee, substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A leased asset and liability are established at the lower of its fair value and present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The leased asset is amortised on a straight-line basis over the term of the lease, or where it is likely that the entity will obtain ownership of the asset, the life of the asset. Lease assets held at reporting date are being amortised over three to five years.

Operating lease payments are charged to the income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(k) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents include 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 borrowings in current liabilities on the balance sheet.

(l) Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

In the case of manufactured items, cost comprises materials, labour and an appropriate proportion of fixed and variable factory overhead expenses.

3. Significant Accounting Policies (Continued)

(m) Work in Progress

Work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Work in progress is presented as part of inventory in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

(n) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

3. Significant Accounting Policies (Continued)

(o) Investments and Other Financial Assets

Classification

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

(i) Held-to-Maturity Investments

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity investments and are measured at amortised cost using the effective interest method, less any impairment loss.

(ii) Available for Sale Financial Assets

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell that asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

(iii) Financial Assets at Fair Value Through Profit or Loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

3. Significant Accounting Policies (Continued)

(p) Fair Value Estimation

The net fair value of cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amount.

(q) Trade and Other Payables

Trade and other payables are carried at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

(r) Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Interest is accrued over the period it becomes due and is recorded as part of other payables. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Employee Entitlements

(i) *Wages and Salaries and Annual Leave*

Liabilities for wages and salaries and annual leave expected to be paid within twelve months of the reporting date are recognised and are measured at the amounts expected to be paid when the liabilities are settled in respect of employees' services up to that date.

(ii) *Long Service Leave*

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of employees' services up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Superannuation*

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(iv) *Share-based payment transactions*

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

3. Significant Accounting Policies (Continued)

(t) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(u) Finance Income and Expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses are recognised as an expense in the period in which they are incurred. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of line fees, discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- finance lease interest; and
- bank charges.

Borrowing costs are capitalised into the cost of an asset when they relate specifically to a qualifying asset.

(v) Contributed Equity

Ordinary shares are classified as 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.

(w) 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 financial year but not distributed at balance date.

(x) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3. Significant Accounting Policies (Continued)

(y) Segment Reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities for which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director and Board to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Inter segment pricing is determined on an arm's length basis.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangibles assets other than goodwill.

(z) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions with be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

3. Significant Accounting Policies (Continued)

(aa) New Standards and Interpretations (Issued But Not Yet Effective)

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2016, but have not been applied in preparing this financial report.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 *Financial Instruments*	1 January 2018	30 June 2019
AASB 15 *Revenue from Contracts with Customers*	1 January 2018	30 June 2019
AASB 16 *Leases*	1 January 2019	30 June 2020
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

The company is in the process of assessing the impact of the above Standards.

With regards to AASB 15 *Revenue from Contracts with Customers,* while a review of the requirements of the new Standard is ongoing, management considers that the adoption of the new Standard will necessitate a higher level of documentation in support of the recognition of revenue and potentially a 'one-off' timing difference upon adoption of the new Standard. However, management's review is ongoing and no formal conclusions have yet been reached regarding the impact upon adoption of this Standard.

(ab) Changes in Accounting Policy, Disclosures, Standards and Interpretation

The accounting policies adopted are consistent with those of the previous financial year.

There are no new or amended Australian Accounting Standards and AASB Interpretations as of 1 July 2015 that impact the Group.

4. Revenue

In thousands of $AUD

	2016	2015
Sales revenue	161,864	198,034

5. Other Income

In thousands of $AUD

	2016	2015
Net foreign exchange gains / (losses)	(118)	(143)
Net gain on sale of PP&E	29	76
Other income	1,512	606
	1,423	**539**

6. Operating Expenses

Profit before income tax includes the following operating expenses:

In thousands of $AUD

	2016	2015
Depreciation		
Buildings	7	3
Plant and equipment	1,355	1,332
Office equipment, furniture and fittings	305	307
Leasehold improvements	598	609
Motor vehicles	355	346
Assets under finance leases	973	902
Total depreciation	**3,593**	**3,499**
Rental expense relating to operating leases		
Premises	2,013	2,782
Motor vehicles	22	286
Office equipment	18	31
Total rental expense relating to operating leases	**2,053**	**3,099**

7. Expenses

(Loss) / Profit before income tax includes the following expenses:

In thousands of $AUD

	2016	2015
Employee benefits expense	76,639	89,403
Superannuation contributions	5,514	6,147
Impairment of trade receivables	923	105
Impairment of inventories	8,086	29,200
	91,162	**124,855**

8. Finance Income and Expenses

Recognised in profit or loss

In thousands of $AUD

	2016	2015
Finance Income		
Interest income on bank deposits	25	6
Total Finance Income	**25**	**6**
Finance Expenses		
Interest on bank overdrafts and loans	7,071	4,145
Other interest expense	300	658
Total Finance Expense	**7,371**	**4,803**
Net Finance Income / (Expense)	**(7,346)**	**(4,797)**

9. Income Tax Expense

(a) Income Tax Expense

In thousands of $AUD

	2016	2015
Current Tax Expense		
Current period	(1,595)	(1,829)
Adjustment for prior periods	239	(14)
	(1,356)	**(1,843)**
Deferred Tax Expense		
Decrease / (increase) in deferred tax assets (Note 18)	(1,440)	(8,869)
(Decrease) / increase in deferred tax liabilities (Note 18)	(2,890)	234
	(4,330)	(8,635)
Total income tax (benefit) / expense	**(5,686)**	**(10,478)**

(b) Numerical Reconciliation of Income Tax Expense / (Benefit) to Prima Facie Tax Payable

In thousands of $AUD

	2016	2015
(Loss) / Profit for the period before tax	**(25,549)**	**(34,897)**
Tax at the domestic tax rate of 30% (2015: 30%)*	(7,665)	(10,469)
Impairment of goodwill	1,823	-
Entertainment	7	12
Other non-deductible expenses	(90)	-
Under / (over) provided in prior periods	239	(19)
Income tax expense / (benefit)	**(5,686)**	**(10,476)**

** The Louminco Unit Trust does not pay tax at a rate of 30%.*

Reconciliation of total income tax expense

In thousands of $AUD	2016	2015
Income tax expense / (benefit) in Income Statement (as above)	(5,686)	(10,476)
Income tax expense / (benefit) recognised directly in equity	-	(2)
Total income tax (benefit) / expense	**(5,686)**	**(10,478)**

10. Cash and Cash Equivalents

In thousands of $AUD	**2016**	**2015**
Cash at bank and in hand	1,206	1,606
Bank overdrafts (Note 20)	(8,879)	(32,715)
Balances per Statement of Cash flows	**(7,673)**	**(31,109)**

(a) Interest Rate Risk Exposure

The Group's exposure to interest rate risk is discussed in Note 34.

11. Trade and Other Receivables

In thousands of $AUD

	2016	**2015**
Current		
Trade receivables	23,352	20,020
Provision for impairment of receivables (Note 34)	(102)	(50)
	23,250	19,970
Other receivables	323	360
Total Current Trade and Other Receivables	**23,573**	**20,330**

Provision for impairment of receivables

In thousands of $AUD	**2016**	**2015**
Opening provision for impairment of receivables	(50)	(50)
Charge for the year	(922)	(105)
Utilised	870	105
Closing provision for impairment of receivables	(102)	(50)

During the year ended 30 June 2016, write downs of trade receivables to their recoverable amount totalled $0.922 million (2015: $0.105 million).

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 34.

12. Inventories

In thousands of $AUD

	2016	2015
Raw materials	2,091	1,167
Work in progress	28,674	31,468
Finished goods	4,850	5,553
	35,615	**38,188**

At 30 June 2016, the Directors have impaired the carrying value of work-in-progress relating to non-performing contracts and disputed outstanding claims by an amount of $8.1 million (2015: $29.2 million).

13. Prepayments

In thousands of $AUD

	2016	2015
Insurance	306	237
Other prepayments	646	298
Total prepayments	**952**	**535**

14. Other Current Assets

In thousands of $AUD

	2016	2015
Other assets	265	117
Derivative assets - carried at FVTPL (Note 34)	125	-
Total other current assets	**390**	**117**

15. Other Non-Current Assets

In thousands of $AUD

	2016	2015
Other (including amounts relating to the ‘Snapper’ claim)	7,102	7,768
Total other non-current assets	**7,102**	**7,768**

16. Property Plant and Equipment

Reconciliation of carrying amounts at the beginning and end of the period

In thousands of $AUD

	Land & Buildings	Plant & Equipment	Office Furniture & Equipment	Leasehold Improve-ments	Motor Vehicles	Leased Assets	Total
Cost or Deemed Cost							
Balance at 1 July 2014	**3,131**	**15,904**	**2,866**	**11,296**	**2,510**	**7,998**	**43,705**
Additions	-	1,049	176	76	147	209	1,657
Transfers	(11)	(77)	24	-	64	-	-
Disposals	-	(300)	(27)	(7)	(500)	(195)	(1,029)
Acquired as part of Business Combination	-	695	97	98	954	917	2,761
Balance at 30 June 2015	**3,120**	**17,271**	**3,136**	**11,463**	**3,175**	**8,929**	**47,094**
Balance at 1 July 2015	**3,120**	**17,271**	**3,136**	**11,463**	**3,175**	**8,929**	**47,094**
Additions	-	1,006	55	113	130	586	1,890
Transfers	-	393	-	-	220	(613)	-
Disposals	(37)	(783)	(89)	(32)	(365)	(46)	(1,352)
Balance at 30 June 2016	**3,083**	**17,887**	**3,102**	**11,544**	**3,160**	**8,856**	**47,632**
Accumulated Depreciation, Amortisation and Impairment							
Balance at 1 July 2014	**9**	**6,627**	**1,911**	**1,103**	**1,587**	**2,963**	**14,200**
Disposals	-	(269)	(27)	(4)	(471)	(110)	(881)
Transfers	-	(77)	17	-	60	-	-
Depreciation expense	3	1,332	307	609	346	902	3,499
Acquired as part of Business Combination	-	315	64	8	515	267	1,169
Balance at 30 June 2015	**12**	**7,928**	**2,272**	**1,716**	**2,037**	**4,022**	**17,987**
Balance at 1 July 2015	**12**	**7,928**	**2,272**	**1,716**	**2,037**	**4,022**	**17,987**
Disposals	(19)	(772)	(90)	(29)	(292)	(36)	(1,238)
Transfers	-	168	-	-	(3)	(165)	-
Depreciation expense	7	1,355	305	598	355	973	3,593
Balance at 30 June 2016	**-**	**8,679**	**2,487**	**2,285**	**2,097**	**4,794**	**20,342**

16. Property Plant and Equipment (Continued)

Reconciliation of carrying amounts at the beginning and end of the period (Continued)

In thousands of $AUD

	Land & Buildings	Plant & Equipment	Office Furniture & Equipment	Leasehold Improve-ments	Motor Vehicles	Leased Assets	Total
Carrying Amounts							
As at 30 June 2014	3,122	9,277	955	10,193	923	5,035	29,505
As at 30 June 2015	**3,108**	**9,343**	**864**	**9,747**	**1,138**	**4,907**	**29,107**
As at 30 June 2015	3,108	9,343	864	9,747	1,138	4,907	29,107
As at 30 June 2016	**3,083**	**9,208**	**615**	**9,259**	**1,063**	**4,062**	**27,290**

17. Intangible Assets

In thousands of $AUD

	Goodwill		Intangibles		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Cost						
Balance at 1 July	**63,331**	**54,625**	**200**	**200**	**63,531**	54,825
Additional amounts recognised from business combinations occurring during the period	-	8,866	-	-	-	8,866
Adjustments during the period to amounts initially recognised from business combinations	-	(160)	-	-	-	(160)
Balance at 30 June	**63,331**	**63,331**	**200**	**200**	**63,531**	**63,531**
Amortisation and Impairment Losses						
Balance at 1 July	-	-	-	-	-	-
Amortisation for the year	-	-	-	-	-	-
Impairment loss	(6,077)	-	-	-	(6,077)	-
Balance at 30 June	**57,254**	**-**	**-**	**-**	**57,454**	**-**
Carrying amounts	**57,254**	**63,331**	**200**	**200**	**57,454**	**63,531**

Intangibles of $0.2 million relates to the value of exclusive supplier agreements recognised in relation to the business combination of Blucher (Australia) Pty Ltd. These agreements have an indefinite life and are assessed annually for any impairment indicators.

17. Intangible Assets (Continued)

At 30 June 2016, goodwill and other infinite life intangibles are allocated for impairment testing purposes to cash generating units (`CGUs') as follows:

In thousands of $AUD

	2016	2015
Investment & Corporate Advisory	1,058	1,058
Heavy Mechanical & Electrical Engineering	17,156	23,233
Water & Fluid Solutions	22,765	22,765
Maintenance Engineering & Plant Construction	16,475	16,475
Total Goodwill and other Intangibles	**57,454**	**63,531**

The Group performs its impairment test at each reporting date.

The recoverable amount of each CGU has been determined based on a value in use ('VIU') calculation using five year cash flow projections based on actual and forecast operating results. These earnings were extrapolated for all CGUs using annual growth rates of between 2.00% and 2.92% (2015: 2.57% - 3.09%), consistent with the growth prospects of each CGU, and a 1.00% terminal value growth rate (2015: 1.00%), which is less than the historical 20 year growth rate of 3.25% (2015: 5.10%).

A post-tax discount rate of 8.80%(2015: 9.50%) has been applied to each CGU in determining the VIU and is based on the target gearing level for E&A Limited (post-tax real WACC).

Key assumptions used in the value in use calculations

At 30 June 2016 the recoverable amount of all CGUs combined exceeds the carrying amount. The calculation of VIU for each CGU is most sensitive to assumptions in relation to forecast earnings and discount rates.

Investment & Advisory CGU
Whilst the modelling shows a range of possible outcomes, the recoverable amount of the Investment & Advisory CGU currently exceeds its carrying value by $2.3 million. The excess could be reduced to nil should changes in the following assumptions occur: a decrease in the forecast earnings before interest and income tax ("EBIT") by 42%; an increase in the post-tax real WACC to 15.8%.

Heavy Mechanical & Electrical Engineering CGU
At 31 December 2015, the board considered the uncertainty and continued delay in wind tower orders as a consequence of the recently completed Renewable Energy Target review, and the uncertainty surrounding Arrium's operations in Whyalla, and recognised an impairment charge of $6.1 million against goodwill in the Heavy Mechanical & Electrical Engineering CGU. Since the half year, as highlighted in our Review of Operations, the outlook has improved for this CGU with a new focus on securing recurrent maintenance, shutdown and sustaining project work for established clients rather than major construction work.

As a consequence of the change in business focus and outlook for this CGU, whilst the modelling shows a range of possible outcomes, the recoverable amount of the CGU at 30 June 2016 now exceeds the carrying value of the assets by $22.7 million. The value generated by the VIU model is highly sensitive to the earnings assumption. In particular, the forecasts used in the model assume the CGU will return to profitability following the completion of underperforming contacts in FY17 and beyond, returning gross margins that the CGU historically had before the impact of underperforming contacts. If the FY17 actual EBIT is less than 64% of forecast, this would result in further impairment. An increase in the post-tax real WACC to 14.8% would also result in further impairment.

Fluid & Water Solutions CGU
Whilst the modelling shows a range of possible outcomes, the recoverable amount of the Fluid & Water Solutions CGU currently exceeds its carrying value by $7.8 million. This excess could be reduced to nil should changes in the following assumptions occur: a decrease in the forecast EBIT by 19%; an increase in the post-tax real WACC to 11.0%.

Maintenance, Engineering & Plant Construction
Whilst the modelling shows a range of possible outcomes, the recoverable amount of the Maintenance, Engineering & Plant Construction CGU currently exceeds its carrying value by $19.5 million. This excess could be reduced to nil should changes in the following assumptions occur: a decrease in the forecast EBIT by 30%; an increase in the post-tax real WACC to 14.0%.

18. Deferred Tax Assets and Liabilities

(a) Deferred tax assets and liabilities are attributable to the following:

In thousands of $AUD

	Assets		Liabilities		Net	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Property, plant and equipment	6	34	(346)	(404)	(340)	(370)
Inventories	-	-	(195)	(3,026)	(195)	(3,026)
Loans & borrowings	34	-	(18)	(18)	16	(18)
Employee provisions	1,387	1,688	(1)	-	1,386	1,688
Other provisions and accrued expenses	2,841	398	(77)	(80)	2,764	318
Borrowing costs	3	6	(3)	(3)	-	3
IPO and share issue costs	110	217	-	-	110	217
Tax losses and excess franking credits	10,742	11,678	-	-	10,742	11,678
Other items	340	2	(10)	(9)	330	(7)
Tax assets (liabilities)	**15,463**	**14,023**	**(650)**	**(3,540)**	**14,813**	**10,483**

(b) Movement in temporary differences during the year:

In thousands of $AUD	Balance 1 July 2015	Recognised in Profit or Loss	Recognised in Equity	Balance 30 June 2016
Property, plant and equipment	(370)	30	-	(340)
Inventories	(3,026)	2,831	-	(195)
Loans & borrowings	(18)	34	-	16
Employee provisions	1,688	(302)	-	1,386
Other provisions and accrued expenses	318	2,446	-	2,764
Borrowing costs	3	(3)	-	-
IPO costs	217	(107)	-	110
Tax losses and excess franking credits	11,678	(936)	-	10,742
Other items	(7)	337	-	330
Tax assets (liabilities)	**10,483**	**4,330**	-	**14,813**

The Group has tax losses that are available for offsetting against future taxable profits of the Group. Deferred tax assets have been recognised in respect of these losses as it is probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

19. Trade and Other Payables

In thousands of $AUD	2016	2015
Current		
Trade payables	17,808	23,387
Related parties	784	-
Other payables and accrued expenses	14,473	8,450
Derivative liabilities - carried at FVTPL (Note 34)	112	-
Total current trade and other payables	**33,177**	**31,837**
Non-Current		
Other payables and accrued expenses	3,011	3,379
Total non-current trade and other payables	**3,011**	**3,379**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 34.

20. Loans and Borrowings

The following loans and borrowings at their carrying amounts are disclosed below:

In thousands of $AUD	AS AT 30 JUNE 2016			AS AT 30 JUNE 2015		
	Total facility	**Drawn facilities**	**Undrawn amount**	**Total facility**	**Drawn facilities**	**Undrawn amount**
Current						
Bank overdrafts (Note 10)	9,150	8,879	271	31,200	32,715	(1,515)
Working capital facilities	4,415	2,404	2,011	5,550	3,814	1,736
Commercial bills	7,740	7,740	-	10,540	10,540	-
Finance leases (Note 27)	2,267	1,225	1,042	3,339	1,615	1,724
Credit cards / other finances	485	282	203	351	166	185
International facility	-	-	-	2,265	-	2,265
Total current borrowings	**24,057**	**20,530**	**3,527**	**53,245**	**48,850**	**4,395**
Non-current						
Commercial bills	58,888	58,888	-	25,988	25,988	-
Other loans	13,010	13,010	-			
Finance leases (Note 27)	1,380	1,380	-	2,167	2,167	-
Related party facility (Note 33)	2,000	1,995	5	2,000	1,995	5
Total non-current borrowings	**75,278**	**75,273**	**5**	**30,155**	**30,150**	**5**
Total borrowings	**99,335**	**95,803**	**3,532**	**83,400**	**79,000**	**4,400**

E&A Limited's various finance facilities include both fixed and floating interest rates depending on the nature of the facility. The maturity terms of the various finance facilities are reflected in the Current / Non-current split shown above.

E&A Limited's banking facilities require a number of standard representations, warranties and undertakings (including financial and reporting obligations) from E&A Limited and E&A Limited Group companies in favour of the respective lenders. The facilities also include a cross guarantee between the parent and the majority of Group companies with staged security enforcement rights and obligations. Further details of security arrangements are outlined in Note 34. Fixed and floating security has been placed over all Group assets.

20. Loans and Borrowings (Continued)

The following loans and borrowings (non-current and current) were issued and repaid during the year ended 30 June 2016:

In thousands of $AUD	2016	2015
Balance as at 1 July	**79,000**	**45,072**
Acquisition of interest bearing liabilities through business combination	-	650
New Issues		
Bank overdrafts	179	28,004
Working capital facilities	8,334	15,516
Other loans	14,010	-
Commercial bills	30,400	12,500
Leasing facilities	572	318
Credit cards / other finances	175	576
Related party facility	-	-
Repayments		
Bank overdrafts	(24,015)	(417)
Working capital facilities	(9,744)	(15,070)
Other loans	(1,000)	-
Commercial bills	(300)	(5,697)
Leasing facilities	(1,749)	(1,819)
Credit cards / other finances	(59)	(633)
Related party facility	-	-
Balance as at 30 June	**95,803**	**79,000**

21. Provisions

In thousands of $AUD

	2016	2015
Current		
Employee benefits	3,578	4,190
Total current provisions	**3,578**	**4,190**
Non-current		
Employee benefits	848	844
Total non-current provisions	**848**	**844**

22. Share Capital

Movements in shares of the Company were as follows:

In thousands of shares	ORDINARY SHARES	
	2016	**2015**
Shares on Issue at 1 July	**136,918**	127,219
Issued as part consideration for business combination	-	4,128
Issued as part of dividend reinvestment plan	-	5,571
Issued as private placement	-	-
Shares on Issue at 30 June	**136,918**	**136,918**

All shares on issue are fully paid. The Company does not have authorised capital or par value in respect of its issued shares.

E&A Limited operates a dividend reinvestment plan (**DRP)** whereby shareholders may elect to take all or part of their dividend entitlement in EAL scrip. No shares were issued under the DRP during FY16.

23. (Loss) / Earnings Per Share

Cents per share	**2016**	**2015**
Basic (loss) / earnings per share	(14.51)	(18.33)
Diluted (loss) / earnings per share	(14.51)	(18.33)

Basic (Loss) / Earnings Per Share

The (loss) / earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

In thousands of $AUD and Shares	**2016**	**2015**
(Loss) / Earnings used in the calculation of basic EPS (i)	(19,863)	(24,421)
Weighted average number of ordinary shares for the purpose of basic (loss) / earnings per share (ii)	136,918	133,257

(i) (Loss) / Earnings used in the calculation of total basic (loss) / earnings per share is equal to the (loss) / profit in the income statement.

(ii) Options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic (loss) / earnings per share. Where dilutive, potential ordinary shares are included in the calculation of dilutive (loss) / earnings per share.

23. (Loss) / Earnings Per Share (Continued)

Diluted (Loss) / Earnings Per Share

The (loss) / earnings and weighted average number of ordinary shares used in the calculation of diluted (loss) / earnings per share are as follows:

In thousands of $AUD and Shares	2016	2015
(Loss) / Earnings used in the calculation of basic EPS (i)	(19,863)	(24,421)
Weighted average number of ordinary shares for the purpose of diluted (loss) / earnings per share (ii)	136,918	133,257

(i) (Loss) / Earnings used in the calculation of total diluted (loss) / earnings per share is equal to the (loss) / profit in the Income Statement.

(ii) The weighted average number of ordinary shares for the purpose of diluted (loss) / earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic (loss) / earnings per share as follows:

In thousands of Shares	2016	2015
Weighted average number of ordinary shares used in the calculation of basic EPS	136,918	133,257
Options (Note 25)	-	-
Weighted average number of ordinary shares used in the calculation of diluted EPS	136,918	133,257

24. Dividends

	2016		2015	
	Cents Per Share	Total $'000	Cents Per Share	Total $'000
Recognised Amounts				
Interim dividend	-	-	-	-
Total dividends recognised	**-**	**-**	**-**	**-**
Both fully franked at a 30% tax rate				
Unrecognised Amounts				
Final dividend	-	-	-	-
Total Dividends Unrecognised	**-**	**-**	**-**	**-**
Fully franked at a 30% tax rate				

24. Dividends (Continued)

Franking Account Balance

In thousands of $AUD	2016	2015
Franking credits available for subsequent financial years based on a tax rate of 30% (2015: 30%)	4,360	4,710

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of current tax liabilities.

The consolidated amounts include franking credits that would be available to the Company if distributable profits of subsidiaries were paid as dividends.

25. Share-Based Payments

Shares Under Option

No options to acquire unissued ordinary shares of E&A Limited exist as at 30 June 2016.

No options have been granted since the end of the financial year.

The share based compensation expense recognised in the current year was nil (2015: nil)

Shares Issued on the Exercise of Options

There were no shares issued on the exercise of options during the year (2015: nil).

26. Contingent Liabilities

The Group had contingent liabilities in respect of:

In thousands of $AUD

	2016	2015
Bank Guarantee Facilities		
Amount used	8,409	7,488
Amount available	1,401	4,422

In the normal course of business certain E&A Limited Companies are required to enter into contracts that include performance obligations. These commitments only give rise to a liability where the respective entity fails to perform its contractual obligations. Claims of this nature arise in the ordinary course of construction contracting. Where appropriate a provision is made for these issues. The Directors are not aware of any material claims that are considered probable, which have not been appropriately provided for in the financial statements at 30 June 2016.

26. Contingent Liabilities (continued)

Government Grant

In FY13, Ottoway Fabrication was granted $2.0 million of government grant funding in relation to the acquisition of the wind tower manufacture/ fabrication assets through the South Australian Enterprise Zone Fund for the Upper Spencer Gulf and the Outback grant program.

Incorporated in the grant funding agreement, were a number of special conditions that are required to comply with in order to retain the grant funding, which included several KPIs that need to be met by 30 June 2017 and 31 December 2017. Management anticipate that it is likely that Ottoway Fabrication will not achieve a number of the KPIs.

Management have notified Senior Government Officials of this likely outcome. Management intend to reach agreement with the State Government during the first half of FY17 in relation to the grant.

27. Commitments

(a) Capital Commitments

Capital expenditure contracted for at balance date but not recognised as liabilities is as follows:

In thousands of $AUD	**2016**	**2015**
Payable:		
Within one year	118	-
Between one and five years	235	-
More than five years	-	-
	353	**-**

27. Commitments (Continued)

(b) Lease Commitments

(i) Non-Cancellable Operating Leases

The Group leases various properties and office equipment under non-cancellable operating leases expiring within one to five years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

In thousands of $AUD

	2016	2015
Within one year	1,972	1,981
Between one and five years	3,255	3,044
More than five years	-	-
	5,227	**5,025**

(ii) Cancellable Operating Leases

The Group leases various plant and office equipment under cancellable operating leases. The Group is required to give one to two months notice for termination of these leases.

Commitments in relation to cancellable operating leases contracted for at the balance date but not recognised as liabilities are payable as follows:

In thousands of $AUD

	2016	2015
Within one year	4	9
Between one and five years	-	4
More than five years	-	-
	4	**13**

(b) Lease Commitments

(iii) Finance Leases

The Group leases various plant and motor vehicles with a carrying amount of $4.01 million (2015: $4.91 million million) under finance leases expiring within one to five years. Under the terms of the leases the Group acquires the assets following the final payment.

In thousands of $AUD	**2016**	**2015**
Commitments in relation to finance leases are payable as follows:		
Within one year	1,335	1,790
Between one and five years	1,448	2,321
More than five years	-	-
Minimum lease payments	2,783	4,111
Future finance charges	(178)	(329)
Recognised as a liability	**2,605**	**3,782**
Representing lease liabilities:		
Current (Note 20)	1,225	1,615
Non-current (Note 20)	1,380	2,167
	2,605	**3,782**

28. Workers' Compensation Self-Insurance

From 1 July 2014, EAL has been granted workers' compensation self-insurance status by Return To Work SA in South Australia. As part of the transition to self-insurance, Return To Work SA engaged an independent actuary to estimate the liability for outstanding claims in relation to South Australian workers' compensation claims against the Group. This estimated liability includes consideration of EAL's claims history and a review of specific case estimates for current individual claims.

Workers' Compensation Self-Insurance Provision

In thousands of $AUD	**2016**	**2015**
Opening provision recognised at 1 July:	1,042	1,050
Charge for the year	82	494
Utilised	(382)	(502)
Unused amounts reversed	(105)	-
Closing provision at 30 June	**637**	**1,042**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial Year Ended 30 June 2016

29. Segment Reporting

	Investment & Corporate Advisory		Heavy Mechanical & Electrical Engineering		Water & Fluid Solutions		Maintenance Engineering & Plant Construction		Total		Eliminations		Consolidated	
In thousands of $AUD	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
External sales	1,968	3,895	74,429	114,000	32,340	40,063	53,127	40,076	161,864	198,034	-	-	161,864	198,034
Inter-segment sales	4,685	3,850	11,799	13,861	18	310	1,073	1,042	17,575	19,063	(17,575)	(19,063)	-	-
Dividend revenue	-	-	-	-	-		-	-	-	-	-	-	-	-
Other income	129	102	91	299	101	21	1,102	117	1,423	539	-	-	1,423	539
Segment revenue	**6,782**	**7,847**	**86,319**	**128,160**	**32,459**	**40,394**	**55,302**	**41,235**	**180,862**	**217,436**	**(17,575)**	**(19,063)**	**163,287**	**198,573**
Underlying EBITDA	**(895)**	**(1,386)**	**(1,783)**	**1,118**	**243**	**499**	**3,303**	**2,367**	**868**	**2,598**	**-**	**-**	**868**	**2,598**
Depreciation	(36)	(28)	(1,957)	(2,061)	(698)	(784)	(902)	(626)	(3,593)	(3,499)	-	-	(3,593)	(3,499)
Underlying EBIT	**(931)**	(1,414)	**(3,740)**	**(943)**	**(455)**	**(285)**	**2,401**	**1,741**	**(2,725)**	**(901)**	**-**	**-**	**(2,725)**	**(901)**
Significant items (ii)	(1,508)	-	(13,690)	(29,199)	(280)	-	-	-	(15,478)	(29,199)	-	-	(15,478)	(29,199)
Segment result (EBIT)	**(2,439)**	**(1,414)**	**(17,430)**	**(30,142)**	**(735)**	**(285)**	**2,401**	**1,741**	**(18,203)**	**(30,100)**	**-**	**-**	**(18,203)**	**(30,100)**
NPAT	**(3,135)**	**(1,054)**	**(16,755)**	**(23,345)**	**(1,248)**	**(873)**	**1,275**	**851**	**(19,863)**	**(24,421)**	**-**	**-**	**(19,863)**	**(24,421)**
Income tax expense / (benefit)	(1,255)	(448)	(4,247)	(9,997)	(551)	(362)	367	331	(5,686)	(10,476)	-	-	(5,686)	(10,476)
Net finance costs	1,951	88	3,572	3,200	1,064	950	759	559	7,346	4,797	-	-	7,346	4,797
Segment result (EBIT)	**(2,439)**	**(1,414)**	**(17,430)**	**(30,142)**	**(735)**	**(285)**	**2,401**	**1,741**	**(18,203)**	**(30,100)**	**-**	**-**	**(18,203)**	**(30,100)**
Results from operating activities													**(19,863)**	**(24,421)**
Segment assets	111,884	87,733	91,646	97,068	28,128	31,539	38,726	33,972	270,384	250,312	(101,026)	(74,909)	**169,358**	**175,403**
Segment liabilities	44,837	17,556	100,972	111,654	26,681	28,845	35,125	33,647	207,615	191,702	(67,056)	(64,921)	**140,559**	**126,781**

(i) Segment asset & liability eliminations relate to the elimination of intercompany balances and investments in subsidiaries.

(ii) Significant items include a non-cash impairment of $6.1 million against the goodwill associated with its Heavy Mechanical and Electrical Engineering CGU, work in progress and debtor impairment of $8.1 million primarily associated with the Bluenergy CMC Pty Ltd company failure, and other significant one off costs of $1.3 million.

29. Segment Reporting (Continued)

The Group comprises the following main business segments:

Investment & Corporate Advisory
Services: Investment and Corporate Advisory segment provides a comprehensive range of corporate advisory services relating to the analysing, negotiating, financing and completing of business transactions for external and internal clients.

Industry Exposure: Investment and Corporate Advisory provides corporate advisory services to public, private and government organisations. In addition, the corporate advisory business provides a range of corporate advisory services to E&A Limited subsidiaries as they continue to expand both organically and through acquisition.

Water & Fluid Solutions
Services: This segment comprises Fabtech and Blucher. Fabtech provides flexible geomembrane liners and floating covers for dams, reservoirs and tunnels, and the construction of geomembrane lined water storage tanks. Blucher is focused on the supply and design of stainless steel drainage and pressure systems.

Industry Exposure: Water and Fluid Solutions services the mining, defence, power generation, brewery, potable and waste water containment, waste management and agriculture industries.

Heavy Mechanical and Electrical Engineering
Services: This segment comprises the services provided by Ottoway Engineering, Ottoway Fabrication, ICE Engineering & Construction. Ottoway Engineering operates as a pipe fabrication and installation business involving all aspects of turn-key project management including design, engineering, procurement, manufacture, fabrication, machining, installation and maintenance. Ottoway Fabrication provides a range of steel fabrication and structural engineering services, including project management, procurement services, heavy engineering design, structural steel fabrication and erection, pipe welding and pipework installation, pneumatic and hydraulic installations, light machining and wind tower manufacturing. ICE Engineering provides electrical engineering consultancy and project management services including the design of electrical control systems for heavy industry, manufacturing and commercial installations, as well as drafting and other maintenance services.

Industry Exposure: Offers services across a range of industries including industrial, petro-chemical, oil and gas, mining, exploration, base metals, water, defence, power generation, infrastructure and wine.

Maintenance Engineering & Plant Construction
Services: This segment comprises the services provided by Tasman Power, Tasman Rope Access, Heavymech and QMM. Tasman Power provides electrical and instrumentation services, specializing in the planning, management and execution of electrical maintenance services, sustaining capital projects and shutdowns for major iron ore producers in Western Australia. Heavymech supplies breakdown and repair services to the heavy industrial, mining and power generation industries. QMM supplies equipment, spare parts, plant construction and repair, and onsite maintenance to the quarry, recycling and mining sectors.

Industry Exposure: Offers services across a range of industries including mining, power, quarry, recycling and heavy industrial industries.
As our business continues to grow we will update our segment disclosures accordingly.

30. Subsidiaries

Name of Entity	Country of Incorporation	Ownership interest (%) 2016	2015
Parent entity			
E&A Limited	Australia	100	100
Subsidiaries			
Blucher (Australia) Pty Ltd	Australia	100	100
Blucher Holdings Pty Ltd	Australia	100	100
E&A Capital Pty Ltd	Australia	100	100
E&A Group Pty Ltd (formerly Ironhorse BB Pty Ltd)	Australia	100	100
Equity & Advisory Ltd	Australia	100	100
Fabtech Australia Pty Ltd	Australia	100	100
Fabtech Holdings Pty Limited	Australia	100	100
Heavymech Pty Ltd	Australia	100	100
ICE Engineering & Construction Holdings Pty Ltd	Australia	100	100
ICE Engineering & Construction Pty Ltd	Australia	100	100
ILS Limited	Hong Kong	100	100
Louminco Pty Ltd	Australia	100	100
Ottoway Engineering (WA) Pty Ltd	Australia	100	100
Ottoway Engineering Pty Ltd	Australia	100	100
Ottoway Fabrication Pty Ltd (formerly E&A Contractors Pty Ltd)	Australia	100	100
Quarry & Mining Manufacture (QLD) Pty Ltd	Australia	100	100
Quarry & Mining Manufacture Pty Ltd	Australia	100	100
Starboard Tack Pty Ltd	Australia	100	100
Tasman Mechanical WA Pty Ltd	Australia	100	100
Tasman Power Holdings Pty Ltd (formerly ACN 131 958 337 Pty Ltd)	Australia	100	100
Tasman Power WA Pty Ltd	Australia	100	100
Tasman Recruitment WA Pty Ltd	Australia	100	100
Tasman Rope Access Pty Ltd	Australia	100	100

31. Parent Entity Disclosures

As at, and throughout the financial year ending 30 June 2016, the parent company of the group was E&A Limited.

In thousands of $AUD	Company	
	2016	**2015**
Results of the Parent Entity		
Profit / Comprehensive income / (loss) for the period	(2,329)	(14)
Total comprehensive income for the period	(2,329)	(14)

Financial position of parent entity at year end		
Current assets	1,073	43,295
Total assets	107,369	80,630
Current liabilities	(1,698)	(1,261)
Total liabilities	(39,796)	(10,728)
Total equity of the parent entity comprising of:		
Share capital	70,652	70,652
Options reserve	74	74
Retained earnings	(3,153)	(824)
Total Equity	67,573	69,902

Parent Entity Contingencies

The parent entity has no contingent liabilities and no capital commitments for property, plant and equipment for the years ended 30 June 2016 and 2015.

The Company as part of financing facilities has provided a number of standard representations, warranties and undertakings (including financial and reporting obligations) in favour of the respective lenders. The facilities also include a cross guarantee between the parent and all group companies with staged security enforcement rights and obligations.

32. Related Parties

(a) Parent and Ultimate Controlling Party

The ultimate controlling entity of the Group is E&A Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 30.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in the Remuneration Report in the Directors' Report.

Key Management Personnel Compensation

The key management personnel compensation included in employee benefits expense (see Note 7) are as follows:

In thousands of $AUD	**2016**	**2015**
Short-term employee benefits	1,143	1,398
Post-employment benefits	76	105
Share based payments	-	-
Total	**1,219**	**1,503**

Loans from Directors and Key Management Personnel

As at 30 June 2016, the balance of unsecured loans payable to directors and key management personnel was $1.995 million. The balance outstanding relates to the Port Tack related party "Come and Go" unsecured loan facility to provide finance to E&A Limited and subsidiary companies for the purpose of funding working capital needs and short term acquisition funding requirements on an as required basis.

In thousands of $AUD	**2016**	**2015**
Related Party "Come & Go" Facility *		
Beginning of the year	1,995	1,995
Loans advanced	-	-
Loan repayments made	-	-
End of year	**1,995**	**1,995**

*Port Tack is a related party of Stephen Young as outlined in Note 32(d)(v).

32. Related Parties (Continued)

Loans to Directors and Key Management Personnel

As at 30 June 2016, the balance of unsecured loans receivable from directors and key management personnel was $0.175 million. Net repayments made throughout the period were nil. Interest was payable on amounts owing on normal commercial terms and conditions and at market rates.

In thousands of $AUD	**Balance at Beginning of Period**	**Advancement/ (Repayment) of Loans**	**Balance Outstanding**
	1 July 2015		**30 June 2016**
Stephen Young and controlled entities	165	10	175
Total	**165**	**10**	**175**

(d) Other Related Party Transactions

Port Tack is an entity controlled by Stephen Young, the Managing Director of E&A Limited. In addition, Regent Street Pty Ltd (Regent Street) is an associated entity of Stephen Young. The following related party transactions have been entered into as at 30 June 2016.

(i) Regent Street lease of Northfield premises

Regent Street entered into a lease agreement dated 2 November 2007 with Heavymech to lease the Heavymech premises for $100,000 per annum (exclusive of GST). The lease commenced on 31 January 2008 and continued for a period of 2 years together with two rights of renewal for further periods of 5 years each. The lease is based on commercial arms-length terms and conditions. The related party benefits resulting from execution of the Heavymech premises were approved by the shareholders of E&A Limited on 5 November 2007 in accordance with section 208 of the Corporations Act.

(ii) Regent Street lease of Plymouth Road premises

Regent Street entered into a lease agreement dated 1 February 2014 with Ottoway Engineering to lease the Ottoway Engineering premises for $388,055 per annum (exclusive of GST). The lease is effective from 1 February 2014 and will expire 31 January 2023 together with three rights of renewal for further periods of 5 years each. The lease is based on commercial arms-length terms and conditions. Accordingly, the Directors considered the lease payments which accrued to Regent Street as a related party did not require Shareholder Approval under Chapter 2E of the Corporations Act.

32. Related Parties (Continued)

(d) Other Related Party Transactions (Continued)

(iii) Regent Street lease of Mt Isa premises

Regent Street entered into a lease agreement dated 1 August 2012 with Ottoway Fabrication to lease the Mt Isa premises for $58,731 per annum (exclusive of GST). The renewed lease will expire 31 July 2017. It is expected that this lease will be renewed on commercial terms at that time. The lease is based on commercial arms-length terms and conditions. The related party benefits resulting from the execution of the original Mt Isa agreement to lease was approved by the shareholders of E&A Limited on 5 November 2007 in accordance with section 208 of the Corporations Act. The lease renewal has been based on commercial arms-length terms and conditions and the Directors considered the lease payments which accrued to Regent Street as a related party did not require Shareholder Approval under Chapter 2E of the Corporations Act.

(iv) Regent Street lease of Duncan Court premises

Regent Street entered into a lease agreement dated 1 February 2014 with Ottoway Engineering for $249,000 per annum (exclusive of GST). Ottoway Engineering and QMM operate from these premises and presently the majority of the premises has been subleased to QMM. The Ottoway Engineering Lease renewal will continue to 1 February 2019 and has three rights of renewal for further periods of 5 years each. The related party benefits resulting from the execution of the original Ottoway Engineering agreement to lease was approved by the shareholders of E&A Limited on 5 November 2007 in accordance with section 208 of the Corporations Act. The lease renewal has been based on commercial arms-length terms and conditions and the Directors considered the lease payments which accrued to Regent Street as a related party did not require Shareholder Approval under Chapter 2E of the Corporations Act.

(v) Port Tack "Come & Go" Loan Facility

Port Tack has entered into a "Come and Go" unsecured loan facility to provide finance to E&A Limited and subsidiary companies for the purpose of funding working capital needs and short term acquisition funding requirements on an as required basis. The facility limit was $2 million and has been subordinated to the bank debt and cannot be repaid in cash without giving a 12 months prior notice. The balance outstanding at 30 June 2016 was $1.995 million. The Directors consider the Loan Facility is on arms-length terms and conditions, and therefore the financial benefit (i.e. interest payments) which may accrue to Port Tack Pty Ltd as a related party of the Company does not require Shareholder approval under Chapter 2E of the Corporations Act.

The following transactions occurred with related parties:

In thousands of $AUD

	2016	2015
Sale of goods and services	-	-
Rental paid to other related parties	772	674

33. Notes to the Cash Flow Statement

Reconciliation of (Loss) / Profit for the Period to Net Cash Flows From Operating Activities

In thousands of $AUD	**2016**	**2015**
(Loss) / Profit for the year	**(19,863)**	**(24,421)**
Net (gain) / loss on disposal of non-current assets	(29)	(76)
Impairment of goodwill	6,077	-
Depreciation and amortisation	3,593	3,499
Capitalised interest	821	-
Changes in operating assets and liabilities, net of effects from acquisition of businesses:		
(Increase) / decrease in assets:		
Receivables	(3,267)	5,728
Inventories	2,573	9,497
Deferred tax assets	(1,440)	(8,938)
Increase / (decrease) in liabilities:		
Trade and other creditors	918	(4,344)
Provision for income taxes payable	(115)	(4,810)
Other provisions	(1,013)	1,042
Deferred tax liabilities	(2,890)	219
Net cash provided by / (used in) operating activities	**(14,635)**	**(22,604)**

34. Financial Instruments

The Group is exposed to the following risks throughout the normal course of business:

- Credit risk;
- Liquidity risk;
- Currency risk; and
- Interest rate risk.

The Board reviews and agrees policies for managing each of these risks and the Audit and Risk Management Committee is responsible for monitoring compliance with risk management strategies throughout the Group.

The Group use basic financial instruments to manage financial risk. The Group uses derivative financial instruments, such as forward currency contracts to economically hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The credit policy under which each new and existing customer is assessed for creditworthiness is determined separately by each operating subsidiary of the Group and accordingly reflects the different nature of each business's industry, customers and associated risks. Generally, however, customer credit reviews include external ratings, when available, and in some cases bank references. Customers that fail to meet the relevant benchmark creditworthiness may transact with the Group only on a prepayment basis. The Group holds insurance policies to protect the recoverability of trade receivables.

Goods are, where possible, sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

The Group have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments. This allowance represents a specific loss component that relates to individually significant exposures identified.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

In thousands of $AUD	**Note**	**2016**	**2015**
Receivables	11	23,504	20,020
Cash and cash equivalents	10	1,206	1,606
Total at Carrying Amount		**24,170**	**21,626**

34. Financial Instruments (Continued)

Credit Risk (Continued)

The Group manages its credit risk by maintaining strong relationships with a broad range of quality clients. There are no significant concentrations of credit risk within the Group.

The Group's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

In thousands of $AUD	**2016**	**2015**
Industrial (oil & gas, mining, defence, water)	23,351	19,874
Corporate (advisory clients)	153	146
Total trade receivables (Note 11)	**23,504**	**20,020**

Impairment losses

The ageing of the Group's trade receivables at the reporting date was:

In thousands of $AUD	**Gross**	**Impairment**	**Gross**	**Impairment**
	2016	**2016**	**2015**	**2015**
Not past due	17,100	-	14,222	-
Past due 0 – 30 days	5,135	-	4,985	-
Past due 31 – 121 days	781	-	545	-
Past due 121 days to one year	439	(52)	219	-
Past due more than one year	49	(50)	49	(50)
	23,504	**(102)**	**20,020**	**(50)**

34. Financial Instruments (Continued)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Furthermore, the Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Available cash and trade receivables used to manage liquidity risk are outlined in Notes 10 & 11 respectively. The maturity profile of trade receivables is outlined under the credit risk disclosures of Note 35.

The Group's credit facilities are outlined in Note 20 to this financial report.

Guarantees

E&A Limited has extended the term of its banking facilities with its principal financier. The provision of these facilities requires a number of standard representations, warranties and undertakings (including financial and reporting obligations) from E&A Limited and E&A Limited Group companies in favour of the respective lenders. The facilities also include a cross guarantee between the parent and all Group companies with staged security enforcement rights and obligations. Fixed and floating security has been placed over all Group assets.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

		AT 30 JUNE 2016					
In thousands of $AUD	**Note**	**Carrying Amount**	**Contractual Cash Flows**	**Less than 1 year**	**1 – 2 years**	**2 – 5 years**	**More Than 5 years**
Non Derivative Financial Liabilities							
Secured bank loans	20	66,628	71,848	9,589	61,899	360	-
Finance lease liabilities	20	2,605	2,783	1,385	1,342	56	-
Related party facility	20	1,995	2,570	191	2,379	-	-
Trade and other payables	19	36,205	36,205	33,194	3,011	-	-
Working capital facilities	20	2,404	2,416	2,416	-	-	-
Bank overdraft	20	8,879	10,146	10,146	-	-	-
Other loans (secured)	20	13,010	16,046	2,602	13,444	-	-
		131,726	**142,014**	**59,523**	**82,075**	**416**	-

34. Financial Instruments (Continued)

Liquidity Risk (Continued)

In thousands of $AUD	Note	AT 30 JUNE 2015 Carrying Amount	Contractual Cash Flows	Less than 1 year	1 – 2 years	2 – 5 years	More Than 5 years
Non Derivative Financial Liabilities							
Secured bank loans	20	36,528	43,212	9,615	6,085	16,410	11,102
Finance lease liabilities	20	3,782	4,111	1,820	1,479	812	-
Related party facility	20	1,995	1,995	-	1,995	-	-
Trade and other payables	19	31,837	31,837	31,837	-	-	-
Working capital facilities	20	3,814	3,814	3,814	-	-	-
Bank overdraft	20	32,715	32,715	32,715	-	-	-
		110,671	**117,684**	**79,801**	**9,559**	**17,222**	**11,102**

Currency Risk

The Group, through its subsidiaries Fabtech and Blucher, is exposed to currency risk on purchases that are denominated in a currency other than the Australian dollar (AUD), primarily the US dollar (USD), euro (EUR), Sterling (GBP) and Canadian dollars (CAN).

Fabtech and Blucher use forward exchange contracts to hedge its currency risk with its foreign suppliers, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

Total purchase transactions denominated in foreign currency account for less than 10% of total Group purchases.

The Group uses forward exchange contracts to minimise the risk of currency movements.

Exposure to currency risk

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

In thousands of $AUD	AUD	USD	GBP	Euro	CAN	AUD	USD	GBP	Euro	CAN
		30 June 2016					30 June 2015			
Trade receivables	-	-	-	-	-	-	-	-	-	-
Trade payables	-	(381)	-	(12)	-	-	(17)	-	(172)	-
Net exposure	-	**(381)**	**-**	**(12)**	**-**	-	**(17)**	**-**	**(172)**	**-**

34. **Financial Instruments (Continued)**

Currency Risk (Continued)

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2016	**2015**	**2016**	**2015**
USD	0.728	0.838	0.742	0.768
Euro	0.651	0.690	0.669	0.687

Currency risk sensitivity analysis

A 10% strengthening of the Australian dollar against the following currencies at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2015.

A 10% weakening of the Australian dollar against the above currencies at reporting date would have had an equal but opposite effect on the following currencies to the amounts shown below, on the basis that all other variables remain constant.

In thousands of $AUD	**30 JUNE 2016**		**30 JUNE 2015**	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
USD	-	38	-	2
Euro	-	1	-	17

Interest Rate Risk

The Group has exposure to interest rate risk in each of its subsidiaries through their various financing facilities.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

In thousands of $AUD	**2016**	**2015**
Variable Rate Instruments		
Financial liabilities (Note 20)	95,803	79,000

34. Financial Instruments (Continued)

Interest Rate Risk (Continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2015.

	AT 30 JUNE 2016			
	Profit or loss		**Equity**	
In thousands of $AUD	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
Variable rate instruments	(922)	922	-	-

	AT 30 JUNE 2015			
	Profit or loss		**Equity**	
In thousands of $AUD	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
Variable rate instruments	(624)	624	-	-

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income before interest divided by total shareholder equity, excluding minority earnings and outstanding executive options. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

34. Financial Instruments (Continued)

Fair Values

Fair values versus carrying amounts

The fair values of all financial assets and liabilities are equivalent to their carrying amount as at balance sheet date.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

In thousands of $AUD

For the year ended **30 June 2016**	Level 1	Level 2	Level 3	Total
Investment Securities	-	-	-	-
Derivate assets (Note 14)		125		
Derivate liabilities (Note 19)	-	(112)	-	-
For the year ended **30 June 2015**				
Investment Securities	-	-	-	-
	-	-	-	-

The Groups foreign currency forward contracts (derivate assets and liabilities) is estimated by discounting future cash flows based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. These have been determined under a Level 2 fair value hierarchy.

35. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2016	2015
Audit Services		
EY:		
Audit and review of financial reports	286,340	240,500
Other services	-	-
	286,340	**240,500**

36. Subsequent Events

The directors are not aware of any material events occurring subsequent to balance sheet date that have not otherwise been disclosed or presented in this report.

E & A LIMITED

Directors' Declaration

1. In the opinion of the directors of E&A Limited ("the Company"):

   (a) The consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:

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

      (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) Subject to the matters disclosed in Note 2, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and company secretary for the financial year ended 30 June 2016.

3. The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Adelaide this 31st day of August 2016

Stephen Young

Managing Director

EY
Building a better working world

Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com

Independent auditor's report to the members of E&A Limited

Report on the financial report

We have audited the accompanying financial report of E&A 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, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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.

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Opinion

In our opinion:

a. the financial report of E&A Limited is in accordance with the *Corporations Act 2001*, including:

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

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

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial report regarding the ability of the Group to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast material doubt about the Group's ability to continue as a going concern and therefore, the Group 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 26 to 36 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 E&A Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

David Sanders
Partner
Adelaide
31 August 2016

Twenty Largest Shareholders

The names of the twenty largest shareholders of ordinary shares of the Company as at 19 August 2016 are:

SHAREHOLDER	NUMBER OF ORDINARY FULLY PAID SHARES
Port Tack Pty Ltd	30,693,339
Port Tack Pty Ltd	24,227,845
Vars Enterprises Pty Ltd	7,940,575
Vars Enterprises Pty Ltd	7,778,124
Stephen Young	3,425,069
Obenox Pty Ltd	2,659,169
Jason Frank Pryde	2,198,217
Maresa Pty Ltd	2,068,746
Mark Alan Mcdonnell	2,064,060
Barmera Marine Pty Ltd	1,842,548
Mr Craig Graeme Chapman	1,566,025
BQS pty ltd	1,400,000
Almeranka Superannuation Pty Ltd	1,387,500
Vars Enterprises Pty Ltd	1,000,000
Mr Nicholas John Bindi & Mrs Carolyn Jane Bindi	937,490
Mr Alister Alan Tresillian Walsh	850,000
Finance Associates Pty Ltd	800,000
Brucar Pty Ltd	800,000
Terlet Super Pty Ltd	786,866
Tindindi Cellars Pty Ltd	720,073
Mr Stephen Mark Gilbert	707,577

Total held by twenty largest ordinary shareholders as a percentage of this class is 70.01%.

ASX ADDITIONAL INFORMATION

Substantial Shareholders

The names of substantial shareholders listed in the Company's register as at 19 August 2016 are:

SHAREHOLDER	SHARES	%
Stephen Young and controlled entities	60,534,319	44.21%
Mark Vartuli and controlled entities	17,303,228	12.64%

Distribution of Shareholders

Analysis of numbers of shareholders by size of holding as listed in the Company's register as at 19 August 2016 are:

RANGE OF HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF ORDINARY SHARES	%
1 – 1,000	91	21,799	0.02%
1,001 – 5,000	216	662,571	0.48%
5,001 – 10,000	154	1,284,932	0.94%
10,001 – 100,000	395	13,639,714	9.96%
100,001 and Over	124	121,309,390	88.60%
Total	**980**	**136,918,406**	**100%**

All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders with less than a marketable parcel is 318.

Voting Rights

All ordinary shares issued by E & A Limited carry one vote per share without restriction.

E&A LIMITED – CORPORATE DIRECTORY

Directors	Mr Stephen Young	Managing Director
	Mr Mark Vartuli	Executive Director
	Mr John Nicholls	Non-executive Director & Chairman (Appointed 1 September 2015)
	Mr Michael Abbott	Non-executive Director (Resigned 2 June 2016)
	Mr Michael Terlet	Non-executive Director
	Mr David Klingberg	Non-executive Director

Secretary	Mr Mark Vartuli
Registered and Principal Office	Level 27 91 King William Street Adelaide, South Australia 5000 Telephone (08) 8212 2929 Facsimile (08) 8231 1647 Website www.ealimited.com.au
Postal Address	GPO Box 1273 Adelaide, South Australia 5001
Solicitors	Various
Auditors	EY 121 King William Street Adelaide, South Australia 5000
Share Register	Link Market Services Limited Level 9, 333 Collins Street Melbourne, Victoria 3000 Telephone 1300 554 474 Website www.linkmarketservices.com.au
ASX Code	EAL
ACN	088 588 425
ABN	22 088 588 425