AWF MADISON

ANNUAL REPORT 2016

"A year of transition... in which the Group matured considerably and ushered in a new generation of leadership and business processes."

- Ross Keenan, Chairman

REVENUE	NET PROFIT AFTER TAX	UNDERLYING EARNINGS	UNDERLYING EARNINGS
$214.6 MILLION	$5.2 MILLION	$6.5 MILLION	20.1 CENTS (per share)
Up 9%	Down from $5.4 million in FY2015	Down from $6.7 million in FY2015 (see Note 9 to the Financial Statements)	25.8 cents per share in FY2015

TOTAL DIVIDEND FOR THE YEAR	NET DEBT 31 MARCH 2016	SHAREHOLDERS' FUNDS	TOTAL EQUITY AND LIABILITIES
15.2 CENTS (per share)	$21.9 MILLION	$36.3 MILLION	$77.9 MILLION
Unchanged on FY2015	FY2015, $18.6 million	FY2015, $35.9 million	FY2015, $78.3 million

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CHAIRMAN'S REPORT

- Ross Keenan

Dear Shareholder,

In our results announcement in May we headlined the 31 March 2016 financial year as one of "transition", and indeed it was.

- TRANSITION from a largely blue collar labour provider across New Zealand to a fully-integrated recruitment service provider across industrial and commercial, blue collar and white collar, from labour and skilled trades through office and administration, management, contractors, permanent and temporary staff. The importance and value of the two very strong brands of "AWF" and "Madison" to our marketplace has been recognised, and it is only when we are talking of the overall Group that we use "AWF Madison".
- TRANSITION from two very different operating platforms, using technology to ensure that efficiencies of scale are captured over time.
- TRANSITION to new leadership, which started at the top with Simon Bennett assuming the Chief Executive position through June/July 2015. We were delighted to report at the time a seamless transition.

As new leadership takes charge, change inevitably flows through the organisation at all levels. This takes time, and always comes at a cost.

From the Board's perspective, this organisational change assumed even more significance as it represented a generational change, ushering in renewed energy and a fresh leadership style.

The transition has seen the introduction of new systems and procedures that will help us to maximise the benefits of technology. A full review by new management of the requirements to structure client relationships will help build the value of the business ongoing.

As the 31 March 2016 financial year ended, we saw solid progress in meeting these challenges.

Such change within an organisation with over 4600 people on client sites each day requires constant and consistent attention to the organisation's culture itself.

In an organisation such as ours, the culture of Health and Safety is always a priority, and the Board is pleased to note the diligent attention Health and Safety receives at all levels of the organisation, every day.

Improvements were evident across the Group's 40 branches, business sites and offices, and these continue to be carefully monitored and measured as part of the organisation's commitment to itself and its people.

Particularly pleasing has been the organisation's pride in its measurement of workplace performance to exacting standards, and how that measurement has linked to client recognition of safe workplaces.

While the financial performance at year-end was disappointing after a steady first six months, the reality is that the $1.3 million of one-off costs that we incurred will provide benefits in the longer term.

The current year has started well and, while we don't provide forward indications in any detail or range, our targets for the 31 March 2017 year are for double-digit growth.

Accordingly, we would expect to be able to resume our objective of a steady lift in dividends off a much leaner and more efficient organisation.

Important to the AWF side of the Group has been the continued investment in accessing skilled resources from offshore, and we have very significant growth targets in this area.

It was also significant that we saw a better spread of business opportunities across the regions of New Zealand than we have previously reported, while at the same time strong growth continued in the main centres. As a Group, we have consistently sought over the years greater investment by business and government into the regions in the belief that that would provide a much stronger overall economy.

Finally, we were pleased to be able to confirm a final dividend of 8 cents per share to maintain the overall dividend for the year at 15.2 cents, fully imputed.

A year of Transition, indeed, but one in which the Group matured considerably and ushered in a new generation of leadership and business processes.

We anticipate updating shareholders on progress in the new financial year at the Annual Shareholders Meeting in Auckland on July 27.

Finally, I would again like to thank our staff for their hard work and commitment, and our customers for their loyalty and ongoing support.

On behalf of the Board

Ross Keenan
Chairman

Reconciliation of reported Profit for the Period to Underlying Earnings

	FY 2014	FY 2015	FY 2016
	$'000	$'000	$'000
Profit for the period	3,952	5,416	5,202
Add back amortisation of intangibles	967	1,861	1,820
Taxation effect on adjustments	(271)	(521)	(510)
Underlying earnings (1)	4,648	6,756	6,512
Earnings per share (cents)	**15.1**	**20.7**	**16.0**
Underlying earnings per share (cents)	**17.8**	**25.8**	**20.1**

(1) Underlying earnings are a non-GAAP measure. Please refer to Note 9 of the Notes to the Financial Statements.

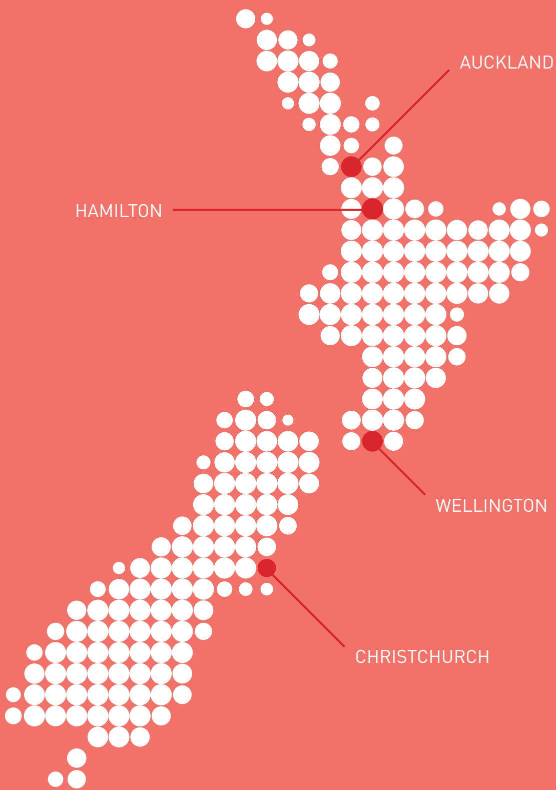
AWF Madison Group is New Zealand's largest and Madison – blue and white collar leaders

35	Branches
161	Staff

AWF has a 27 year history of supplying semi-skilled and skilled workers to the construction, infrastructure, manufacturing, food processing, timber processing and waste management sectors. Every day as many as 3,500 people are deployed on client sites. Through its 35 branches, hundreds of enterprises throughout New Zealand are provided with the human capital necessary to complete major projects, meet increased demand in goods and services, or to fill the skills gap in their permanent workforce.

recruitment company, comprising AWF respectively.

5	Offices
97	Staff



Madison was established in 1998 and over the years has been the recruitment partner to organisations of varying size within the private and public sectors. Its service spans entry level and support recruitment to that of professional roles and managerial positions. Weekly, over 1,100 temporary employees and independent professional contractors work on assignment in New Zealand's major cities. Each month, hundreds of permanent positions are filled by candidates who have been sourced and matched to specific business requirements and organisational culture fit.

CHANGING UP GEARS

CEO'S REPORT
- Simon Bennett

In the Strategy summary included in this report, we have mapped out our path to robust and sustainable earnings growth.

The 2016 financial year saw strong revenue growth across your Group against the backdrop of a continued high level of economic activity in the New Zealand market.

While it was disappointing to report a slightly lower bottom-line profit, the outlook for the recruitment market remains positive, underpinned by an exceptionally strong level of construction across the country, confidence among white-collar employers, skills shortages and changing workforce demographics.

The elements of the "construction boom" have been well-reported.

In Auckland, building and construction is forecast to peak at $16.3 billion in 2018, up 73% on 2013.

Reconstruction in Canterbury peaked early in 2015, but is expected to stay at high levels for the next 2-3 years.

In the Wellington region we are already filling order books for workers to undertake the Transmission Gully transport project, and other projects, such as the Wellington Northern Corridor, are in the planning stages.

In contrast to the 31 March 2015 year, we were also able to report a better spread of earnings around the regions.

In the commercial/white collar space the outlook is also promising.

Renewed hiring confidence post-GFC has resulted in a tightening market for qualified staff, tipping the balance in favour of candidates.

This makes it harder for employers, even those with dedicated recruitment teams, to fill roles. This underscores the value of agencies such as Madison, with a broad reach, large candidate pipeline, and increasingly sophisticated sourcing tools and strategies.

Anecdotally, average employee tenure is decreasing. This means that employers have to fill roles more often, again putting pressure on internal recruitment teams and underwriting the value of outsourced, agency recruitment.

Strong activity and a tight skills market have also favoured growth in the contracting market, particularly in IT and project work.

At the launch of our first Employment Market Report in March, we noted a trend towards interim executives, independent professionals and career contractors, rather than permanent headcount.

This reflects the global trend among employers to build into their workforces a contingent layer that maximises efficiency and flexibility.

A number of recent reports have drawn attention to the potential of automation and disruptive technologies to accelerate the pace at which "old economy" jobs will disappear and tomorrow's workers will need to equip themselves with new skills.

An NZIER study commissioned by Chartered Accountants of Australia and New Zealand last October predicted that 46% of New Zealand jobs were at risk of automation in the next 20 years.

This faster pace of change will increase the relevance of recruitment agencies who can offer both scale and reach.

The statutory and regulatory environment is changing, too.

The past year has seen the bedding-in of the Health and Safety At Work Act (2015) and the new supervisory agency, Worksafe New Zealand.

The new legislation imposes stringent requirements on all parties involved with safety at work, and is embedded in the very strong Health and Safety culture at AWF Madison.

Along with developments in technological systems capability, the Act has significantly raised the bar for all participants in the recruitment industry, and some players without organisational scale and access to capital will struggle to remain compliant and competitive.

For AWF Madison, all of these changes offer opportunities, and our challenge for the year, and years, ahead is to make the most of them.

In the Strategy summary included in this report, we have mapped out our path to robust and sustainable earnings growth.

Technological developments are driving efficiency and AWF's Operational Excellence Programme is embracing these to drive reduced cost and increased margin. This will also lead to a more flexible and an improved experience for our candidates and clients.

AWF also has a significant opportunity to develop its business in permanent placements, and we continue to expand our service offering into new areas such as drivers and transportation, and agricultural processing.

We will also take advantage of the strong growth in trades, engineering, skilled and semi-skilled positions.

One example is our apprenticeships partnership with Te Puni Kokiri (TPK), Te Mana o Whakaaro.

Another 50 cadets are completing this year's programme and TPK has indicated it is interested in an expanded number next year.

Madison is already well-positioned to take advantage of the economic and societal trends driving growth in temporary and related services, and the potential exists to see value and volume growth in permanent placement, too.

We are making changes that will take the business to the next level – optimising the consulting desk model and developing a systematic and scalable ability to grow.

In a continued environment of skills shortages, there has been increased political and media interest in the balance between immigration, local unemployment and skills training to maximise the labour resources New Zealand already has.

To meet demand, AWF – and on a lesser scale, Madison - have been sourcing appropriately-skilled workers from offshore, and we are stepping up our capabilities in this area.

Our view is that, globally, the mobility of labour will continue to increase, both to meet shorter-term demand in individual economies, and as professionals with sought-after skills transport them to where they are most needed.

Successful execution of our Strategies will see us become an ever more trusted, relevant, and valuable partner for our clients.

We have made a strong start to the current year, and we are confident that the change initiated during the past year of transition will translate to double digit earnings growth in the year to 31 March 2017.

On behalf of all our consultants and staff at AWF and at Madison, I'd like to express our thanks and appreciation to all the candidates we've worked with and placed over the past year. Our wish for them is to be well and safe, in their current and future roles.

OUR STRATEGY

We will continue to leverage our scale and expertise to achieve robust and sustainable earnings growth, while respecting and developing our people and always ensuring their safety, development and wellbeing.

The industry will reward our good systems, focus and execution with profitable growth.

We aim to achieve double digit growth in EBIT (earnings before interest and tax) through execution improvement initiatives which will impact cost and revenue to create sustainable value. We do not rule out acquisition to complement organic growth.

Our People

We will continue to be a people-focused business, with the highest quality of people driving the business forward.

Our people must all be well and feel safe at their workplace and we must ensure they complete each day's work unharmed.

We can grow profitably across the business by having:

- Highly engaged people with the capability to deliver quality client and candidate experiences
- Our people operating within robust frameworks that enable them to ensure we have the best safety and people outcomes for the business
- Robust frameworks to ensure we hire, identify, retain and develop key talent
- Leadership capability to drive the business forward

Our Market

Recruitment and the provision of people remains relevant and in demand. We are in a market that can be attractive if played well now and into the future.

Competent players in this industry make good returns for the risk involved, and excellent returns on net assets. Internal growth is limited by execution capability and systems – not by capital.

Statutory, regulatory and technological developments favour players with scale – allowing margins to be preserved.

Market growth is underpinned by two major economic and societal trends.

As average employee tenure with any one employer falls, staff turnover rates are increasing. This is creating growing demand for recruitment services for permanent positions.

And employers around the world are seeking the efficiency and flexibility of a "contingent" layer in their workforces. This is driving increasing demand for temporary and related recruitment services.

Even the larger players in the New Zealand recruitment services market have less than 5% share by sector. Service and candidates are bigger constraints to revenue and growth than competitor pricing.

Good execution over time should see players of scale able to take share and create new opportunities in a growing market, while maintaining margin.

Some small, niche players may also prosper, particularly high value recruiters in a strong economy.

The Opportunity

AWF Madison is potentially well-positioned to succeed in this marketplace because it has both superior scale and resources to smaller local competitors, and the nimbleness and ability to forge deep relationships that the local subsidiaries of international companies lack – "big enough to have scale, but small enough to care."

It is fundamentally strategic to us to:

- Implement strong human and digital systems to enhance efficiency, quality and scalability
- Configure ourselves to build on and expand our senior relationships
- Grow our ability to sell and to serve in ways that enhance quality

Our Focus

We can grow profitably across AWF and Madison by improving quality and efficiency internally, with existing and new business, and with candidates.

Our strategy is capability-based, focusing on growth through purposeful organic improvement.

We will deepen business with existing clients and sectors, and enter new sectors or enhance our capability – through opportunistic or small, planned steps. Expansion might include IT, health, drivers and transport, agricultural processing, and, potentially, full service labour provision arrangements or recruitment process outsourcing.

We are open to acquisitions where the fit is sound and the benefit sustainable.

Building strong relationships, sustained reliable and efficient performance; and superior compliance with labour and health and safety laws will allow us to:

- Differentiate ourselves on relationships and quality from unscrupulous, less sustainable, or less compliant competitors
- Remove duplication and improve branch activity in areas such as payroll, banking, customer relationship and candidate management
- Continue to compete in the low-skill labour sector to set standards and deter new entrant growth

While most staff, client and candidate experiences remain distinct between AWF and Madison, there is opportunity for information sharing, cross-selling, and common back office capability between AWF and Madison.

We have decided not to focus on:

- Expanding into roles, such as prime subcontractor, where we will potentially compete with clients
- Recruitment for CEOs and the senior executive market, where the potential exists to distract us from our higher-volume, more valuable core business
- Australian or other offshore market entry – although that might change with circumstances

Business Plan – AWF

AWF will improve its systems and effectiveness, enhancing the value of the branch network.

For AWF, the 2016 financial year has been a year of reshaping and rejuvenating the business. It was a time to refocus the strategy on our core strength – the provision of blue collar temporary labour.

We will drive a specific, 2-3 year programme of managed internal change, building strong, future-proof IT systems with duplication and inefficiency removed. We will improve the value and accuracy of the information we supply to customers and provide better quality client relationship and candidate handling through measured sales and service focus.

The "quality" of management will be advanced, with stronger management performance culture through the middle management, including Health and Safety and performance management within branches.

We will grow in trades, engineering, skilled and semi-skilled. We aim for 10%+ compounding EBIT growth from a mix of lower costs, higher average price realisation, new revenue streams and stronger volumes.

And we will drive a program of the right KPI (key performance indicators), the right communication and display, and appropriate IT support, in a managed change process that will, in time, build to a transformation.

Business Plan – Madison

Madison will pay attention to what works, and enable systematic and scalable growth in the organisation. Growth will be both organic, and through targeted channels.

We are building a robust sales plan, while preserving the essential role of the highly professional and motivated Madison consultant.

We will optimise the consulting desk model. This may mean appointing "senior" consultants, leveraged with support staff and "apprentices."

We will be more proactive on "understanding client space," and on a more co-ordinated approach to sectors or clients.

Better disciplines will be developed around measurement, feedback, incentives and staff development. Business development tools could be developed to further define systems, purpose and role clarity.

madison

NO TWO DAYS ALIKE

It's impossible to describe an "average" day at Madison, because there's really no such thing. We're a people business, and there are no average people.

Danielle McFadyen - Team Leader, Auckland South East

That has been especially brought home to me over the past year, not only because Madison's teams have been incredibly busy, but because I've stepped up into a management role, bringing me into even more daily contact with clients, candidates, candidate managers and consultants.

My new role means I've been managing three desks – two Business Support Desks and an HR and Health and Safety desk.

In my leadership role I check in with each consultant and candidate manager daily on their work load and activity. This might sound like micro-management, but it's actually an exercise in inclusion and support. Through having the conversations, the entire team is aware of what is happening, and that gives everybody the opportunity to support everyone else and achieve our common goals, month in, month out.

The new role has also meant dealing with clients outside my original, consultant portfolio, and the experience has made me more keenly aware of the loyalty our Madison clients have, and where that loyalty derives from.

Madison's brand strength comes from the big and small things each consultant does, each day.

We're in constant communication with all our candidates and clients. We need the resilience to pick up the phone and professionally sell Madison. We need to have the hard conversations with clients about their recruitment processes, and manage expectations that are sometimes unrealistic in a tight recruitment market with a shortage of quality candidates.

Collectively, we're drawing from a deep well of institutional knowledge: the history of each placement and the agreements we have in place; our knowledge of the industries we're recruiting for; our commercial sophistication in the way we communicate information.

When we get knocked down, we're able to get up again, and the way in which we conduct ourselves in the office, and offsite, is critical to success.

Our nuts-and bolts know-how is critical, too; paper-screening, phone-screening, interviewing, profiling candidates, and liaising and communicating via phone and email with clients.

We attend offsite client meetings, ensuring we have regular face presence, not only with each client but with each temporary candidate we deploy. We're cold calling daily, securing new business and filling roles; and are managing temps' performance and attendance issues. We are constantly managing Health and Safety expectations, and looking at ways to stay two steps ahead of the game.

On top of the team meetings I have regular, more formal one-on-ones. These are a platform for each consultant and candidate manager to discuss their successes, challenges and areas for development, and an opportunity for them to identify areas for improvement or change within the business.

No two days are ever the same here, but it's the consistency and enthusiasm we have in our service delivery that sets us apart and allows us to manage and resolve issues effectively.

DOING BUSINESS BETTER

Our days start early here. Yesterday began at 6.00am, on site with a major client for a safety meeting with our crew before they clocked on at 6.30am.

Mel Bourke – Business Manager, Hamilton

The office is at 27 Norton Rd in Frankton, about a five minute drive from the Hamilton CBD. But the business isn't really run from the office. The team – myself, Gary, Iaana and Robin – are mostly out and about, visiting crews and clients.

So we don't have a morning staff meeting as such. We'll catch up once everyone's in, but the office is run very "visually" – lots of whiteboards and information. We all know what we need to do, and we get on with it.

The job has changed a lot since I joined AWF three years ago. Back then, there was an abundance of candidates available, and they mostly had basic skills, such as a Class 1 driver licence.

With low unemployment, it's harder now to find people with those basic skills, and we spend more time on development and education – the life skills, even just things like getting yourself to work each day, on time. It's more challenging, and it keeps you on your feet.

And in that time we've come a long way in terms of how business is done. We have booking screens on our mobiles, and we have a well-informed and educated client network, who understand our ordering process well.

Having said that, mobiles mean we never really clock off, either – our office-based, remote style of work means we're always available for our clients and crew.

The range of work we recruit for is huge. Civil construction such as roading, building construction, manufacturing and logistics, machinery operator work, crane work, forwarding, container packing, and everything in between – furniture moving, picking tomatoes in glasshouses, seeding.

Health and Safety is Number One for us. When we interview, we make sure candidates are capable of taking in Health and Safety information, that they have their wits about them and that they're not going to be a risk.

We have to understand each crew as well as we can. They have Health and Safety representatives who use online modules to educate themselves about how to report, how to spot risks and deal with situations, and those reps meet monthly.

This process is about empowering people, and teaching them that Health and Safety is a positive thing that will lead to a safer as well as a happier working environment.

Disciplined processes and procedures mean we rarely have safety issues with clients. The businesses that we work with recognise the importance of having well-trained temporary field employees on their sites. We review our clients' Health and Safety policies before we place any of our people to identify any high-risk hazards.

Because of the skills shortages, we're recruiting constantly, but it's much more than just putting up an advertisement. We deal with training organisations and with Work and Income, we're upskilling the crew we've got, and we're planning ahead for the requirements of different seasons.

It's rewarding to be able to give people an opportunity, which may even end up with them going permanent with a client. Personally, I'm learning about new industries all the time, which makes it quite exciting for me. The more you understand about how an industry works, the more you can get your placements 100% correct.

FINANCIAL COMMENTARY

Revenue

Revenue grew strongly, by $18.2 million to $214.6 million from $196.4 million, a 9.3% increase on the prior year. Revenue sourced from providing services to Industry was 68% of total revenue and has grown 15.1% over the prior year, to $145.8. Revenue sourced from providing services to Commerce of $68.8 million, down from $69.8 million for the prior year, accounted for 32% of total revenue.

Underlying profit

This is a non-GAAP measure that adjusts for items of amortisation of acquired businesses. Directors believe this better reflects the underlying profitability of the Group. On this measure, profit, at $6.5 million, was slightly lower than last year ($6.8 million).

Net profit after tax

After-tax profit was $5.2 million, down 3.9% on the 31 March, 2015 year. Income tax expense rose slightly, by $46,000 to $2.4 million, with a rise in the effective tax rate to 31.9%, from 30.6%. The higher effective tax rate was due partly to non-deductible costs associated with the purchase of the B shares in AWF Christchurch Limited.

Dividend

An interim dividend of 7.2 cents per share (unchanged from the previous year) was paid on 4 December 2015.

A final dividend of 8.0 cents per share (FY2015 8.0 cents per share) will be paid on 4 July 2016, resulting in the total dividends paid for the year being 15.2 cents per share, the same as last year.

Total dividend payments for the year will be $5.0 million (interim plus final), compared with $4.6 million in the prior year, an increase of 8.7%. The increase in dividend payment on last year is due to the higher number of shares on issue following the 1 for 4 rights issue in February 2015.

Funding costs

Finance costs for the year were $1.3 million, down from $2.1 million last year, as a result of repayments made during the year of $0.8 million, lower debt levels in FY2016, and a lower average interest rate.

Cash flow

Operating cash flow, at $6.7 million, was down by $4.5 million on the previous period, due mainly to more pay days in FY2016 (53 versus 52 in FY2015), and higher debtor balances.

Equity

Equity attributable to equity holders of the parent (Shareholder's Funds) at 31 March, 2016 was $36.3 million (FY2015, $35.9 million), an increase of $0.4 million or 1%.

Trade and other receivables

Trade and other receivables at 31 March, 2016 were $33.1 million, compared with $28.0 million at 31 March, 2015. The increase was attributable to the Group's strong sales growth with its major customers, and one large overdue customer in Christchurch.

Borrowings

The Group has secured an $18.5 million term debt facility which expires at the end of 2018.

Net debt was $21.9 million as at 31 March, 2016 from $18.6 million in March 2015. The material movements in borrowings were related to $0.8 million of debt repaid in the year. A bank overdraft at year-end stood at $0.9 million, versus a positive balance of $3.2 million last year.

Other Current Liabilities

Trade and Other Payables were $18.8 million as at 31 March 2016, the same as in March 2015. There has been no material increase in the use of trade creditors.

BOARD OF DIRECTORS

ROSS KEENAN

Ross joined the Board in 2004 in the build-up to AWF's listing and is the group's Chairman and a non-executive director. He brings to the Board a wealth of corporate experience gained as Managing Director of Ansett New Zealand and later Newmans Group. Ross held management positions with Air New Zealand and Qantas from 1968 to 2000 in Fiji, Australia, Los Angeles and London. He is also a Director of Touchdown Ltd.

SIMON HULL

Simon founded the AWF business in 1988. He was AWF Managing Director for 27 years and is its largest shareholder. He has been instrumental in growing what is now the AWF Madison business from a single office in Penrose to its current market leading position. Before founding Allied Work Force, Simon was involved in farming, horticulture and small business management. He continues to be involved in marine-focused businesses as well as pursuing his onshore and offshore yacht racing passion.

WYNNIS ARMOUR

Wynnis joined the Board in January 2015 as a non-executive Director. After holding senior management positions in both the public and private sectors, (including Adecco - one of the largest global recruitment firms) Wynnis co-founded the Madison Group which was sold to AWF in 2013. She contributes a wealth of business experience and commercial acumen and a particular understanding of the AWF and Madison businesses. Wynnis is a member of Global Women and the Institute of Directors and is a Director of angel investor ArcAngels and of Armour Consulting.

EDUARD VAN ARKEL

Eduard (Ted) joined the board as a non-executive Director in 2004 after retiring as Managing Director of the supermarket group Progressive Enterprises Ltd. He previously held senior management positions at Woolworths NZ Ltd and Fletcher Merchants (PlaceMakers). Ted is currently Chairman of Restaurant Brands Ltd and The Warehouse Group Ltd, a Director of Abano Healthcare Group Ltd, as well as a Director of the Auckland Chamber of Commerce. He also serves on a number of private companies including Philip Yates Securities Ltd, Danske Mobler Ltd and his family-owned companies Lang Properties Ltd and van Arkel & Co Ltd. He is a Patron of Youthtown Inc.

JULIA HOARE

Julia joined the Board as a non-executive Director in 2013 after 20 years as a partner with PwC. Julia is an independent Director of Port of Tauranga Limited, Watercare Services Limited; and New Zealand Post Limited. She is also the Deputy Chairman of The a2 Milk Company Limited. She is on the National Council of The Institute of Directors and the Advisory Panel for the External Reporting Board.

RACHEL HOPKINS

Rachel joined the Board as an Associate Director from May 2015 as part of the Institute of Directors' Future Directors programme. She is the GM of Marketing and Communications at industry training organisation Competenz. Rachel has a Bachelor of Law degree and is a former Marketing Manager at the University of Auckland Business School and a former Marketing Director of business incubator The ICEHOUSE. Rachel attends Board meetings and sub-committee meetings as appropriate.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of AWF Madison Group Limited (AWF) is responsible for the corporate governance of the Company. The Board has established a culture that ensures commitment to and compliance with good corporate governance principles and ethical conduct is at the heart of the Company's business practices. The Company will continue to monitor developments in corporate governance practices and update its policies to ensure AWF maintains appropriate standards of governance.

This statement sets out the corporate governance policies, practices and processes followed by the Board throughout the year. AWF complies with the corporate governance principles set out in the NZX Corporate Governance Best Practice Code. The Company also complies with the principles in the Financial Markets Authority's Corporate Governance Principles and Guidelines.

The Board

The Board is responsible for the affairs and activities of the Company. It establishes the Group's objectives, strategies for achieving these objectives, the overall policy framework within which the business of the Group is conducted, and monitors Management's performance with respect to these matters. The Board has delegated the day-to-day management of the Group to the Chief Executive Officer. Other delegations are covered in a Delegations Policy

The Company's Constitution and the Board Charter set out the policies and guidelines for the operation of the Board.

Board Composition and Operations

As at 31 March 2016, the Board comprised six Directors. Ross Keenan (Chairman), Eduard van Arkel and Julia Hoare have been determined as independent Directors as defined by NZX Listing Rule 1.6.1. Simon Hull, and Wynnis Armour are Non-executive Directors, and Rachel Hopkins is an Associate Director.

The Board is elected by the shareholders of the Company. In accordance with the Company's constitution and the NZX Listing Rules, one third of the Directors are required to retire by rotation every year and may offer themselves for re-election by shareholders.

The Board holds regularly scheduled meetings and other meetings on an as required basis. Board papers are circulated ahead of each meeting. The Board has access to senior executives and external advisers to provide further information.

Board Remuneration

Directors' fees for the year ended 31 March 2016 totalled $315,000. A fee of $90,000 per annum is paid to the Chairman, $50,000 to Eduard van Arkel, Julia Hoare, Simon Hull and Wynnis Armour; and $25,000 to Rachel Hopkins. Further information is provided in the Statutory Information section of the annual report.

Directors may be eligible to participate in a Restrictive Share Scheme.

The terms of any Directors' retirement payments are as prescribed in the Constitution and require prior approval of shareholders in general meeting. No retirement payments have been made to any Director.

Board Committees

The Board has five formally constituted committees of Directors. Each Committee has a charter or terms of reference that establishes its purpose, structure and responsibilities. The Committees make recommendations to the Board and may only make decisions on matters for which they have been given specific authority.

1. Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee provides independent assurance and assistance to the Board and Chief Executive on the Company's risk, control and compliance framework, and its external financial reporting and accountability responsibilities.

The Committee is comprised of a majority of independent Directors. The members of the Committee are Julia Hoare (Chairperson), Eduard van Arkel, Ross Keenan, Wynnis Armour and Simon Hull.

The Committee meets at least twice per year, with external auditors of the Company and the AWF Madison executives responsible for internal audit management from within the Company in attendance. The Committee also meets with the external auditors with AWF Madison executives absent.

2. Remuneration Committee

The Remuneration Committee's purpose is to establish sound remuneration policies and practices that attract and retain high performing Directors and senior executives. The Committee ensures that executives and Directors are rewarded having regard to the Company's long term performance. The policies adopted are intended to align shareholder interests and employee interests by demonstrating a clear relationship between shareholder value and executive performance.

The members of the Committee are Simon Hull (Chairman), Ross Keenan, Eduard van Arkel, Julia Hoare and Wynnis Armour.

The Committee meets at least annually to review senior executive remuneration and incentives.

3. Nominations Committee

The Nominations Committee assists the Chairman with an annual evaluation of the Board and Director performance; to determine Director Independence and to identify and recommend to the Board individuals for nomination as members of the Board and its Committees.

All of the Board are members of this Committee.

The Committee meets at least annually.

4. Health and Safety Committee

The role of this Committee is to assist the Board to fulfil its responsibilities and to ensure compliance with all legislative and regulatory requirements in relation to the health and safety practices of the Company as those activities affect employees and contractors. It ensures that the Board members themselves are aware of their own responsibilities and duties under legislation, and are fully informed on all Health and Safety issues and targets.

All of the Board are members of this Committee.

The Committee reviews monthly reports presented by the Group Operations Health and Safety Committee and meets formally on a monthly (10 x per year) basis.

5. Organisation Committee

The Organisation Committee acts as a reference point for the Chief Executive in matters around organisational change as required from time to time. The Committee is also responsible for assisting the Board in the application of remuneration policies and best practice for the Board, Chief Executive and Senior Management.

The members of the Committee are Eduard van Arkel (Chairman), Ross Keenan, Simon Hull, Julia Hoare and Wynnis Armour.

Remuneration of Auditors

Details of remuneration paid to Auditors are set out in note 7 of the Financial Statements.

Non-Audit Services

The External Financial Auditors Independence Policy sets out the Company's position in regard to non-audit services.

Deloitte are the auditors of AWF Madison Group Limited and whilst its main role is to provide audit services to the Company, the Company does employ their specialist advice where appropriate. In each instance, the Board has considered the nature of the advice sought in context of the audit relationship. In accordance with the advice received from the Audit, Finance and Risk Committee, the Board does not consider these services have compromised the auditor independence for the following reasons:

- All non-audit services have been reviewed by the Audit, Finance and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermined the general principles relating to auditor independence, including not reviewing or auditing the auditor's own work, not acting in a management or decision-making capacity for the Company, not acting as advocate for the Company or not jointly sharing economic risk or rewards.

Share Trading

The Company has adopted a Securities Trading policy that sets out the formal procedures Directors and employees are required to follow to ensure compliance with the Securities Act 1988.

Diversity

The Company does not currently have a diversity policy however the Directors are considering the introduction of such a policy, consistent with their belief that a diverse workforce contributes to improved business performance, enables innovation and enhances the Company's relationship with its customers.

GENDER COMPOSITION OF DIRECTORS AND OFFICERS

	Directors	Officers (Senior Management)
MALE	3	5
FEMALE	3	2

Directors' indemnity and insurance

The Company has insured all its Directors and the Directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their position as Directors. The insurance does not cover liabilities arising from criminal actions.

The Company has executed Deeds of Indemnity with Directors, indemnifying them to the extent permitted by section 162 of the Companies Act 1993.

Risk Management

The Board is responsible for ensuring that key business and financial risks are identified and appropriate controls and procedures are in place to effectively manage those risks. In managing the Company's business risks, the Board approves and monitors policy and process in such areas as internal audit, treasury management, financial performance and capital expenditure. The Board also monitors expenditure against approved projects and approves the capital plan.

The Company has insurance policies in place covering most areas of risk to its assets and business. Policies are reviewed and renewed annually with reputable insurers.

Directors may seek their own independent professional advice to assist with their responsibilities. During the 2016 financial year no Director sought their own independent professional advice.

Interests Register

The Board maintains an Interests Register. In considering matters affecting the Company, Directors are required to disclose any actual or potential conflicts. Where a conflict or potential conflict has been disclosed, the Director takes no further part in receipt of information or participation in discussions on that matter.

Disclosure/Shareholder Relations

The Company has procedures in place to ensure key financial and material information is communicated to the market in a clear and timely manner.

Consistent with best practice and a policy of continuous disclosure, external communications that may contain market sensitive data are released through NZX in the first instance. Further communication is encouraged with press releases through mainstream media.

The Company's website is actively used as a portal for shareholder reports, news releases and other communications released to shareholders and media.

The Board formally reviews its proceedings at the conclusion of each meeting to determine whether there may be a requirement for a disclosure announcement.

Deloitte.

TO THE SHAREHOLDERS OF AWF GROUP LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AWF Madison Group Limited and its subsidiaries ('the Group') on pages 23 to 51, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors are responsible on behalf of the company for the preparation and fair presentation of these consolidated financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the consolidated financial statements.

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

Other than in our capacity as auditor, we have no relationship with or interests in AWF Madison Group Limited or any of its subsidiaries.

Opinion

In our opinion, the consolidated financial statements on pages 23 to 51 present fairly, in all material respects, the financial position of AWF Madison Group Limited and its subsidiaries as at 31 March 2016, and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Deloitte

Chartered Accountants
25 May 2016
Auckland, New Zealand

AWF Madison Group Limited

Statement of Comprehensive Income
for the year ended 31 March 2016

	Notes	31/03/2016 $'000	31/03/2015 $'000
Revenue	4	214,589	196,434
Investment revenue		35	112
Direct costs		(3,058)	(2,692)
Employee benefits expense	7	(190,333)	(172,112)
Depreciation and amortisation expense	7	(2,772)	(2,812)
Other operating expenses		(9,488)	(9,013)
Finance costs	5	(1,333)	(2,109)
Profit before tax	7	7,640	7,808
Income tax expense	6.1	(2,438)	(2,392)
Profit for the period		5,202	5,416
Total comprehensive income for the period, net of tax		5,202	5,416
Profit for the period income is attributable to equity holders of the Group		5,202	5,416
Total comprehensive income is attributable to equity holders of the Group		5,202	5,416
Earnings per share			
Total basic and diluted earnings per share (cents/share)	8	16.0	20.7

These financial statements should be read in conjunction with the notes to the financial statements on pages 27 to 51.

AWF Madison Group

Statement of Financial Position
as at 31 March 2016

		31/03/2016	31/03/2015
	Notes	$'000	$'000
Assets			
Non-current assets			
Property, plant and equipment	13	1,922	2,143
Goodwill	14	28,694	28,694
Other intangible assets	15	14,191	16,300
		44,807	47,137
Current assets			
Trade and other receivables	11	33,117	27,996
Cash and cash equivalents	10	-	3,151
		33,117	31,147
Total assets		77,924	78,284
Equity and liabilities			
Capital and reserves			
Share capital	19	27,946	27,946
Treasury account	20	(641)	(641)
Group share scheme reserve	21	370	177
Retained earnings	22	8,599	8,449
Total equity		36,274	35,931
Non-current liabilities			
Deferred tax liabilities	6.3	191	529
Borrowings	17	18,500	-
		18,691	529
Current liabilities			
Trade and other payables	16	18,818	18,824
Bank Overdraft	10	870	-
Borrowings	17	2,500	21,759
Taxation payable	6.2	326	929
Provisions	18	445	312
		22,959	41,824
Total liabilities		41,650	42,353
Total equity and liabilities		77,924	78,284

These financial statements should be read in conjunction with the notes to the financial statements on pages 27 to 51.

AWF Madison Group

Cash Flow Statement
for the year ended 31 March 2016

	Notes	31/03/2016 $'000	31/03/2015 $'000
Cash flows from operating activities			
Receipts from customers		210,112	192,709
Interest Received		35	112
Payments to suppliers and employees		(203,444)	(181,618)
Net cash generated from operations		6,703	11,203
Income taxes paid		(3,356)	(2,909)
Interest paid		(1,289)	(2,109)
Net cash from operating activities	26	2,058	6,185
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		75	66
Payments for property, plant and equipment	13	(299)	(695)
Payments for intangible assets	15	-	(212)
Acquisition of subsidiaries		-	(6,000)
Net cash (used in)/from investing activities		(224)	(6,841)
Cash flows from financing activities			
Dividends paid to equity holders of the parent	23	(5,052)	(3,902)
Proceeds from rights issue	19	-	13,563
Proceeds from borrowings		-	6,000
Repayment of borrowings		(803)	(15,000)
Net cash from/(used in) financing activities		(5,855)	661
Net increase in cash and cash equivalents		(4,021)	5
Cash and cash equivalents at the beginning of the period		3,151	3,146
Cash and cash equivalents at the end of the period			
Bank balances and cash	10	(870)	3,151

These financial statements should be read in conjunction with the notes to the financial statements on pages 27 to 51.

AWF Madison Group Limited

Statement of Changes in Equity
for the year ended 31 March 2016

	Notes	Share capital	Retained earnings	Group share scheme reserve	Treasury account	Total
		$'000	$'000	$'000	$'000	$'000
2015						
Balance at 1 April		14,545	6,935	86	(803)	20,763
Profit and total comprehensive income for the year			5,416			5,416
Payment of dividends	23		(3,902)			(3,902)
Recognition of share-based payments	21			91		91
Restricted shares redeemed	20	(162)			162	-
Renounceable rights issue	19	13,563				13,563
Balance at 31 March		27,946	8,449	177	(641)	35,931
2016						
Profit and total comprehensive income for the year			5,202			5,202
Payment of dividends	23		(5,052)			(5,052)
Recognition of share-based payments	21			193		193
Balance at 31 March		27,946	8,599	370	(641)	36,274

These financial statements should be read in conjunction with the notes to the financial statements on pages 27 to 51.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

AWF Madison Group Limited (the Company) is a listed company incorporated in New Zealand. The address of its registered office and principal place of business are disclosed in the directory to the annual report. The principal activities of the Group comprising AWF Madison Group Ltd and its subsidiaries are described in note 4.

The Company is a profit-oriented entity incorporated and domiciled in New Zealand. Its principal services are the supply of temporary staff and recruitment of permanent staff.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards as appropriate for profit-oriented entities.

The Group is an FMC reporting entity for the purposes of the Financial Market Conduct Act 2013 and the Financial Reporting Act 2013; and its financial statements comply with those Acts, the Companies Act 1993, and the NZX listing rules.

The financial statements comply with the International Financial Reporting Standards ('IFRS'). The financial statements were authorised for issue by the directors on 25 May 2016.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The functional and the presentation currency of the Group is New Zealand dollars.

2.3 Restatement of comparative results

The revenue and employee benefits for the prior year comparatives have been restated to reflect a change in the way certain rebates are being shown in the current year. These rebates were previously shown in the employee expense line. There is no effect on the prior year profit figures. The prior year revenue has been reduced by $1.08m and the employee expense has been reduced by the same amount. These adjustments have been reflected on the Statement of Comprehensive Income and in notes 4 and 7.

The principal accounting policies adopted are set out below.

2.4 Accounting judgements and major sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Refer to note 3 for further discussion.

2.5 Adoption of new and revised Standards and Interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2015. We have adopted all mandatory standards which became effective during the year, none of which had a material impact on the financial statements.

Standards, amendments and interpretations to existing standards that are not effective have not been early adopted by the Group.

New standards that have been published, but not yet effective and which management consider may have a material impact when they are adopted are outlined below:

NZ IFRS 9 Financial instruments – effective for accounting periods beginning on or after 1 January 2018 with early adoption permitted. This standard introduces new requirements for the classification and measurement of financial assets. All recognised financial assets that are currently in the scope of NZ IAS 39 will be measured at either amortised cost or fair value. In order for financial assets to be measured at amortised cost certain criteria must be met. A revision to NZ IFRS 9 also adds guidance on the classification and measurement of financial liabilities. Most of the requirements in NZ IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to NZ IFRS 9. Most of the requirements in NZ IAS 39 in relation to the de-recognition of financial assets and financial liabilities have been retained, but additional disclosures are now required under NZ IFRS 7. This new standard and subsequent revision are likely to affect the Group's accounting for its financial assets and liabilities. However, the Group is yet to assess NZ IFRS 9's full impact and has not yet decided when to adopt NZ IFRS 9.

NZ IFRS 15 Revenue from contracts with customers – effective for accounting periods beginning on or after 1 January 2017. This standard addresses recognition of revenue from contracts with customers and replaces the current revenue recognition guidance in NZ IAS 18 Revenue. The Group is yet to assess NZ IFRS 15 for its full impact on Group financial statements.

NZ IFRS 16 Leases – effective for accounting periods beginning on or after 1 January 2019. The new leases standard eliminates the distinction between operating and finance leases for lessees and will result in lessees bringing most leases onto their balance sheet. The main changes affect lessee accounting only – lessor accounting is mostly unchanged from NZ IAS17 Leases. The Group is yet to assess NZ IFRS 16 for its full impact on Group financial statements.

2.6 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the Company:

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

The Company reassesses 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 listed above.

With effect from 1 April 2005, AWF Madison Group Limited acquired the share capital of AWF Limited (previously known as Allied Work Force Regional Limited), effected through an exchange of equity interests. AWF Limited has the power to govern the financial and operating policies of AWF Madison Group Limited and in accordance with NZ IFRS 3 Business Combinations, was treated as the acquirer for reporting purposes and the business combination of AWF Limited and AWF Madison Group Limited was accounted for as a reverse acquisition. The effect of this treatment is that the financial statements represent a continuation of the business of AWF Limited.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

1. the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
2. the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under NZ IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.7 Goods and services tax

Revenues, expenses, liabilities and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

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

2.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.8.1 Rendering of services

Revenue from the provision of services is recognised when the services are provided. Permanent placement fees are recognised in the accounting period when a candidate accepts an offer of employment. Temporary and contractors placements fees are recognised when services are provided.

2.8.2 Dividend and interest revenue

Dividend and interest revenue is presented as investment revenue in the statement of comprehensive income. Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis using the effective interest method.

2.9 Borrowing costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2.10.2 Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

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

2.10.3 Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

2.11 Cash Flow Statement

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the consolidated cash flow statement:

- Operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

2.12 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2.13 Property, plant and equipment

Fixtures and equipment, motor vehicles and leasehold improvements are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, over their useful lives, using the diminishing value method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease when there is no reasonable certainty that ownership will be obtained by the end of the lease term.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.14 Goodwill

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognised.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount is the higher of fair value less cost to sell and the value in use. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss on goodwill is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.15 Intangible assets

2.15.1 Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

2.15.2 Intangible assets acquired separately with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.15.3 Intangible assets acquired separately with indefinite useful lives are not amortised and are reviewed for impairment on an annual basis or whenever there is an indication that the asset may be impaired as per NZ IAS 36.

2.16 Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

The impairment of intangible assets with indefinite lives is treated as per note 2.15.3 above.

2.17 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. All of the financial assets of the Group, which include trade and other receivables, other current assets (deposits), are classified as loans and receivables at amortised cost.

2.17.1 Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value and subsequently at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

2.17.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount in cash and are subject to an insignificant risk of changes in value.

2.17.3 Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. All of the financial liabilities of the Group, which include trade and other payables and borrowings, are classified as financial liabilities at amortised cost.

2.17.4 Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and settlement or redemption of borrowing is recognised as interest over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see note 2.9).

2.17.5 Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

2.17.6 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2.18.1 Rehabilitation under the ACC partnership program

A provision for rehabilitation is recognised when there is a present obligation as a result of a work place accident and it is probable that an outflow of economic benefit will be required to settle the obligation, and the amount of the provision can be measured reliably.

2.19 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

2.20 Share-based payments

The Group operates an equity-settled share based incentive scheme for senior staff and directors that is settled in ordinary shares. The fair value of these share-based payments is calculated on grant date using an appropriate valuation model. The fair value is included in employee benefits expense on a straight line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. The same amount is credited to shareholders equity. At each balance date, the Group re-assesses its estimates of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in employee benefits expense immediately, with a corresponding adjustment to shareholders equity.

2.21 Stock Appreciation Rights (SAR's)

The Group operates an equity-settled stock appreciation right scheme for its chief executive that is settled in ordinary shares. The fair value of the stock appreciation rights are treated as share based payments as per the requirements of NZ IFRS 2 (Share Based Payment). The fair value of the SAR's are calculated on grant date using an appropriate valuation model. The fair value is included in employee benefits expense on a straight line basis over the vesting period. The same amount is credited to shareholders equity.

3. Accounting judgments and major sources of estimation uncertainty

3.1 Judgement in applying accounting policies

The following judgements, apart from those involving estimates that the directors have made in the process of applying the entity's accounting policies and those that have the most significant effect on the amounts recognised in these financial statements are:

Operating segments

Determining whether operating segments can be aggregated together as a reportable segment requires the directors to consider whether the operating segments are similar in the nature of their services, the nature of the production processes, the type or class of customer for their services, the methods used to provide their services and the nature of the regulatory environment.

Amortisation of identifiable intangible assets

Determining the period over which identifiable intangible assets are amortised requires the directors to consider the useful lives of the assets. The directors use their judgement in determining the useful lives of these assets.

3.2 Major sources of estimation uncertainty

The following are the key assumptions concerning the future, and other major sources of estimation uncertainty, at 31 March 2016, that have a material risk of resulting in an adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the group of cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from those cash-generating units and a suitable discount rate in order to calculate present value.

Details of the value in use calculation are provided in note 14.

Recovery of overdue debt

Determining the recoverability of debts owed by a customer requires a view on whether services provided by that customer to a third party are valid and to the correct standard. The customer is reliant on being paid by the third party for services provided before they are able to pay the Group. The Group has taken a view based on professional advice and information received from various interested parties.

The aged receivable is detailed in note 11.

4. Segment information

4.1 Services from which reportable segments derive their revenues

The directors have identified the following reportable segments.

Temporary staffing to industry

The Group operates branches in major towns and cities throughout New Zealand. Each branch or a combination of branches where operating in the same market are considered to be separate operating segments for which discrete financial information is available and whose operating results are regularly reviewed by the Group's chief operating decision maker. All branches derive their revenues from temporary staffing services to industry. All operating segments have been aggregated into a single reportable segment on the basis that the nature of the services, the nature of the operating processes, the type or class of customer for the services, the methods used to provide their services and the nature of the regulatory environment are the same for all branches.

Temporary, contract and permanent staff services to commerce

The Group operates branches under the brand name Madison. Brand names included in this segment in the year ended 31 March 2016 were: Madison Recruitment and Madison Force in major cities throughout New Zealand. Each branch or a combination of branches where operating in the same market are considered to be separate operating segments for which discrete financial information is available and whose operating results are regularly reviewed by the Group's chief operating decision maker. All branches derive their revenues from temporary, contract and permanent staff services to commerce. All operating segments have been aggregated into a single reportable segment on the basis that the nature of the services, the nature of the operating processes, the type or class of customer for the services, the methods used to provide their services and the nature of the regulatory environment are the same for all branches.

All revenues from external customers, and non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are attributed to the Group's country of domicile.

The Group's reportable segments under NZ IFRS 8 are therefore as follows:

- Temporary staffing services to industry
- Temporary, contract and permanent staff services to commerce

4.2 Segment revenue and results

	Segment revenue		Segment profit	
	2016	**2015**	**2016**	**2015**
	$'000	$'000	$'000	$'000
Continuing operations				
Temporary staffing to industry	145,803	126,664	7,067	7,498
Temporary, contract and permanent staff services to commerce	68,786	69,770	4,004	4,264
Total for continuing operations	**214,589**	**196,434**	**11,071**	**11,762**
Other income			35	112
Central administration costs and directors' fees			(2,133)	(1,957)
Finance costs			(1,333)	(2,109)
Profit/(loss) before tax			7,640	7,808
Income tax expense			(2,438)	(2,392)
Total revenue and profit	**214,589**	**196,434**	**5,202**	**5,416**

Revenue reported above represents revenue generated from external customers. Inter-segment sales in the year were $333,458 (2015: $238,670) and have been eliminated from the above table.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment revenue, finance costs, and income tax expense. This is the same measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

4.3 Segment assets

	2016	2015
	$'000	$'000
Temporary staffing to industry	35,773	33,776
Temporary, contract and permanent staff services to commerce	41,534	42,521
Total segment assets	77,306	76,297
Unallocated assets	618	1,987
Total assets	77,924	78,284

For the purposes of monitoring segment performance and allocating resources between segments, the chief executive officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalents and tax assets of the parent. Goodwill has been allocated to reportable segments as described in note 14. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

4.4 Segment liabilities

	2016	2015
	$'000	$'000
Temporary staffing to industry	13,567	13,137
Temporary, contract and permanent staff services to commerce	6,406	8,691
Total segment liabilities	19,973	21,828
Unallocated liabilities	21,677	20,525
Total liabilities	41,650	42,353

For the purposes of monitoring segment performance and allocating resources between segments, the chief executive officer monitors the liabilities attributable to each segment. All liabilities are allocated to reportable segments other than bank loans and tax liabilities.

4.5 Other segment information

	Depreciation and amortisation		Employee benefits		Additions to non-current assets	
	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000
Temporary staffing to industry	1,105	1,123	134,974	109,699	(709)	(503)
Temporary, contract and permanent staff services to commerce	1,667	1,689	54,145	61,199	(1,621)	(1,498)
Unallocated			1,214	1,214		
Total	2,772	2,812	190,333	172,112	(2,330)	(2,001)

4.6 Geographical information

The Group operates in one geographical area New Zealand (country of domicile). All revenues from external customers, and non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are attributed to the Group's country of domicile.

4.7 Information about major customers

The Group has one customer in the temporary, contract and permanent staff services to commerce segment which individually accounted for 11.0% of the 2016 Group revenue (2015 11.3%). The Directors do not consider the exposure to this customer represents a significant risk to the Group.

5. Finance costs

	2016	2015
	$'000	$'000
Interest on bank overdrafts and loans	1,289	2,009
Other interest expense	44	100
	1,333	2,109

6. Income taxes

6.1 Income tax recognised in profit or loss

	2016	2015
	$'000	$'000
Current tax expense in respect of the current year	3,068	3,268
Deferred tax benefit relating to the origination and reversal of temporary differences	(630)	(876)
Total tax expense	2,438	2,392

The total charge for the year can be reconciled to the accounting profit as follows:

	2016	2015
	$'000	$'000
Profit before tax	7,640	7,808
Tax at the income tax rate of 28% (2015:28%)	2,139	2,186
Tax effect of expenses that are not deductible in determining taxable profit	299	206
Tax expense and effective rate for the year	2,438	2,392
	31.9%	30.6%

The tax rate used for the reconciliation above is the corporate tax rate of 28% (2015: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

6.2 Current tax assets and liabilities

	2016	2015
	$'000	$'000
Current tax liabilities		
Income tax payable	326	929

6.3 Deferred tax balances

The following are the major deferred tax assets/(liabilities) recognised by the Group, and the movements thereon, during the current reporting period.

	ACC levies	Staff Expense Accruals	Bad Debt Provisions	ACC Rehabilita-tion Claims	Identifiable Intangible Assets	Total
	$'000	$'000	$'000	$'000	$,000	$'000
At 1 April 2014	227	910	108	75	(2,725)	(1,405)
Charge (credit) to profit or loss for the year	30	157	(9)	(17)	715	876
At 31 March 2015	257	1,067	99	58	(2,010)	(529)
Prior period adjustment	-	-	(50)	-	(242)	(292)
Charge (credit) to profit or loss for the year	(184)	212	166	67	369	630
At 31 March 2016	73	1,279	215	125	(1,883)	(191)

6.4 Imputation balances

	2016	2015
	$'000	$'000
Imputation credits available for subsequent reporting periods based on a tax rate of 28%	7,153	5,968

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax; and
- Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date.

The consolidated amounts include imputation credits that would be available to the parent entity if subsidiaries paid dividends.

The imputed portions of the final dividends recommended after 31 March 2016 will be imputed out of existing imputation credits or out of imputation credits arising from the payment of income tax in the year ended 31 March 2017.

7. Profit for the year

	2016	2015
	$'000	$'000
Profit before income tax	7,640	7,808
Profit before income tax has been arrived at after charging the following expenses from continuing and discontinued operations:		
Bad and doubtful debts expense	504	167
Depreciation and amortisation expense:		
Depreciation of property, plant and equipment	663	675
Amortisation of intangible assets	2,109	2,137
Total depreciation and amortisation expense	2,772	2,812
Net (profits)/losses on disposal of property, plant and equipment	8	31
Employee benefits:		
Equity-settled share-based payments	193	91
Employer contributions to Kiwisaver	2,132	2,096
Purchase of employee held shares (non-equity)	400	-
Employee benefits	187,608	169,925
Total employee benefits	190,333	172,112
Remuneration of auditors:		
Audit of financial statements	145	125
IT advisory services	-	3
Fees paid to auditors	145	128
Donations	13	11

8. Earnings per share

	2016	2015
Total comprehensive income for the year net of tax	$5.202 m	$5.416 m
Number of ordinary shares:		
As at 31 March	32,463,393	32,463,393
Weighted average number of shares	32,463,393	26,179,527
Adjusted weighted average number of shares	32,463,393	26,179,527
Total basic and diluted earnings per share (cents per share)	16.0	20.7

9 Supplementary information - underlying earnings

Underlying earnings is a non-GAAP measure which adjusts for amortisation of identifiable intangible assets acquired through acquisition of subsidiaries, profit on disposal of subsidiaries and impairment of goodwill. In the opinion of the directors, underlying earnings more correctly reflects the operating performance of the Group. This treatment is consistent with the previous reporting period.

	2016	2015
	$'000	$'000
Profit for the year	5,202	5,416
Add back Amortisation of Intangible assets	1,820	1,861
Deferred tax effect on adjustments	(510)	(521)
Underlying earnings after tax	6,512	6,756

Underlying earnings per share

	2016	2015
Underlying earnings after tax	6.512m	6.756m
Adjusted weighted average number of shares	32,463,393	26,179,527
Total basic and diluted underlying earnings per share	20.1	25.8

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at 31 March as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2016	2015
	$'000	$'000
(Bank overdraft)/Cash at bank	(870)	3,151

AWF Madison Group Limited has a guarantee to New Zealand Exchange Limited for $75,000 dated 24 May 2005.

11 Trade and other receivables

	2016	2015
	$'000	$'000
Trade and other receivables	33,706	28,338
Allowance for doubtful debts	(589)	(342)
	33,117	27,996

Trade receivables

The credit period on sale of services is between 7 and 30 days, unless otherwise agreed. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest can be charged at 1.5 per cent per month on the outstanding balance.

Before accepting a new customer, the Group conducts reference checks using external sources. Customer checks and approval of credit limits are performed independently of the sales function, and are reviewed on an ongoing basis.

Included in the Group's trade receivable balance are debtors with a carrying amount of $2.95 million (2015: $2.95 million) which are overdue at the reporting date. In determining the level of doubtful debts provision an assessment has been made of the collectability of this debt. The Group does not hold any collateral over these balances.

One large overdue debtor owes the group $1.3m due to significant growth in key infrastructure projects. The payment to the Group is dependent on variation payments to the debtor being approved and paid by head contractors in the projects. Due to the length of time this debt has been outstanding and the lack of certainty surrounding the variation invoices, the Group has taken steps to ensure it receives the debt it is owed by appointing a liquidator. The Group has also provided $0.3m against this debt in case the variations are not all approved by the head contractors.

Ageing of overdue receivables that are not impaired

	2016	2015
	$'000	$'000
30-60 days	1,475	2,234
60+ days	1,476	718
Total	2,951	2,952

Movement in provision for doubtful debts

	2016	2015
	$'000	$'000
Opening balance	342	377
Impairment losses recognised	510	306
Amounts written off as uncollectable	(163)	(204)
Impairment losses reversed	(100)	(137)
Closing balance	589	342

The Group's management has reviewed outstanding debtors on a branch-by-branch basis and the doubtful debt provision at 31 March 2016 represents the best estimate of amounts that will not be collected. The concentration of credit risk is limited due to the size of the customer base. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for doubtful debts.

Ageing of impaired trade receivables

	Group	
	2016	2015
	$'000	$'000
0-30 days	12	86
30-60 days	11	3
60+ days	566	253
Total	589	342

12. Subsidiaries

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
2016				
Allied Work Force Limited	NZ	100	100	Labour hire
Allied Work Force Christchurch Limited (1)	NZ	100	100	Labour hire
Madison Recruitment Limited	NZ	100	100	Recruitment
Madison Force Limited	NZ	100	100	Recruitment
2015				
Allied Work Force Limited	NZ	100	100	Labour hire
Allied Work Force Christchurch Limited (1)	NZ	100	100	Labour hire
Madison Recruitment Limited	NZ	100	100	Recruitment
Madison Force Limited	NZ	100	100	Recruitment

1. The Company has "B shares" on issue equating to 12.5% of the total shares in the Company and are entitled to distributions. These shares, which were held by an employee were purchased by the Company during the year.

13. Property, plant and equipment

	Motor vehicles	Fixtures and equipment	Leasehold improvements	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 April 2014	1,497	2,547	1,028	5,072
Additions	247	435	13	695
Disposals	(153)	(617)	(55)	(825)
At 1 April 2015	1,591	2,365	986	4,942
Additions	82	399	44	525
Disposals	(240)	(53)	(6)	(299)
At 31 March 2016	1,433	2,711	1,024	5,168
Accumulated depreciation				
At 1 April 2014	863	1,624	365	2,852
Depreciation charge for the year	205	393	78	676
Eliminated on disposals	(111)	(590)	(28)	(729)
At 1 April 2015	957	1,427	415	2,799
Depreciation charge for the year	189	406	68	663
Eliminated on disposals	(177)	(38)	(1)	(216)
At 31 March 2016	969	1,795	482	3,246
Carrying amount				
At 31 March 2016	464	916	542	1,922
At 31 March 2015	634	938	571	2,143

The following diminishing value rates are used for the depreciation of property plant and equipment:

Motor vehicles	25 to 36%
Fixtures and equipment	10 to 60%
Leasehold improvements	4 to 14%

During the year, fixtures and equipment to the value of $226,000 were acquired at no cost in a contract with a new supplier. A corresponding liability has been recognised in the balance sheet to reflect transfer of ownership of these assets should the contract be terminated early.

14. Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following groups of cash-generating units:

- Temporary staffing services to industry
- Temporary, contract and permanent staff services to commerce

Goodwill is measured as the excess of the sum of the consideration paid less the fair value of the identifiable net assets recognised.

	2016	2015
	$'000	$'000
Balance at 1 April and 31 March	28,694	28,694
Allocation to cash generating units		
AWF Manufacturing and Logistics - Wellington	1,201	1,201
AWF Trades - Wellington	1,280	1,280
AWF Kaitaia	383	383
AWF Auckland branches	5,712	4,793
AWF Queenstown	10	10
AWF Waihi	815	815
Tradeforce Recruitment	1,160	2,079
Madison Group	18,133	18,133
Total Goodwill	28,694	28,694

14.1 Annual test for impairment

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of each cash-generating unit is determined from value in use calculations which use a discounted cash flow analysis. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted financial performance. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and risk specific to the cash generating units. The growth rates are based on management's best estimate. Changes in selling price and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares annual cash flow forecasts derived from the most recent financial budgets approved by the Board for the subsequent year and estimates of future cash flows based on an estimated growth rate of 1.5% (2015: 2.5%-3.0%). This rate does not exceed the average long-term growth rate for the relevant markets.

The discount rate used to discount the forecast cash flows is 6.7% (2015: 7.1%). The discount and growth rates have been consistently applied to all cash generating units.

The goodwill attached to all acquired cash generating units is tested annually and supports the current goodwill values.

During the year, the customer base of Tradeforce was split between trades and labour customers. The labour customers were transferred to a branch in the Auckland region. To reflect this split, the Tradeforce goodwill has been split between Tradeforce Recruitment and AWF Auckland.

15. Other intangible assets

Other intangible assets represent the value of client relationships, brand names and restraints of trade acquired through business combinations (where the economic value can reliably be assessed) and computer software.

	Software	Customer Relationships	Brand Name	Restraint of Trade	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 April 2014	1,813	10,506	7,465	441	20,225
Additions	212	-	-	-	212
At 1 April 2015	2,025	10,506	7,465	441	20,437
Additions	-	-	-	-	-
At 31 March 2016	2,025	10,506	7,465	441	20,437
Accumulated Amortisation					
At 1 April 2014	230	1,740	-	31	2,001
Amortisation charge for the year	275	1,788	-	73	2,136
At 1 April 2015	505	3,528	-	104	4,137
Amortisation charge for the year	289	1,746	-	74	2,109
At 31 March 2016	794	5,274	-	178	6,246
Carrying amount					
At 31 March 2016	1,231	5,232	7,465	263	14,191
At 31 March 2015	1,520	6,978	7,465	337	16,300

The amortisation expense has been included in the line item "depreciation and amortisation expense" in the Statement of Comprehensive Income.

The useful lives of customer relationships used in the calculation of amortisation ranges from 4 to 6 years based on directors' views of the asset life.

Computer software is amortised at a rate of 14.3% from the time it is brought into use. Brand Names are considered to have an indefinite life.

Brand Names and Customer relationships are allocated to the Madison Group cash generating unit.

16. Trade and other payables

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

	2016	2015
	$'000	$'000
Trade payables	2,156	2,278
GST	3,473	3,001
PAYE	1,921	1,863
Accruals	11,268	11,682
	18,818	18,824

The directors consider that the carrying amount of trade payables approximates their fair value.

17. Borrowings

	2016	2015
	$'000	$'000
Bank loan	21,000	21,759
	21,000	21,759
Classified as:		
Current	2,500	21,759
Non-current	18,500	
	21,000	21,759

17.1 Summary of borrowing arrangements

The Group has bank loan facilities with ANZ Bank New Zealand Limited. The Group has a term loan facility of $18.5 million of which $18.5 million was drawn at 31 March 2016 (2015: $19.3 million).

The loan facilities are secured by cross guarantee and indemnity between AWF Limited, AWF Madison Group Limited, AWF Christchurch Limited Madison Recruitment Limited and Madison Force Limited.

Interest is calculated on a floating rate and the annual weighted average rate is 5.31% (2015: 5.77%). The rate is reset every three months. The loan is an interest only loan and is repayable on 31 December 2018. The balance at 31 March 2016 was $18,500,000 (2015: $19,302,500).

The Group also has a Commercial Flexi Facility with ANZ Bank New Zealand Limited.

The facility is secured by cross guarantee and indemnity between AWF Limited, AWF Madison Group Limited, AWF Christchurch Limited, Madison Recruitment Limited, and Madison Force Limited.

Interest is calculated on a floating rate and the annual weighted average rate is 5.75% (2015: 6.75%). The rate is reset every three months. The facility is payable on demand and management predict the balance outstanding will substantially be repaid within 12 months. The balance at 31 March 2016 was $2,500,000 (2015: $2,500,000).

18. Provisions

	2016	2015
	$'000	$'000
At 1 April	312	272
Expenses incurred	(201)	(185)
Additional provisions	296	93
Adjustment to prior provisions	38	132
At 31 March	445	312

Provisions represent management's best estimate of the Group's liability for ongoing medical and rehabilitation costs for open claims in terms of the partnership agreement with Accident Compensation Corporation, based on past experience and the nature of the open claims.

19. Share capital

The share capital reflected in the following note represents the share capital of AWF Madison Group Limited.

	2016	2015
	$'000	$'000
Issued and fully paid:		
As at 1 April	27,946	14,545
Renounceable rights issue	-	13,563
Redemption of Restricted Shares	-	(162)
As at 31 March	27,946	27,946
Number of fully paid ordinary shares	32,463,393	32,463,393
Restricted Shares Issued:		
Number of restricted A shares	127,800	127,800
Number of restricted B shares	128,400	128,400
Number of restricted C shares	158,000	230,000
Number of restricted D shares	237,000	345,000
Total Shares on Issue	33,114,593	33,294,593

Renounceable rights issue

In March 2015 the Group made an underwritten 1 for 4 renounceable rights issue. 6,658,890 new ordinary shares were issued at $2.10 per share. The total direct costs of the issue were $0.421 million and $13.563 million net proceeds were recognised as additional share capital.

The Group has five classes of shares all of which carry no right to fixed income.

20. Treasury account

During a previous period, AWF Madison Group Limited purchased 321,000 of its own shares for $802,500 to be held as treasury stock. On 19 November 2012 these shares were converted to 192,600 Restricted A shares and 128,400 Restricted B shares and allocated to staff and directors under the Group share scheme (see note 21). These shares are reflected as treasury stock in the statement of financial position.

At 31 March 2016, there were 256,200 shares held as treasury stock with a value of $640,500 (2015:$640,500).

21. Share based payments

21.1 Employee and Director share scheme

The Group has an ownership-based compensation scheme for senior employees and directors of the Group. In accordance with the provisions of the restricted share scheme, as approved by shareholders, senior employees and directors may, at the discretion of the Board, be granted the opportunity of purchasing restricted shares at a price determined by the Board under the rules of the scheme.

Invited participants purchase the shares by way of an interest free loan from the Group. There have been four issues of restricted shares as detailed below. Participants may convert their shares from the vesting date and only when they have repaid the loan from the Group. The shares issued to participants are held as security for the loan until such time the loan has been repaid. Restricted shares are entitled to all the rights as ordinary shares, including dividends and full voting rights, but are not tradable until they are converted to ordinary shares based on the terms of the scheme.

At 31 March 2016, there were 651,200 (2015: 831,200) shares held by staff members and corresponding loans to the value of $1,655,650 (2015: $2,118,250).

The following share-based payment arrangements were in existence during the current year.

Restricted share series	Number	Grant date	Vesting date	Expiry date	Issue price	Fair value at grant date
					$	$
(1) Restricted A shares issued 19 November 2012	127,800	19/11/2012	01/06/2015	01/06/2017	2.50	0.72
(2) Restricted B shares issued 19 November 2012	128,400	19/11/2012	01/06/2014	01/06/2016	2.50	0.63
(3) Restricted C shares issued 30 July 2014	230,000	30/07/2014	01/01/2017	01/01/2018	2.57	0.62
(4) Restricted D shares issued 30 July 2014	345,000	30/07/2014	01/07/2019	01/07/2020	2.57	0.87

The rules of the restricted share scheme (which for accounting purposes are treated as share options) allow participants to hand back to the Group restricted shares issued to them at the vesting date (or during the exercise period) should the market price of the shares be below the exercise price. If the restricted shares are handed back to the Group, the loan from the Group is cancelled. Due to the nature of the restricted share scheme, the scheme has been treated as a share option scheme under NZ- IFRS 2 Share-based Payment and a value placed on each restricted share in accordance with the standard.

Restricted shares are valued using Black-Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise, and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 2 years. To allow for the effects of early exercise, it was assumed that senior employees and directors would exercise the options immediately after vesting.

Inputs into the model

	A Shares	B Shares	C Shares	D Shares
Issue Date	19/11/2012	19/11/2012	30/07/2014	30/07/2014
Vesting Date	1/06/2015	1/06/2014	1/01/2017	1/07/2019
Asset Value at Issue Date	$2.48	$2.48	2.45	2.45
Strike Price	$2.50	$2.50	2.57	2.57
Days until vesting	-	-	276	1,187
Expected Life	-	-	0.8	3.3
Risk Free Rate	2.50%	2.50%	4.00%	4.00%
Annualised Volatility	30.00%	30.00%	30.00%	30.00%
Option Value ($)	**0.72**	**0.63**	**0.62**	**0.87**

The following reconciles the outstanding restricted shares granted under the restricted share scheme at the beginning and end of the year:

	Options	Weighted average exercise price	Options	Weighted average exercise price
	2016	2016	2015	2015
	Number	$	Number	$
Balance at 1 April	831,000	2.55	321,000	2.50
Issued during the year	-	-	575,000	2.57
Cancelled during the year	(180,000)	2.57	(64,800)	2.50
Balance at 31 March	651,200	2.54	831,200	2.55

The restricted shares outstanding at 31 March had a weighted average exercise price of $2.54, and a weighted average remaining contractual life of 823 days (2015: 1,495 days).

The expense recognised by the Group in the current reporting period is $132,000 (2015: $91,000) (note 7).

21.2 Stock Appreciation Rights

During the year the Group set up a long term incentive scheme whereby the participant is offered stock appreciation rights (SAR's). These are to be settled in ordinary shares, subject to certain performance conditions being met as measured by the Total shareholder return (change in the market value of ordinary shares and amount of cash dividends paid) and the holder being a current employee at the vesting date. The fair value of the SAR's were determined using an adjusted Binomial model which incorporates performance conditions by taking into consideration the potential pay-off scenarios of the SARs.

Inputs into the model	S.A.R.'s
Issue Date	24/07/2015
Vesting Date	1/07/2020
Share price as at grant date	2.34
Reference Price	2.28
Days until vesting	1552
Expected Life	4.25
Risk Free Rate	3.0%
Annualised Volatility	27.5%
SAR Value ($)	**0.20**

The expected volatility was determined by assessing the Group's continuously compounded daily returns for the two year period prior to the grant date.

As at 31 March 2016 there were 2,000,000 SAR's in the scheme with a value of $404,000.

The expense recognised by the Group in the current reporting period is $61,000 (2015: $0) (note 7).

22. Retained earnings and dividends

	Group	
	2016	2015
	$'000	$'000
Balance at 1 April	8,449	6,935
Dividends paid	(5,052)	(3,902)
Total comprehensive income for the year attributable to equity holders of the parent	5,202	5,416
Balance at 31 March	8,599	8,449

23. Dividends

	2016		2015	
	Cents per share	Total	Cents per share	Total
		$'000		$'000
Recognised amounts				
Prior year final dividend	8.0	2,664	7.6	1,986
Interim dividend	7.2	2,388	7.2	1,916
		5,052		3,902
Unrecognised amounts				
Final dividend	8.0	2,649	8.0	2,664

On 25 May 2016 the directors approved the payment of a fully imputed final dividend of 8.0 cents per share (total dividend $2,647,631) to be paid on 4 July 2016 to all shareholders registered on 27 June 2016.

24. Financial instruments

Capital risk management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2015.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents (note 10) and equity attributable to equity holders of the Group, comprising issued share capital, treasury account and retained earnings as disclosed in notes 19, 20 and 22 respectively.

The directors review the capital structure on a periodic basis. As part of this review the directors consider the cost of capital and the risks associated with each class of capital. The directors will balance the overall capital structure through payment of dividends, new share issues, and share buy backs as well as the issue of new debt or the redemption of existing debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of less than three months. The carrying amount of these assets approximates their fair value.

Fair Value of Financial Instruments

The carrying amounts of financial instruments at balance date approximate the fair value at that date.

Financial Risk Management Objectives

The Group monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

Credit Risk

The Group's principal financial assets are cash and cash equivalents, and trade and other receivables.

The credit risk on liquid funds is limited because the counterparty is a bank with a high credit-rating assigned by international credit-rating agencies. The maximum credit risk on other balances is limited to their carrying values without taking into account any collateral held.

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk as exposure is spread over a large number of customers.

Liquidity Risk

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.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The 'adjustment' column reconciles the undiscounted cash flows to the carrying amount recognised at 31 March. To the extent that interest cash flows are at floating rates, the undiscounted cash flows are derived from interest rates at 31 March.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjust-ments	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016								
Non-Interest Bearing		7,998	6,723	4,097	-	-	-	18,818
Floating Interest	4.63	2,581	162	729	18,500	-	(972)	21,000
		10,579	6,885	4,826	18,500	-	(972)	39,818
2015								
Non-Interest Bearing		9,346	6,456	3,022	-	-	-	18,824
Floating Interest	5.99	2,601	202	20,243	-	-	(1,287)	21,759
		11,947	6,658	23,265	-	-	(1,287)	40,583

Currency Risk

The Group does not undertake transactions in foreign currencies and therefore has no currency risk.

Interest Rate Risk

The sensitivity analysis has been based on the exposure to interest rates for borrowings at 31 March.

A 50 point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit/equity for the year ended 31 March would increase/decrease by $76,563 (2015 $160,020).

25. Related party transactions

25.1 Controlling entity

The SA Hull Family Trust No.2, which holds 16,746,462 shares are the ultimate controlling entities of the Group, having a 51.59% holding.

25.2 Trading transactions

During the year, Group entities entered into the following trading transactions with a related party that is not a member of the Group:

	Property leases	
	2016	2015
	$'000	$'000
Hull Properties Limited	37	36

Simon Hull is a shareholder of Hull Properties Limited. Lease payments are on commercial terms. No amounts remain unpaid at 31 March 2016 (2015: Nil).

25.3 Compensation of key management personnel

The remuneration of directors and other members of key management during the year is as follows:

	2016	2015
	$'000	$'000
Short-term benefits	1,525	1,300
Share based payments	98	42
	1,623	1,258

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

26. Net cash flow from operating activities

	2016	2015
	$'000	$'000
Reported profit after tax	5,202	5,416
Non-cash items:		
Depreciation and amortisation	2,772	2,812
Loss on disposal of property, plant and equipment	8	31
Movement in deferred tax	(338)	(876)
Movement in bad debt provision plus bad debt write off in current year	504	167
Capitated Acquisition Finance Costs	44	75
Fixed Assets acquired at no cost	(226)	-
Equity-settled share-based payments	193	91
Total Non-cash items	2,957	2,300
Movements in working capital excluding movements relating to purchase of subsidiaries:		
Decrease/(increase) in trade and other receivables, net of bad debt expense	(5,625)	(3,486)
(Decrease)/Increase in trade and other payables	(6)	1,556
Increase in provisions	133	40
Decrease in taxation payable	(603)	359
	(6,101)	(1,531)
Net cash inflows from operating activities	2,058	6,185

27. Operating lease arrangements

	2016	2015
	$'000	$'000
Minimum lease payments under operating leases recognised as an expense in the year	1,991	1,986

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2016	2015 (Restated)
	$'000	$'000
Within one year	2,002	1,742
In the second to fifth years inclusive	3,668	2,179
After five years	1,833	-
	7,503	3,921

Operating lease payments represent rentals payable by the Group for its operational properties, motor vehicles and printers.

Property leases are negotiated for an average term of nine years and rentals are fixed for an average of three years. Property leases contain clauses for rental increases in line with CPI.

Motor vehicles are negotiated for a period of three to five years and are fixed. Printers are negotiated for between three and four years.

A prior year adjustment has been made to adjust for the non-contractual commitments previously recognised under operating lease arrangements. The effect has been to reduce the commitment by $3.7m.

28. Capital commitments and contingent liabilities

The Group has a commitment of $250,000 to fit out new premises for Madison and Group administration at 31 March 2016 (2015: $Nil).

The Group has no contingent liabilities at 31 March 2016 (2015: $Nil).

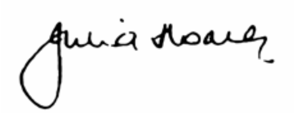
29. Events after the reporting period

29.1 Final dividend

On 25 May 2016 the directors approved the payment of a fully imputed final dividend of 8.0 cents per share (total dividend $2,647,631) to be paid on 4 July 2016 to all shareholders registered on 27 June 2016.

30. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 25 May 2016.



Director
25 May 2016

Director
25 May 2016

COMPANIES ACT 1993 DISCLOSURES

The Directors of AWF Madison Group Limited submit herewith the annual financial report of the company for the financial year ended 31 March 2016. In order to comply with the Companies Act 1993, the Directors report as follows:

The names and particulars of the Directors of the company during or since the end of the financial year are:

Directors Name	Particulars
Ross Keenan	Chairman, joined the board in 2005 in a non-executive capacity. Mr Keenan is a member of the Audit, Finance and Risk Committee, the Organisation Committee and the Remuneration Committee.
Simon Hull	Director, founding shareholder and director. Mr Hull is a director and member of the Audit, Finance and Risk Committee, the Organisation Committee and Chairman of the Remuneration Committee.
Eduard van Arkel	Director, joined the board in 2005 in a non-executive capacity. Mr van Arkel is Chairman of the Organisation Committee, a member of the Audit, Finance and Risk Committee and the Remuneration Committee.
Julia Hoare	Director, joined the board in 2013 in a non-executive capacity. Ms Hoare is Chairperson of the Audit, Finance and Risk Committee and a member of the Organisation Committee and the Remuneration Committee.
Wynnis Armour	Director, joined the board in 2015 in a non-executive capacity. Ms Armour was a founding shareholder of Madison Recruitment Limited and is a member of the Organisation Committee, the Audit, Finance and Risk Committee and the Remuneration Committee.
Rachel Hopkins	Associate Director, joined the Board in 2015.
Michael Huddleston	Director and Chief Executive Officer. Joined the board in 2010. Resigned from the Board and retired as CEO, on 24th June 2015.

Entries recorded in the Interests Register

Entries in the Interest Register made during the year and disclosed pursuant to sections 211(1)(e) and 140(1) of the Companies Act 1993 are as follows:

(a) Directors' Interests in transactions

The Directors had no interests in transactions in the current year.

(b) Share dealings by Directors

The following table sets out each Directors relevant interest in shares of the company as at the date of this report.

Director	Ordinary shares	Restricted A shares	Restricted B shares
Ross B Keenan	156,875	18,000	12,000
Eduard K Van Arkel	67,000	10,800	7,200
Simon A Hull	16,716,462		
Michael Huddleston (resigned 24 June '15)	37,133	45,000	30,000
Wynnis Armour	217,375		

Disclosure of interests by Directors

Where applicable, the disclosures also include directorships of subsidiaries of the relevant companies.

EDUARD KOERT VAN ARKEL

AWF Madison Group Ltd	Director
Restaurant Brands NZ Ltd	Chairman
Auckland Regional Chamber of Commerce	Director
Lang Properties Ltd	Director
Van Arkel & Co Ltd	Director
Danske Mobler Ltd	Director
The Warehouse Group Ltd	Chairman
Abano Healthcare Group	Director
Phillip Yates Securities Ltd	Director
Indemnity from the Company under the D&O Insurance policy	

ROSS B. KEENAN

AWF Madison Group Ltd	Chairman
Touchdown Ltd	Director
Indemnity from the Company under the D&O Insurance policy	

SIMON HULL

AWF Madison Group Ltd	Director
Allied Work Force Ltd	Director
Allied Work Force Christchurch Ltd	Director
Hull Properties Ltd	Director
Nano Imports Ltd	Director
Multihull Ventures Ltd	Director
Marlborough Developments Ltd (2007)	Director
The New Zealand Initiative	Director
Indemnity from the Company under the D&O Insurance policy	

MIKE HUDDLESTON

AWF Madison Group Ltd	Director (Resigned on 24/6/15)
Allied Work Force Ltd	Director (Resigned on 24/6/15)
Allied Work Force Christchurch Ltd	Director (Resigned on 24/6/15)
Madison Force Ltd	Director (Resigned on 24/6/15)

JULIA HOARE

AWF Madison Group Ltd	Director
New Zealand Post Ltd	Director
Port of Tauranga Ltd	Director
A2 Milk Company Ltd	Director
Watercare Services Ltd	Director
Accounting Standards Review Board	Director
External Reporting Boards Advisory Panel	Member
New Zealand Institute of Directors National Council.	Member
Indemnity from the Company under the D&O Insurance policy	

WYNNIS ARMOUR

AWF Madison Group Ltd	Director
Armour Consulting Ltd	Director
ArcAngels	Director
Maby Ltd	Director
The Common Grounds Cafe Ltd	Director
Indemnity from the Company under the D&O Insurance policy	

RACHEL HOPKINS

AWF Madison Group Ltd	Associate Director
Hodhop Trustee Company Limited	Director
Indemnity from the Company under the D&O Insurance policy	

Changes in state of affairs

During the year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Director Remuneration

The following table discloses the remuneration of the Directors of the company:

Director	Annual	Fees paid in year	Salary and Bonus	Share-based payments	Total
	$'000	$'000	$'000	$'000	$'000
Ross Keenan	90	90		5	95
Eduard van Arkel	50	50		3	53
Simon Hull	50	50			50
Julia Hoare	50	50			50
Wynnis Armour	50	50			50
Michael Huddleston (resigned 24/6/15)			478*	12	490
Rachel Hopkins	25	23			
		313	478	20	811

* Inclusive of all payments made to Managing Director upon his resignation

Employee Remuneration

Grouped below, in accordance with section 211(1)(g) of the Companies Act 1993, are the number of employees or former employees of the company, excluding Directors of the company, who received remuneration and other benefits in their capacity as employees, totalling $100,000 or more, during the year:

Remuneration	Number of Employees	
	2016	2015
$100,000 - 109,999	5	9
$110,000 - 119,999	4	12
$120,000 - 129,999	1	4
$130,000 - 139,999	1	2
$140,000 - 149,999	7	3
$150,000 - 159,999	3	3
$160,000 - 169,999		
$170,000 - 179,999	1	3
$190,000 – 199,999		1
$200,000 - 209,999	1	
$250,000 – 259,999		1
$260,000 - 269,999	1	1
$280,000 – 289,999		1
$320,000 – 329,999		2
$450,000 - 459,999		1
$460,000 - 469,999	1	
$470,000 - 479,999	1	

Additional stock exchange information
As at 28 May 2015

Share registry

Link Market Services
Level 11, Deloitte Centre
80 Queen St, Auckland 1010
New Zealand

PO Box 91976
Auckland, 1142
New Zealand
Telephone: +64 9 375 5998

Distribution of holders of quoted shares

Size of holding	Number of fully paid ordinary shareholders	Percentage	Number of fully paid share	Percentage
1 – 1000	46	8.52	28,590	0.09
1001 – 5000	227	42.04	692,729	2.13
5001 - 10000	103	19.07	777,143	2.39
10001 - 50000	127	23.52	2,654,495	8.18
50001 - 100000	18	3.33	1,327,092	4.09
100001 and Over	19	3.52	26,983,344	83.12
TOTAL	540	100	32,463,393	100

Substantial security holders

Pursuant to sub-part 3 of part two of the Securities Markets Act 1988, the following persons have given notice at 25 May 2016 that they were substantial security holders in the company and held a "relevant interest" in the number of fully paid ordinary shares shown below:

Substantial security holder	Fully paid shares in which relevant interest is held		
	Number	Percentage	Date of notice
SA Hull	16,716,462	51.49%	7/04/2015
Milford Asset Management Limited	1,341,047	5.20%	23/01/2014

Twenty largest holders of quoted equity securities

Investor	Total Units	Percentage
Simon Alexander Hull & David John Graeme Cox	16,746,462	51.59%
New Zealand Central Securities Depository Limited	4,462,811	13.75%
Russell John Field & Anthony James Palmer	1,125,000	3.47%
Masfen Securities Limited	980,869	3.02%
David Mitchell Odlin	466,375	1.44%
Peter Abe Hull & Antoinette Ngaire Edmonds & Rennie Cox Trustees No 1 Ltd	435,196	1.34%
Susanne Rhoda Webster	426,750	1.31%
Ian Harold Holland	333,800	1.03%
FNZ Custodians Limited	314,852	0.97%
Joanna Hickman & John Anthony Callaghan & Kevin James Hickman	245,170	0.76%
Simon James Bennett	225,875	0.70%
Wynnis Ann Armour & Jocelyn Patricia Dutton	217,375	0.67%
Custodial Services Limited	161,250	0.50%
Ross Barry Keenan	156,875	0.48%
Garrett Smythe Limited	156,250	0.48%
Custodial Services Limited	154,690	0.48%
FNZ Custodians Limited	145,456	0.45%
Lay Dodd Trustee Services Limited & Patricia Anne Neal	121,713	0.37%
Custodial Services Limited	106,575	0.33%
Philip John Talacek	100,000	0.31%
	27,083,344	83.45%

DIRECTORY

Directors

Ross Keenan (Chairman)
Eduard van Arkel (Independent Director)
Julia Hoare (Independent Director)
Simon Hull (Non-Executive Director)
Wynnis Armour (Non-Executive Director)
Rachel Hopkins (Associate Director)

Auditor

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