Tutt Bryant Group Limited

Level 1
67-73 St Hilliers Road
Auburn NSW 2144

Locked Bag 3001
Auburn NSW 2144
Australia

Tel 61 2 9646 6000
Fax 61 2 9646 6093

ABN 89 009 242 675
www.tuttbryantgroup.com.au

29 May 2009

ASX Online
Australian Securities Exchange Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir,

Tutt Bryant Group Limited
Annual Financial Report 31 March, 2009

Please find attached the captioned report for Tutt Bryant Group Limited
.

Yours faithfully,

Stephen E. Fisher
Company Secretary

Tutt Bryant Group Limited
and its controlled entities
ABN 89 009 242 675

Annual Financial Report
31 March 2009

Tutt Bryant Group Limited and its controlled entities

Annual Financial Report

For the year ended 31 March 2009

Contents

Tutt Bryant Group Limited and its controlled entities

Directors' report

For the year ended 31 March 2009

The directors present their report together with the financial report of Tutt Bryant Group Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 31 March 2009 and the auditor's report thereon.

1 Directors

The directors of the Company at any time during or since the end of the financial year are:

Name and independence status	Age	Experience, special requirements and other directorships
Mr. Bernard L. Carrasco – Chairman and Independent Non-Executive Director	**66**	Mr Carrasco is Chairman of RR Australia Limited. Mr Carrasco's previous positions include being the Chief Executive Officer of Email Metering, Chief Financial Officer and a Director of OneSteel Limited, Chief Financial Officer of BHP Steel Group and a Director of Steel and Tube Holdings Limited (New Zealand). Mr Carrasco is Chairman of the Remuneration and Nomination Committee and is a member of the Audit, Risk and Compliance Committee. Mr Carrasco was appointed as a director on 31 October 2005.
Mr. David J.F.P. Haynes - Managing Director	**63**	David Haynes joined Tutt Bryant as an executive director in 1996 and was appointed Managing Director in 1999. He has a mechanical engineering background and since leaving the British Army in 1987 and arriving in Australia, Mr Haynes has held various senior management and executive director positions in various industries which include construction, property development and commercial property management, capital goods sales, franchising and hospitality. His diversity of experience has been gained from working with a mixed portfolio of businesses within the same Group.
Mr Stephen E. Fisher – Chief Financial Officer and Company Secretary	**59**	Stephen Fisher joined Tutt Bryant in 1971 and has held many senior financial and operational positions with various companies within Tutt Bryant Group Limited and its predecessors during his career. He was appointed an executive director of Tutt Bryant Group Limited in 1999 and is also the Chief Financial Officer and Company Secretary. Mr Fisher is a qualified accountant and is a Fellow of both the Chartered Secretaries of Australia and National Institute of Accountants in Australia.

1. Directors (continued)

Name and independence status	Age	Experience, special requirements and other directorships
Mr. Bryan M. Gardiner – Independent Non Executive Director	**62**	Bryan Gardiner was appointed as a non-executive director of Tat Hong Holdings Ltd in 1997 and resigned from the Board in October 2005. He was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1970. He was a partner in the law firm Talbot & Olivier until 1985. From 1985 to 1989 he was the in-house counsel for an Australian mining group, and from 1990 to 1995 a senior solicitor with Mallesons Stephen Jaques. After practising on his own account for 10 years, Mr Gardiner now practices as a consultant to Gadens lawyers in Perth and is Chairman of Total Staff Solutions Ltd and The WA Land Valuers Licensing Board. Mr Gardiner is also a non-executive director of Eastman Group Ltd and the subsidiaries of John Wood Group PLC in Australia. Mr Gardiner is Chairman of the Audit, Risk and Compliance Committee. Mr Gardiner was appointed as a director on 31 October 2005.
Mr. Kym B. Godson – Independent Non Executive Director	**65**	Kym Godson has extensive experience as a director of industrial businesses. He has previously held senior management positions in several divisions within the ACI/Acmil/PGH Group and was Managing Director of Atlas Steels from 1990 until its takeover by Email in 1995. From 2001 until 2005 he was Managing Director of Atlas Group Holdings Limited. In February 2007 he was re-appointed Managing Director and Chief Executive Officer of that company until October 2008. He is currently a director of Bisalloy Steels Group Limited and Chairman of Paula's Choice Pty. Limited. He is a Fellow of Australian Institute of Management and a Fellow of the Australian Institute of Company Directors. Mr Godson is a member of the Audit, Risk and Compliance Committee and Remuneration and Nomination Committee. Mr Godson was appointed as a director on 31 October 2005.
Mr. San Tiong (Roland) Ng – Non Executive Director	**56**	Roland Ng joined the Tat Hong Group in 1979 and has been Managing Director of Tat Hong Holdings Ltd since 1991 (a subsidiary of which is the major shareholder in Tutt Bryant Group Limited). He has more than 25 years experience in the heavy equipment and plant hire industries. Mr Ng is a member of the Remuneration and Nomination Committee and is considered to be a non-independent director. Mr Ng was appointed as a director in 1989.

1. Directors (continued)

Name and independence status	Age	Experience, special requirements and other directorships
Mr. Sun Ho (Tony) Ng – Non Executive Director	**55**	Tony Ng joined the Tat Hong Group in 1975 and has more than 30 years experience in the heavy equipment and plant hire industries. He was appointed as an Executive Director of Tat Hong Holdings Ltd in 1991 (a subsidiary of which is the major shareholder in Tutt Bryant Group Limited). Currently, Mr. Tony Ng is Tat Hong Holdings Ltd's Deputy Managing Director and is a non executive non independent Director of Kian Ho Bearings Ltd. Mr Ng was appointed as a director in 1992. Mr Ng is considered to be a non-independent director.
Mr Chen Wei Ng – Non Executive Director	**31**	Chen Wei Ng has over 7 years of experience in the Structured Finance team of the investment bank ABN Amro. During this time, he worked on a variety of structured debt and advisory transactions across a number of industries including infrastructure, power and utilities, and natural resources. Prior to leaving the bank at the end of 2008, Chen Wei, in his position as a Director in the team, was responsible for delivering private finance solutions for major infrastructure assets, including those procured via Public Private Partnerships (PPP). Mr. Ng was appointed an alternate director for Mr. San Tiong Ng in January 2006 and was appointed a director on 1 April 2008. Mr. Ng is considered to be a non-independent director.

2 Directors Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit, Risk & Compliance Committee Meetings		Remuneration & Nomination Committee Meetings	
	Attended	Held	Attended	Held	Attended	Held
B Carrasco	6	6	2	2	2	2
D Haynes	6	6	2	2	2	2
K Godson	5	6	2	2	2	2
B Gardiner	5	6	2	2	-	-
S Fisher	6	6	2	2	2	2
ST Ng	4	6	-	-	2	2
SH Ng	5	6	-	-	-	-
CW Ng	6	6	-	-	-	-

3 Corporate Governance Statement

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

3.1 Board of Directors

Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for the overall corporate governance of the consolidated entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting. Details of the Board's Charter are located on the Company's website (www.tuttbryantgroup.com.au).

The board has delegated responsibility for operation and administration of the Company to the Managing Director and executive management. Responsibilities are delineated by formal authority delegations.

Board processes

To assist in the execution of its responsibilities, the board has established a number of board committees including a Remuneration and Nomination Committee and an Audit, Risk and Compliance Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis. The board has also established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full board currently holds scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the Chairman, Managing Director and Company Secretary. Standing items include the managing director's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

Director education

The consolidated entity has a formal process to educate new directors about the nature of the business, current issues, corporate strategy and expectations concerning performance of directors. Directors periodically visit operational facilities and meet with divisional management to gain a thorough understanding of the business operations.

3.1 Board of directors (continued)

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and may seek independent professional advice from a suitably qualified adviser at the consolidated entity's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

Composition of the board

The board currently comprises six non executive Directors, the Managing Director and the Chief Financial Officer. Details of the Directors are set out on pages 1 to 3.

The minimum number of directors is three and the maximum number of directors is currently ten. Directors are elected at annual general meetings of the Company.

At the date of this report, the board does not have a majority of independent Directors as recommended in Principle 2 of the ASX Corporate Governance Council's recommendations. The board comprises three non-independent non-executive Directors and three independent non-executive Directors and two executive Directors being the Managing Director and the Chief Financial Officer.

The Managing Director will not retire by rotation. All other directors (be they non-executive directors or the Chief Financial Officer) must retire by rotation. One third of the other directors (rounded down to the nearest whole number) will retire at each annual general meeting. In any case, no other director may retain office for more than three years or until the third annual general meeting following that director's appointment, whichever is the longer period. In each case, if the retiring director is eligible, they may then seek re-election.

Board Committees

The board may from time to time establish appropriate committees to assist it in the discharge of its responsibilities. However, the board will not delegate any of its decision making authority to those committees.

The committees established by the board are listed in the following table:

Audit, Risk and Compliance	Remuneration and Nomination
Bryan Gardiner (Chairman)	Bernard Carrasco (Chairman)
Kym Godson	Kym Godson
Bernard Carrasco	San Tiong (Roland) Ng

3.2 Audit, Risk and Compliance Committee

The board ensures that an independent director who is not Chairman of the board, remains Chairman of the committee and that the committee has at least three members, the majority of whom are independent directors.

Responsibilities

The Audit, Risk and Compliance Committee assists the board in fulfilling its corporate governance and oversight responsibilities in relation to:

- the accuracy and completeness of the financial statements of the Company;
- the integrity of the Company's accounting and financial reporting;
- the Company accounting policies and practices and consistency with accounting standards;
- the scope of work, independence and performance of the internal and external auditors;
- compliance with legal and regulatory requirements;
- compliance with the Company's risk policy framework;
- the Company's control environment;
- the overall efficiency and effectiveness of the Company's financial operations; and
- the Company's overall risk management program.

Members of management and the external auditor attend meetings of the Audit, Risk and Compliance Committee by invitation.

The Managing Director and the Chief Financial Officer declared in writing to the board that the financial records of the Company for the financial year have been properly maintained, the Company's financial reports for the year ended 31 March 2009 comply with Accounting Standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

3.3 Remuneration and Nomination committee

The board ensures that an independent director of the board remains Chairman of the Remuneration and Nomination Committee and that the Committee has at least three non executive director members, the majority of whom are independent directors.

Responsibilities

The Remuneration and Nomination Committee assists the board in its oversight responsibilities by monitoring and advising on:

- remuneration packages of senior executives, non-executive directors and executive directors;
- employee equity plans;
- executive contracts;
- recruitment, retention and termination policies relating to the board and senior executives;
- succession plans of senior executives and executive directors; and
- monitoring the size and composition of the board.

3.4 Remuneration report-audited

3.4.1 Remuneration policies

Remuneration levels for key management personnel, being directors and senior executives of the Company, and relevant group executives of the consolidated entity ("the directors and senior executives") are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The remuneration committee obtains independent advice on the appropriateness of remuneration packages given trends in comparative companies and the objectives of the Company's remuneration strategy.

The remuneration structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the directors and senior executives;
- the directors and senior executives ability to control the relevant segment/s' performance;
- the divisional and consolidated entity's performance; and
- the growth in share price and delivery of expected returns on shareholder wealth.

The following principles are applied by the consolidated entity:

- remuneration frameworks are linked to measures of shareholder value and the financial performance of the consolidated entity;
- employee and shareholder interests are aligned through employee equity plans;
- short term incentive rewards for senior executives are linked fundamentally to the consolidated entity's performance, but also to individual performance via a performance management framework which will include assessment of financial measures; and
- long term incentive rewards for senior executives are based on meeting performance based hurdles that relate entirely to corporate shareholder value parameters.

Remuneration Structure

Remuneration packages include a mix of fixed and variable remuneration and short and long-term performance based incentives.

In addition to their salaries, the consolidated entity also provides non-cash benefits to its key management personnel, and contributes to a post-employment defined contribution plan on their behalf.

Certain executive directors also participate in the consolidated entity's Performance Rights Plan.

Fixed remuneration

Fixed remuneration consists of base remuneration including non-monetary benefits such as motor vehicles (which is calculated on a total cost basis and includes any FBT charges relating to employee benefits), as well as employer contributions to superannuation funds.

Fixed annual remuneration is determined by reference to the scope and size of the role and the level of skill and experience of the individual. Fixed annual remuneration is reviewed annually and adjusted subject to market movements, consolidated entity's performance and profitability and movements in the Consumer Price Index ("CPI").

3.4.1 Remuneration policies (continued)

Overview of performance linked remuneration

Performance linked remuneration includes both short term and long term incentives and is designed to reward executive directors and senior executives for meeting or exceeding their financial and personal objectives. The short term incentive (STI) is an "at risk" bonus provided in the form of cash, while the long term incentive (LTI) is provided as performance rights over ordinary shares of Tutt Bryant Group Limited under the rules of the Performance Rights Plan.

Short term incentive plan

The Company's short term incentive framework is structured to reward performance excellence against a scorecard of financial outcomes which align with the consolidated entity's strategic objectives over a 12 month period. Any awards provided under the plan are subject to the achievement of the consolidated entity's profitability targets, determined annually in line with the consolidated entity's business planning process.

The Managing Director is entitled to the following short term incentive:

For the financial year ended 31 March 2009, in the event that Tutt Bryant Group Limited achieves its budgeted net profit after tax, the Managing Director will be entitled to a cash bonus inclusive of superannuation contributions of $150,000, and if budget is exceeded an additional amount, inclusive of superannuation contributions, capped at the lower of $225,000 or 5.0 percent of the net profit after tax which exceeds budget. Any shortfall in the net profit after tax against budget will be reflected in a reduction of the cash bonus, by the appropriate percentile range of the shortfall. Any future or additional bonus requirements will be at the discretion of the board, which after due consideration of all factors relating to the Company's performance for the year ended 31 March 2009, has awarded a discretionary cash bonus inclusive of superannuation contributions of $75,000.

The Chief Financial Officer is entitled to the following short term incentive:

For the financial year ended 31 March 2009, in the event that Tutt Bryant Group Limited achieves its budgeted net profit after tax, the Chief Financial Officer will be entitled to a cash bonus inclusive of superannuation contributions of $80,000 and if budget is exceeded an additional amount, inclusive of superannuation contributions, capped at the lower of $120,000 or 2.0 percent of the net profit after tax which exceeds budget. Any shortfall in the net profit after tax against budget will be reflected in a reduction of the cash bonus, by the appropriate percentile range of the shortfall. Any future or additional bonus requirements will be at the discretion of the board, which after due consideration of all factors relating to the Company's performance for the year ended 31 March 2009, has awarded a discretionary cash bonus inclusive of superannuation contributions of $50,000.

For the financial year ended 31 March 2009 the following key management personnel will be entitled to a short term incentive cash bonus:

General Manager – BT Equipment

National Crane Operations Manager – Tutt Bryant Crane Hire

General Manager – Kingston Industries

General Manager – Paramount Hire Services

General Manager – Muswellbrook Crane Services

In each case the executive will be entitled to a cash bonus inclusive of superannuation contributions comprising:

- A bonus allocated to each division upon achievement of budgeted net profit before tax,

3.4.1 Remuneration policies (continued)

Short term incentive plan (continued)

- If net profit before tax budget is exceeded, an additional cash bonus equal to the lower of a predetermined amount of 2 percent of the net profit before tax which exceeds budget; and
- Any additional bonus at the discretion of the Board.

The short term incentive plan was created as a fair and equitable scheme to reward key management personnel for achieving an agreed benchmark in pre tax profit.

Once audited and the declared profit meets the agreed benchmark the bonus is activated and awarded to the respective executives.

Long term incentive plan

The Company has a long term incentive plan. This plan (in the form of performance rights) is directly linked to criteria that relate to the performance of the Company, to ensure appropriate alignment to shareholder value over a specified timeframe. Performance rights provide the right to receive shares only if and when particular performance based hurdles are achieved.

The primary performance hurdle for instruments granted under the long term incentive plan will be growth in the Company's total shareholder return ("TSR") performance measured against the comparative group companies being companies in the Small Ordinaries Accumulation Index.

Where the Company's TSR performance is related below the 50th percentile, no performance rights vest. Staggered vesting occurs if the Company is ranked at or above the 50th percentile.

The TSR performance criteria was chosen as it is widely accepted as one of the best indicators of shareholder wealth criterion as it includes share price growth, dividends and other capital adjustments.

In assessing whether the performance criteria has been met, the Remuneration and Nomination Committee will obtain independent data which provides the Company's and comparative companies' TSR performance.

Consequences of performance on shareholder's wealth

In considering the Company's performance and benefits for shareholder's wealth, the Remuneration and Nomination Committee have regard to the following indices in respect of the current and previous two financial years.

	2009	2008	2007
Net profit attributable to equity holders	$14,206,000	$26,569,000	$12,848,000
Dividends paid	$ 9,770,000	$ 8,439,000	$ 3,893,000
Change in share price	($1.045)	$0.06	($0.025)
Return on capital employed	14.2%	27.6%	23.4%

Net profit is considered as one of the financial performance targets in setting the STI plan. Dividends, changes in share price and return of capital are included in the TSR calculation. The overall level of key management personnel's compensation takes into account the performance of the consolidated entity, over several years.

3.4.1 Remuneration policies (continued)

Employee Equity Participation

The Company has in place two general employee share plans, whereby eligible employees, excluding directors, may acquire shares in the Company with effect from 1 July 2008 for a duration of 12 months. The board reviews this arrangement annually.

Service contracts

Executive Directors

The Managing Director, David Haynes, has a contract of employment with the Company dated 31 October 2005. The contract specifies the duties and obligations to be fulfilled by the Managing Director and provides that the board and Managing Director will consult and agree objectives early in each financial year for achievement during the year.

In April 2009 the service contract was extended until 30 April 2010 under which the Managing Director has no entitlement to termination payment. The Company may at its sole discretion terminate the contract of employment should there be a breach of certain conditions. No notice is required by the Company other than one month should the executive become incapacitated due to illness or injury.

The Chief Financial Officer, Stephen Fisher, has a contract of employment with the Company dated 31 October 2005. The contract specifies the duties and obligations to be fulfilled by the Chief Financial Officer and provides that the board and Chief Financial Officer will consult and agree objectives early in each financial year for achievement during the year.

In April 2009 the service contract was extended until 30 April 2010 under which the Chief Financial Officer has no entitlement to termination payment. The Company may at its sole discretion terminate the contract of employment should there be a breach of certain conditions. No notice is required by the Company other than one month should the executive become incapacitated due to illness or injury.

Non-executive Directors

Total remuneration for all non-executive directors does not exceed $400,000 per annum and is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies.

Remuneration takes the form of a base fee plus a fixed increment for additional committee responsibilities held by each respective non-executive director.

Non-executive directors do not receive performance related remuneration and are not entitled to any retirement benefits.

3.4.2 Directors' and executive officers' remuneration (Company and consolidated)

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the five named executives (key management personnel) of the consolidated entity who receive the highest remuneration are:

		Short-term				Long term	Post-employment	Share-based payments			
	In AUD	Salary & fees $	(A)/(B) STI cash bonus $	(C) Non-monetary benefits $	Total $	Long Service Leave $	Superannuation benefits $	(D)/(E) Performance Rights $	Total $	Proportion of remuneration performance related %	Value of performance rights as proportion of remuneration %
Directors											
Non executive											
Bernard Carrasco (Chairman)	2009	107,500	-	-	107,500	-	9,675	-	117,175	-	-
	2008	97,500	-	-	97,500	-	8,775	-	106,275	-	-
Kym Godson	2009	53,750	-	-	53,750	-	4,837	-	58,587	-	-
	2008	48,750	-	-	48,750	-	4,388	-	53,138	-	-
Bryan Gardiner	2009	58,750	-	-	58,750	-	5,287	-	64,037	-	-
	2008	52,500	-	-	52,500	-	4,725	-	57,225	-	-
San Tiong Ng	2009	48,750	-	-	48,750	-	-	-	48,750	-	-
	2008	43,750	-	-	43,750	-	-	-	43,750	-	-
Sun Ho Ng	2009	43,750	-	-	43,750	-	-	-	43,750	-	-
	2008	38,751	-	-	38,751	-	-	-	38,751	-	-
Chen Wei Ng	2009	43,750	-	-	43,750	-	3,937	-	47,687	-	-
	2008	-	-	-	-	-	-	-	-	-	-
Executive											
David Haynes, Managing Director	2009	372,600	66,371	44,336	483,307	18,732	57,066	147,031	706,136	30.2%	20.8%
	2008	316,394	221,239	53,412	591,045	14,915	69,892	147,031	822,883	44.8%	17.9%
Stephen Fisher, Chief Financial	2009	262,137	44,248	23,699	330,084	18,228	39,830	73,515	461,657	25.5%	15.9%
Officer	2008	227,145	143,805	22,819	393,769	37,408	48,224	73,515	552,916	39.3%	13.3%

3.4.2 Directors' and executive officers' remuneration (Company and consolidated) (continued)

		Short term				Long term	Post-employment	Share-based payments			
Executives	In AUD	Salary & fees $	(A)/(B) STI cash bonus $	(C) Non-monetary benefits $	Total $	Long Service Leave $	Superannuation Benefits $	(D)/(E) Performance rights $	Total $	Proportion of remuneration performance related %	Value of performance rights as proportion of remuneration %
Jim Blaker, General Manager BT Equipment	2009	247,863	88,496	23,726	360,085	5,625	43,727	-	409,437	21.6%	-
	2008	220,897	252,632	16,603	490,132	6,792	61,503	-	558,427	45.2%	-
Rob West, National Crane Operations Manager	2009	121,394	70,796	19,743	211,933	3,080	24,985	35,000	274,998	38.5%	12.7%
	2008	112,337	79,717	17,919	209,973	5,808	24,967	-	240,748	33.1%	-
Alex Dracoulas, General Manager Kingston Industries	2009	156,465	17,857	23,175	197,497	16,771	20,919	-	235,187	7.6%	-
	2008	149,349	48,019	13,921	211,289	-	24,164	-	235,453	20.4%	-
Julian Laws, General Manager North Sheridan	2009	127,679	18,182	24,706	170,567	4,440	12,970	-	187,977	9.7%	-
	2008	104,426	18,182	24,204	146,812	3,861	12,789	-	163,462	11.1%	-
Gary Meyer, General Manager Muswellbrook Crane Services	2009	115,790	40,036	11,281	167,107	13,115	13,434	15,000	208,656	26.4%	7.2%
	2008	86,143	-	3,346	89,489	1,454	7,727	-	98,670	-	-
Total compensation: Key management personnel (consolidated)	2009	1,760,178	345,986	170,666	2,276,830	79,991	236,667	270,546	2,864,034	21.5%	9.4%
	2008	1,497,942	763,594	152,224	2,413,760	70,238	267,154	220,546	2,971,698	33.1%	7.4%
Total compensation: Key management personnel (Company)	2009	1,112,381	181,415	87,778	1,381,574	40,040	145,617	255,546	1,822,777	24.0%	14.0%
	2008	937,127	444,761	94,150	1,476,038	58,131	160,971	220,546	1,915,686	34.7%	11.5%

3.4.2 Notes in relation to the table of directors' and executive officers remuneration

(A) The short-term incentive cash bonus is for performance during the 31 March 2009 financial year using the criteria set out on page 9.

(B) Amounts included in remuneration for the financial year represents the amount that vested in the financial year based on achievement of personal goals and satisfaction of specified performance criteria. No amounts vest in future financial years in respect of the bonus schemes for the 2009 financial year.

(C) Non-monetary benefits as disclosed in both tables, where applicable, include cost of providing a motor vehicle and any fringe benefits tax attributable thereto.

(D) In respect of Messrs Haynes and Fisher the fair value of the performance rights is calculated at the date of grant using a Monte Carlo simulation model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the performance rights allocated to this reporting period. In valuing the performance rights, market conditions have been taken into account.

Grant date	Expiry date	Fair value per performance right	Exercise price	Price of shares on grant date	Expected volatility	Risk free interest rate	Dividend yield
15 Dec 2005	31 March 2007	$0.86	Nil	$1.23	30%	5.3%	6%
15 Dec 2005	31 March 2008	$0.76	Nil	$1.23	30%	5.3%	6%
15 Dec 2005	31 March 2009	$0.61	Nil	$1.23	30%	5.3%	6%

(E) In respect of Messrs West and Meyer the entitlement to the value of performance rights is based on achieving divisional profit targets. The number of performance rights to be granted will be based on the 5 day volume weighted average price (VWAP) of the Company's shares up to and including the date of the grant. The grant will be made after the Audited Financial Report 31 March 2009 is approved by the Board of Directors however before the company's results are released. The value of the grant of the performance rights has been approved at the date of this report and the amounts approved have been included as share based payments in the Directors' and executive officers' remuneration table at page 13 of the Directors' report. Due to the proposed changes in tax legislation the Board will suspend any grant of performance rights until the impact of legislation changes are known.

(F) The specified executives named on page 13 are also considered to be key management personnel as defined under AASB 124. There are no key management personnel other than these executives named above. The Company only has three executives, David Haynes, Stephen Fisher and Rob West.

Notes in relation to the table of directors' and executive officers remuneration

3.4.3 Analysis of bonuses included in remuneration

Details of the vesting profile in the short term incentive cash bonuses awarded as remuneration to each named director and executive of the Company and relevant consolidated entity executives are detailed below:

	Short term incentive bonus (including superannuation) Included in remuneration $	% vested in year	% forfeited in year
Directors			
David Haynes	75,000	100%	-
Stephen Fisher	50,000	100%	-
Executives			
The Company			
Rob West	79,998	100%	-
Consolidated			
Jim Blaker	100,000	100%	-
Alex Dracoulas	20,000	100%	-
Julian Laws	20,000	100%	-
Gary Meyer	43,639	100%	-

3.4.4 Equity instruments

Analysis of share-based payments granted as remuneration

Details of the vesting profile of the performance rights granted as remuneration in the current and prior years to each named director and executive of the Company are detailed below:

Directors	Performance rights granted Number	Date	% vested in year	% Forfeited in year	Financial years in which grant vests	Value yet to vest $ Min (A)	Max (B)
David Haynes	200,000	15 Dec 2005	100	-	31 March 2008	N.A.	N.A.
	200,000	15 Dec 2005	100	-	31 March 2009	N.A.	N.A.
	200,000	15 Dec 2005	-	-	31 March 2010	Nil	-
	10,736	9 Aug 2007	100	-	31March 2008	N.A.	N.A.
	10,736	9 Aug 2007	100	-	31 March 2009	N.A.	N.A.
	10,736	9 Aug 2007	-	-	31 March 2010	Nil	-
Stephen Fisher	100,000	15 Dec 2005	100	-	31 March 2008	N.A.	N.A.
	100,000	15 Dec 2005	100	-	31 March 2009	N.A.	N.A.
	100,000	15 Dec 2005	-	-	31 March 2010	Nil	-
	5,368	9 Aug 2007	100	-	31 March 2008	N.A.	N.A.
	5,368	9 Aug 2007	100	-	31 March 2009	N.A.	N.A.
	5,368	9 Aug 2007	-	-	31 March 2010	Nil	-

(A) The minimum value of performance rights yet to vest is $nil as the performance criteria may not be met and consequently the performance rights may not vest.

(B) The maximum value of performance rights yet to vest is not determinable as it depends on the market price of shares of the Company on the Australian Securities Exchange at the date the performance rights are exercised.

3.4.5 Notes in relation to the table of directors' and executive officers remuneration

Analysis of movements in performance rights

The following movements occurred during the reporting period, by value of performance rights over ordinary shares in Tutt Bryant Group Limited, held by each named Company director:

Directors	Granted during year $	Exercised during year $	Lapsed during year $
David Haynes	-	369,842	-
Stephen Fisher	-	184,921	-

Performance rights over equity instruments granted as compensation

The movement during the reporting period in the number of performance rights over ordinary shares in Tutt Bryant Group Limited held, directly, indirectly or beneficially, by each key management personnel, including their related parties is as follows:

Directors	Number Held at 31 March 2008	Number Granted during the year	Number Vested during the year	Number Held at 31 March 2009
David Haynes	526,840	-	237,078	289,762
Stephen Fisher	263,420	-	118,539	144,881

All performance rights expire on the earlier of their expiry date or termination of the individual's employment. In addition to a continuing employment service condition, the ability to exercise performance rights is conditional on the consolidated entity achieving certain performance hurdles. Details of performance criteria are included in the long term incentives discussion on page 10.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including performance rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Exercise of performance rights granted as compensation

During the reporting period the following numbers of shares were issued on the exercise of performance rights previously granted as compensation:

Directors	Number Vested during year	Number Allotted during year
David Haynes	237,078	237,078
Stephen Fisher	118,539	118,539

3.5 Risk management

The Board is responsible for establishing, reviewing and maintaining risk management and internal control policies and standards incorporating operational, financial reporting and compliance risks for the consolidated entity is assisted in monitoring these risks by the Audit, Risk and Compliance Committee. Relevant risks and risk control procedures are reviewed by the Audit, Risk and Compliance Committee on a periodic basis and the consolidated entity has in place a number of risk management controls and reporting systems including:

- Regulatory compliance policies covering workplace relations, occupational health and safety, environmental management and trade practices;
- Approval limits for capital expenditure;
- Annual budgets and monthly reporting against performance targets;
- Comprehensive insurance program;
- Managing Director and Chief Financial Officer representations in respect of financial reporting;
- Representations from General Managers of the operating divisions; and
- Appropriate due diligence procedures for acquisitions.

The enhanced awareness of risk and an elevated risk culture is essential to the continued growth, development and productivity of the consolidated entity. To ensure the high levels of activity are maintained in the consolidated entity and to facilitate ongoing communication and collaboration across the entity, the overarching compendium of business policies and standards is consistently reviewed and modified as required. An audit program has been developed by the Corporate Risk Management Team that will ensure that all areas of the consolidated entity are audited for compliance with occupational health and safety policies and the compendium of business policies and standards. The standardisation of operating procedures throughout the consolidated entity is ongoing.

Additional achievements of the risk management program include the following:

- Improved effectiveness and two way communication of outcomes from both the Corporate Risk Management Steering Committee and Operating Division Risk Management Steering Committee meetings, held on a quarterly basis;
- Ongoing risk management educational and advisory visits;
- Collaborative approach to the planning and implementation of risk management audit program and its content; and
- Continued rationalisation of the consolidated entities purchasing policies to achieve economies of scale, accountability and tracking.

Future direction and accomplishments of the risk management program will include:

- Ongoing risk management audits across all operating divisions to assist management with the identification and mitigation of potential and real risks;
- Continued development of reporting systems to allow for increased tracking, profiling and measurement; and
- Further development of operating divisions consolidated operating procedures.

The outcomes of this work will enable the Audit, Risk and Compliance Committee to have greater visibility of the areas for which it has responsibility and to assist it in its review of risk in the consolidated entity and its operating divisions in concert with the executive and managers who are faced with managing risk on a daily basis.

3.5 Risk management (continued)

Financial reporting

The Managing Director and Chief Financial Officer have declared, in writing to the board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

Monthly results are reported against budgets approved by the directors.

Environmental regulation

The results from a recently completed study indicated that the greenhouse gas emissions and energy use arising from the consolidated entity's operations and activities are significantly below those levels prescribed in the National Greenhouse and Energy Reporting (NGER) Act 2007. Accordingly, neither the consolidated entity, nor any of its controlled entities, will be required to register to submit data on emissions or energy usage under the current National Greenhouse and Energy Reporting (NGER) requirements.

The Federal Government's proposed Emissions Trading Scheme (ETS) will be based on the same targets as those contained in the National Greenhouse and Energy Reporting (NGER) Act 2007 and therefore neither the consolidated entity, nor any of its controlled entities, will be required to participate in the proposed scheme.

The consolidated entity's operations are currently not subject to any particular and significant environment regulation under either Commonwealth or State legislation.

All operations of the consolidated entity have general obligations under environmental legislation in each State in which they operate in relation to pollution prevention. To meet these general obligations the consolidated entity has in place a detailed environmental management system to ensure compliance. The system is consistent with the requirements of AS/NZS 14001 and requires reporting and recording of all incidents. Additionally, annual audits are undertaken to ensure that environmental procedures, and all of the elements contained therein, are being adhered to.

The environmental performance obligations are overseen by the Audit, Risk and Compliance Committee.

No environmental breaches have been advised by any relevant government agency.

Internal audit

The Audit Risk and Compliance Committee is responsible for approving the programme for internal audit visits to be conducted each year and for the scope of the work to be performed. An external accounting firm, who is not the appointed auditor of the Company, has been engaged to undertake internal audits in accordance with the programme approved by the Audit Risk and Compliance Committee.

3.6 Ethical standards

Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company and consolidated entity are set out in note 32 to the financial statements.

3.6 Ethical standards (continued)

Conflict of interest (continued)

All directors, senior executives and employees are expected to act with the utmost honesty and integrity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

Code of conduct

The consolidated entity has advised each director, senior executive and employee that they must comply with the Code of Conduct, the details of which may be viewed on the Company's website, and it covers the following:

- fulfilling responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced;
- compliance with legislation;
- conflicts of interest;
- confidentiality of corporate information;
- protection and proper use of the Company's assets;
- reporting of unethical behaviour; and
- personal gains and gifts.

3.7 Securities trading policy

The consolidated entity has a Securities trading policy which sets out the circumstances under which directors, senior executives and employees of the consolidated entity may deal in group securities with the objective that no director, senior executive or other employee will contravene the requirements of the Corporations Act 2001 or the ASX Listing Rules.

This policy is reproduced in full on the Company's website.

3.8 Continuous disclosure policy

The board provides shareholders with information using a continuous disclosure policy which includes identifying matters that may have a material effect on the price of the company's securities, notifying them to the ASX, posting them on the Company's website and issuing media releases.

The purpose of this policy is to:

a) Ensure that the Company as a minimum complies with its continuous disclosure obligations under the Corporations Act 2001 and the ASX Listing Rules and, wherever possible, seeks to achieve and exceed best practice;

b) Provide shareholders and the market with timely, direct and equal access to information issued by the Company; and

c) Promote investor confidence in the integrity of the Company and its subsidiaries.

This policy is reproduced in full on the Company's website.

3.9 Margin loans

All board members have individually declared that they have not arranged any margin loans using shares in the Company as security.

4 Principal activities

The principal activities of the consolidated entity during the course of the financial year were the distribution of construction equipment, the hire of cranes, specialised heavy lift and shift, equipment hire and other related services. There were no significant changes in the nature of activities of the consolidated entity during the year.

The three primary business divisions are:

Distribution

BT Equipment is one of the leading independent national distributors of construction equipment and cranes in Australia on a multi-franchised (i.e. more than one manufacturer) basis. The business sells equipment, parts and service through its company owned branches of Brisbane, Sydney, Melbourne, Adelaide, Perth and Darwin plus strategically located independent dealers.

The division provides a comprehensive selection of quality equipment to a wide range of industries including construction, public sector, industrial, infrastructure and the general equipment hire industry.

BT Equipment has long standing supply relationships with key manufacturers including Hitachi-Sumitomo, Mustang, Yanmar, Mitsubishi, Kawasaki, Bomag, Kato, Sumitomo and more recently Manitou in NSW. Equipment sold includes excavators, loaders, compactors, graders, cranes and material handling.

All branches carry a comprehensive range of spare parts which provides a high level of availability to minimise customer downtime. In addition, each location has fully equipped service facilities with highly trained technicians providing workshop and field services.

Crane Hire

Tutt Bryant Crane Hire has one of the largest crawler crane hire fleets in Australia and also has a selection of rough terrain, all terrain and truck cranes. Tutt Bryant's cranes are predominantly supplied to the construction, resources and infrastructure sectors. The majority of cranes are hired on a dry hire (without operator) basis, this arrangement has a positive result on overheads and lessens the staffing requirements as compared to other competitors operating on a wet hire (with operator) basis.

The consolidated entity has a fleet of cranes, the largest of which has a lifting capacity of 650 tonnes. Utilisation of its fleet continues to average between 70% and 80% for the past three years, which has been driven by strong growth in the construction, resources and infrastructure sectors. Demand is still high for resources and oil & gas projects. Crane hire operations are located in Perth, Karratha, Darwin, Brisbane, Muswellbrook and Melbourne. These locations currently provide sufficient national coverage for all states.

The Project Services division provides qualified experienced management for the deployment of cranes, heavy haulage trucks and platform trailers to lift and shift major components and assemblies. A new addition is a 1,100 tonne gantry system to lift difficult and heavy loads in space restricted areas.

4 Principal activities (continued)

General Hire

Kingston Industries is a provider of specialised equipment on both a dry hire and wet hire basis to the construction and resources sectors, rail maintenance and other infrastructure sectors. Kingston's hire fleet includes compactors, specialised rail equipment, trailers and decks used for heavy haulage and general construction equipment. Kingston also supplies customers with equipment it does not own by entering into work agreements with the owner operators of the equipment. Kingston acts as a manager to secure and offer work to owner-operators from Kingston's clients.

The heavy haulage division based in Perth WA, combined with the truck fleet of Muswellbrook Crane Services in Muswellbrook, NSW provide a national heavy haulage network across the country. Additional to this, the fleet now caters for the haulage requirements for crane and equipment deliveries of the group including Project Services in WA.

The recently opened hire store in Mount Thorley, NSW has proven to be successful and is gradually increasing the type of equipment available and utilisation rates. A new store has been opened in Coffs Harbour to satisfy the increasing demand for equipment for the Pacific Highway upgrade which is forecast to last for 5 years.

EQ Hire provides general equipment hire for earthmoving, civil construction, building and industrial use. In addition, EQ Hire has long standing contracts as preferred supplier to Alcoa in Geelong and Portland.

Paramount Hire Services provides the dry hire of equipment to local government, construction industry, military, main roads, mining, industrial companies, the public, agriculture, tourism, ports and processing plants. Equipment hire is very well distributed throughout a diverse customer base, not relying on any one customer or industry sector. Pump Hire Services has been integrated into the main stream business of Paramount and continues to supply a specialist niche market for dewatering, especially during tropical storms and flooding which occurs regularly in the region.

4.1 Operating and financial review

Tutt Bryant Group Limited and its consolidated entities ("the Group") recorded operating and financial results for the financial year ended 31 March 2009 ("FY09") that in part reflected both the combined impact of the global financial crisis and a significant fall in the value of the AUD against major traded currencies. This particularly affected second half earnings.

In FY09 the Group achieved a 6.0% increase in consolidated group revenue to $321.0 million ($302.8 million in FY08). Revenue growth was enhanced by acquisitions and by strong organic growth in the Crane Hire Division, offsetting revenue falls in the Distribution Division.

Reported Group net profit after tax was $14.2 million and basic earnings per share were 10.8 cents in FY09 ($26.6 million and 20.5 cents respectively in FY08). Whilst the Crane Hire Division's earnings in FY 2009 were very strong, overall Group profit was significantly lower than in FY 2008. This reduction was due primarily to a significant fall in contribution from the Distribution Division (BT Equipment sales) and to the impact of the substantial fall in the AUD exchange rate.

4.1 Operating and financial review (continued)

The FY09 result included a pre-tax foreign exchange loss of $7.8 million comprising:

- realised foreign exchange losses of $4.9 million;
- unrealised foreign exchange losses of $0.6 million; and
- mark to market losses on hedge contracts of $2.3 million.

This compared with a pre-tax foreign exchange profit of $5.3 million in FY08, representing an effective $13.1 million 'turnaround' year on year in net foreign exchange gains and losses before tax.

The Group has adopted a policy in hedging foreign currency liabilities whereby a majority of these liabilities are hedged at rates generally consistent with those applicable at the time of receipt of goods. The Directors believe this policy is appropriate in light of the recent volatility in movements of foreign currencies against the Australian dollar.

The FY 2009 result included impairment charges of $1.1million and additional amortisation of intangibles of $0.2 million relating to the termination of two long-term equipment hire contracts held by Kingston Industries.

The Australian economy's major financial and economic downturn during the latter part of 2008 had a significant negative impact on the Group's performance in the second half of FY09, with the Distribution division experiencing a marked reduction in equipment sales. The reduced availability of credit facilities for some BT Equipment customers and a lack of market confidence reduced demand by customers for new capital equipment, especially in the last quarter. Equipment sales fell by 37 per cent against the prior corresponding period in the last three months of FY09.

The Crane and General Hire Divisions performed well in FY09 and were the main contributors to the total Group result. The Distribution Division, however, remained profitable despite a loss of sales volume. At the revenue line, both Crane Hire and General Hire recorded strong outcomes, with Crane Hire in particular showing strong revenue and profit growth.

Net debt to equity increased to 49% at the end of FY09 primarily due to an increase in external borrowings to fund the capex programme of the Equipment Hire Division. Total borrowings from bank loans and finance leases or hire purchase amounted to $88.6 million as at 31 March 2009. This was an increase of $29.2 million or 49.1% over FY08. These borrowings are generally secured by rental fleet assets to which individual contracts apply.

Property plant and equipment increased to $153.1 million from $129.0 million as a result of $43.2 million in capital expenditure on rental fleet assets in the Crane and Equipment Hire Divisions, excluding business acquisitions. This level of capex, after disposing of surplus and aged equipment during the year, is essential to maintain a modern and productive fleet of rental assets.

Net tangible assets amounted to $111.3 million providing an NTA backing per share of 81.0 cents.

4.1 Operating and financial review (continued)

Distribution

The combined effects of the economic downturn and adverse currency movements are apparent in the Distribution Division segment result.

Distribution external revenues generated from the sale of equipment, parts and service totalled $136.3 million in FY09**,** a reduction of 11.4% on the previous year's result of $153.8 million.

Parts and Service revenues were 12.6% higher than in the previous year. This was primarily due to the high volume of new equipment units sold in prior years combined with a market response that is normal when equipment sales momentum slows and customers retain existing equipment while spending more on repairs and maintenance.

The segment EBIT result from continuing operations was $9.6 million, being a 43.2% reduction on FY08. The impact on earnings was greater in the second half as the market became increasingly competitive, exerting additional pressure on margins which fell by as much as 15% to 20%.

BT Equipment inter-divisional sales were $11.9 million in FY09 ($5.7 million in FY08).

As sales slowed in the second half, trading stock levels were managed carefully and supplier orders were reduced.

Operating margins (EBIT before unallocated costs/external revenue) declined to 7.0% in FY09 (11.0% in FY08).

BT Equipment has secured a substantial order from Queensland Main Roads Department for more than 20 rollers to be delivered over the next six-months and local government in Western Australia has placed orders for several large refuse compactors for delivery by August 2009.

While State Government spending on capital projects is being maintained and will continue, BT Equipment's sales volumes in the near term are unlikely to return to their former buoyant levels due to a greatly reduced level of construction activity.

Crane Hire

The Crane Hire Division, including the Northern Territory business, had an outstanding year in FY09, with external sales revenue rising by 33.1% to $81.6 million from $61.3 million in FY08.

Segment EBIT before unallocated expenses increased by 42.6% to $18.4 million in FY09 from $12.9 million in FY08.

Crane Hire maintained utilisation rates of between 70% and 80% through FY09. Demand for crawler cranes was and continues to be strong, with a number of customers placing orders up to six months ahead of crane deployment to secure certainty of supply.

Resources and oil and gas projects were a major source of demand for the Crane Division in FY09 and the Division has a forward order book of at least two years from projects such as Gorgon, BHP RPG5, Cape Preston, and potentially Impex and a range of other smaller projects. The Crane Division has more than 40 cranes located on the North West Shelf.

At year end the Group's Crane Hire fleet totalled 132 cranes with a carrying value of $62.0 million. During the year the Group disposed of 12 aged smaller cranes and added 12 new or near new larger capacity cranes satisfying the increasing demand.

Muswellbrook Cranes increased both revenue and profit in FY09. An additional depot was established at Singleton NSW ensuring that Muswellbrook Cranes is well-placed to expand its presence in the Hunter Valley to service those mines which previously were logistically too distant from its main depot at Muswellbrook. This new depot is expected to also increase opportunities in providing heavy haulage services to the coal mines in the area.

4.1 Operating and financial review (continued)

Crane Hire (continued)

The Project Services business increased revenues by 38.0% to $12.5 million in FY09 and doubled gross margins to 43.4%. This Division, which includes Melbourne-based Bradshaw Ultra Heavy Haulage, now has 220 lines of platform trailers and a new 1100 tonne gantry system. In FY09 the market for this type of equipment continued to grow as major 'lift and shift' projects were initiated, such as the movement of major components for power stations and infrastructure projects.

General Hire

Total external revenue generated by the General Hire Division in FY09 was $88.2 million, an increase of 22.5% on the FY08 result of $72.0 million.

Segment EBIT from continuing operations fell by 25.9% to $6.0 million in FY09, from $8.1 million in FY08. Earnings were lower reflecting the general reductions in margins achieved on activity in infrastructure and construction across the broader economy. The segment result also included a non-recurring impairment charge of $1.1 million and $0.2 million from additional amortisation charges as a result of the termination of several major long term contracts held by Kingston.

Paramount Hire, including the recently acquired Compactor Hire (Townsville) Pty Ltd, was particularly affected in the final quarter by widespread flooding in central and northern Queensland but nonetheless achieved revenue growth of 10.9% in FY09 over the previous year. Its newly-opened branch in Dysart performed well and the shutdown and maintenance programs by Queensland Nickel Industries were a strong source of revenue for this business.

The forthcoming development of Queensland's LNG projects will offer Paramount significant new growth opportunities.

Kingston Industries in NSW reported $52.8 million revenue in FY09 against $43.3 million in FY08

Kingston had a strong year in its rail maintenance business however the equipment hire contract with RailCorp NSW was terminated on 31 March 2009 due to changes in the State Government Department's purchasing policy. Whilst affecting close to 36% of the business's future revenue stream, under the new contract arrangements Kingston is an approved supplier and is expected to be providing hire equipment to RailCorp NSW in the near future. This arrangement is in line with the strategy of repositioning Kingston as a plant hire business which includes continuation of the rail maintenance contract with the Australian Rail and Track Corporation.

Caradel Hire is now fully integrated into this business and is performing strongly. A new branch has been opened in Coffs Harbour NSW to service contractors engaged in the upgrade of the Pacific Highway, which is expected to last at least another five years. Hire equipment stock levels are being closely managed to meet rising demand.

Kingston Waste Management effectively ceased operations in December 2008 following the non-renewal of its contract to manage the waste facility at Kemps Creek NSW, resulting in the disposal of some of its assets and the redistribution of the remainder throughout the plant hire fleet.

The $8.4 million revenue achieved by EQ Hire in Victoria in FY09 was similar to FY08 but below expectations. Sales growth was inhibited by a reduction in orders from Alcoa in Geelong and Portland and by aggressive competitive activity.

While there are relatively few major private sector projects in the construction industry currently on foot, the General Hire Division is well-placed and resourced to take up further opportunities that will flow from Infrastructure Australia and other Federal and State-funded projects.

At 31 March 2009 the Group's equipment hire fleet, excluding cranes, had a carrying value of $57.5 million. During the year and excluding business acquisitions, capex on the equipment hire fleet totalled $19.2 million.

4.1 Operating and financial review (continued)

Other Operations

Total sales for Kingston Heavy Haulage, fell slightly in FY09 over the prior year. This Division generated revenue from external sources of $14.9 million during the year, a 5.7% reduction compared with the FY08 result of $15.8 million. Segment EBIT declined by 11.8% to $1.5 million in FY09 from $1.7 million in FY08.

In July 2008 Kingston Heavy Haulage NSW ceased operations, leaving Kingston Heavy Haulage WA as the sole business within the Other Operations Division.

The Group plans to integrate the Kingston Heavy Haulage WA business into the Crane Hire Division during FY10.

Summary

Whilst adverse movements in the value of the Australian dollar in FY09 impacted the Group's Distribution business and reported profit significantly, at an operating level the Group performed well during the year, achieving total EBITDA of $57.2 million before foreign exchange losses. The consolidated entity's complementary business divisional model produced good results in a difficult trading environment, with the Crane Hire Division achieving strong growth in revenue and EBIT.

The FY09 revenue and EBIT results recorded by the Distribution Division (albeit affected primarily by external factors) were disappointing and Tutt Bryant management is continually monitoring the working capital performance of BT Equipment and taking the necessary steps to manage risk while at the same time continue to develop all aspects of its operations.

4.2 Shareholder returns

The Company listed on the Australian Securities Exchange on 15 December 2005 and at the time of listing a total of 92,682,000 shares were on issue at a value of $1.00 per share.

In March 2007, an additional 37,072,890 shares were issued as a result of a Renounceable Rights Issue based on a 2 new ordinary shares for 5 ordinary shares held, at an issue price of $1.34 per share.

In January 2009 an additional 7,105,434 shares were issued as a result of the introduction of the Dividend Reinvestment Plan (DRP) in respect of the 2009 interim dividend of 3.0 cents per share

	2009	**2008**	**2007**
Net profit attributable to shareholders from continuing operations	$14,206,000	$26,569,000	$14,707,000
Basic EPS (weighted average)	10.80c	20.46c	15.80c
Diluted EPS (including performance rights)	10.76c	20.34c	15.65c
Dividend per share	4.5c	8.0c	5.5c

Review of financial condition

Capital structure and treasury policy

The net debt to equity ratio of 49% (2008: 22.0%) is high however remains in line with directors' expectations in the current economic environment. Lowering of this ratio will be the Company's focus, particularly in the short term by tight control of working capital, reduced capital expenditure levels, as well as lower dividend payable through the Dividend Reinvestment Plan.

4.2 Shareholder return (continued)

Liquidity and funding

Apart from trade finance facilities, the consolidated entity has unused financing facilities as at 31 March 2009 of $16,540,000 (2008: $20,310,000) and has sufficient funds available to finance its operations, including payment of dividends, income tax and taking advantage of favourable opportunities as they arise.

Cash flows from operations

Net cash flows from operating activities were $19,784,000 as compared to $37,055,000 in the previous financial year. Net cash flows generated this year from operating activities, have contributed to the repayment of related and non related trade payables, capital expenditure and acquisitions.

Impact of legislation

There has been no impact on the operations of the business from legislation changes.

4.3 Dividends

Dividends paid by the Company to members during the financial year were

1. Previous year final – 18 July 2008 – fully franked divided at 4.5 cents per share amounting to $5,862,086;
2. Current year interim – 20 January 2009 – fully franked dividend at 3.0 cents per share amounting to $3,908,057.

Subsequent to balance date the directors proposed a fully franked final dividend for the 2009 year of 1.5 cents per share. The financial effect of this dividend has not been brought to account in the financial statements for the year ending 31 March 2009, and will be recognised in subsequent financial reports.

5 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

6 Likely developments

The consolidated entity will continue to pursue its policy of increasing the profitability and market share of its business divisions, during the next financial year, in addition to pursuing opportunities for acquisition of other suitable established operations.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

7 Directors' and Senior Executives' interests

The relevant interest of each director in the shares issued by the Company, as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001 and specified Executives, at the date of this report is as follows:

	Tutt Bryant Group Limited	
	Ordinary shares	**Performance rights over ordinary shares**
Directors		
Bernard Carrasco	73,818	-
Kym Godson	51,672	-
Bryan Gardiner	26,363	-
San Tiong Ng	73,818	-
Sun Ho Ng	73,818	-
David Haynes	386,433	289,762
Stephen Fisher	200,598	144,881
Chen Wei Ng	14,763	-
Executives		
Jim Blaker	14,000	-
Rob West	7,328	-
Alex Dracoulas	9,961	-
Julian Laws	1,776	-
Gary Meyer	-	-

Each of the directors San Tiong Ng and Sun Ho Ng are substantial holders of shares in Tat Hong Holdings Ltd and therefore may be regarded as having interests in all of the 95,782,043 shares in the Company owned by Tat Hong International Pte Ltd (a subsidiary of Tat Hong Holdings Ltd).

8 Indemnification and insurance of officers and auditors

Indemnification

The Company has entered into Deeds of Indemnity, Insurance and Access with each of the Directors under which the Company indemnifies, to the extent not precluded by law, the Directors against any liability they incur in or arising from the discharging of their duties to persons (other than the entity or a related body corporate) which arise out of their performance of their normal duties as a director or executive officer unless the liability relates to conduct involving a lack of good faith.

No indemnification has been provided to auditors or former directors and officers of the Company.

8. Indemnification and insurance of officers and auditors (continued)

Insurance premiums

During the financial year the Company paid an insurance premium of $44,555 (2008: $44,276) in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former directors and officers, including senior executives of the Company and directors, senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome other than those brought by the entity or a related body corporate; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual officers of the Company.

9 Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services (refer note 7 in the notes to the consolidated financial statements) provided during the year by the auditor and is satisfied that the provision of those non-audited services are compatible with, and do not compromise the auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 Professional independence, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risk and rewards.

10 Lead auditors' independence declaration

The lead auditors' independence declaration is set out on page 29 and forms part of the directors' report for the year ended 31 March 2009.

11 Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:

Bernard Carrasco	David Haynes
Chairman	Managing Director

Dated at Sydney

28 May 2009

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Tutt Bryant Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 March 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

KPMG

KPMG

G Boydell

Greg Boydell
Partner

Sydney

28 May 2009

Tutt Bryant Group Limited and its controlled entities

Income statements for the year ended 31 March 2009

		Consolidated		The Company	
		2009	**2008**	**2009**	**2008**
In thousands of AUD, except earnings per share	Note				
Revenue					
Revenue from sale of goods		**137,190**	**154,904**	**942**	**1,103**
Revenue from rendering of services		**183,814**	**147,934**	**60,280**	**43,693**
Total revenue		**321,004**	**302,838**	**61,222**	**44,796**
Other income	4	**2,102**	**1,818**	**4,408**	**14,518**
Purchases (net of changes in inventory)		**(108,390)**	**(117,428)**	**(2,636)**	**(988)**
Repairs and maintenance expenses (rental equipment)		**(9,395)**	**(8,241)**	**(2,562)**	**(2,353)**
Sub-contract expenses		**(55,027)**	**(41,606)**	**(12,964)**	**(7,687)**
Personnel expenses	6	**(47,457)**	**(41,523)**	**(11,819)**	**(9,992)**
Depreciation and amortisation expenses		**(23,602)**	**(20,352)**	**(8,298)**	**(7,273)**
Operating lease expenses		**(10,234)**	**(8,659)**	**(4,381)**	**(2,265)**
Fuel expenses		**(3,946)**	**(4,323)**	**(258)**	**(138)**
Crane mobilisation expenses		**(2,110)**	**(2,122)**	**(2,110)**	**(2,122)**
Other operating expenses		**(29,392)**	**(23,323)**	**(4,903)**	**(4,897)**
Results from operating activities		**33,553**	**37,079**	**15,699**	**21,599**
Finance income		**735**	**6,547**	**174**	**428**
Finance expense		**(13,700)**	**(4,588)**	**(3,169)**	**(2,349)**
Net finance (expense) / income	8	**(12,965)**	**1,959**	**(2,995)**	**(1,921)**
Profit before income tax		**20,588**	**39,038**	**12,704**	**19,678**
Income tax expense	9	**(6,382)**	**(12,469)**	**(3,067)**	**(2,191)**
Profit for the period		**14,206**	**26,569**	**9,637**	**17,487**
Earnings per share					
Basic earnings per share (cents)	10	**10.80c**	**20.46c**		
Diluted earnings per share (cents)	10	**10.76c**	**20.34c**		

The income statements are to be read in conjunction with the notes to the financial statements set out on pages 34 to 81.

Tutt Bryant Group Limited and its controlled entities

Statements of changes in equity for the year ended 31 March 2009

Consolidated In thousands of AUD	**Share capital**	**Retained earnings**	**Equity compensation reserve**	**Total equity**
Balance at 1 April 2007	96,035	29,571	257	125,863
Profit for the period	-	26,569	-	26,569
Employee performance rights	117	-	107	224
Dividends to shareholders	-	(8,439)	-	(8,439)
Balance at 31 March 2008	**96,152**	**47,701**	**364**	**144,217**
Balance at 1 April 2008	96,152	47,701	364	144,217
Profit for the period	-	14,206	-	14,206
Employee performance rights	263	-	8	271
Shares issued under dividend reinvestment plan	3,908	-	-	3,908
Share issue costs after tax	(78)	-	-	(78)
Dividends to shareholders	-	(9,770)	-	(9,770)
Balance at 31 March 2009	**100,245**	**52,137**	**372**	**152,754**

The Company In thousands of AUD	**Share capital**	**Retained earnings**	**Equity compensation reserve**	**Total equity**
Balance at 1 April 2007	96,035	1,326	257	97,618
Profit for the period	-	17,487	-	17,487
Employee performance rights	117	-	107	224
Dividends to shareholders	-	(8,439)	-	(8,439)
Balance at 31 March 2008	**96,152**	**10,374**	**364**	**106,890**
Balance at 1 April 2008	96,152	10,374	364	106,890
Profit for the period	-	9,637	-	9,637
Employee performance rights	263	-	(7)	256
Shares issued under dividend reinvestment plan	3,908	-	-	3,908
Share issue costs after tax	(78)	-	-	(78)
Dividends to shareholders	-	(9,770)	-	(9,770)
Balance at 31 March 2009	**100,245**	**10,241**	**357**	**110,843**

The statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 34 to 81.

Tutt Bryant Group Limited and its controlled entities

Balance sheets as at 31 March 2009

		Consolidated		The Company	
		2009	**2008**	**2009**	**2008**
In thousands of AUD	Note				
Assets					
Cash and cash equivalents	11	**14,085**	**27,617**	**4,200**	**8,499**
Trade and other receivables	12	**28,956**	**30,366**	**10,476**	**16,327**
Inventories	13	**47,395**	**54,294**	**2,053**	**3,237**
Other financial assets	14	**5**	**5**	**-**	**-**
Total current assets		**90,441**	**112,282**	**16,729**	**28,063**
Trade and other receivables	12	**5**	**26**	**24,679**	**24,434**
Deferred tax assets	16	**2,713**	**-**	**-**	**-**
Investment in subsidiaries	14	**-**	**-**	**37,292**	**37,292**
Property, plant and equipment	17	**153,111**	**128,966**	**85,553**	**74,078**
Intangible assets	18	**41,386**	**38,949**	**1,929**	**1,811**
Total non-current assets		**197,215**	**167,941**	**149,453**	**137,615**
Total assets		**287,656**	**280,223**	**166,182**	**165,678**
Liabilities					
Trade and other payables	19	**35,543**	**62,504**	**6,537**	**18,173**
Interest-bearing loans and borrowings	20	**22,604**	**15,486**	**7,780**	**5,502**
Employee benefits	21	**5,285**	**4,670**	**1,512**	**1,293**
Income tax payable	15	**2,307**	**6,303**	**2,307**	**6,078**
Provisions	22	**778**	**766**	**-**	**-**
Total current liabilities		**66,517**	**89,729**	**18,136**	**31,046**
Interest-bearing loans and borrowings	20	**65,946**	**43,894**	**36,492**	**25,975**
Deferred tax liabilities	16	**-**	**23**	**220**	**1,330**
Employee benefits	21	**1,522**	**1,387**	**461**	**407**
Provisions	22	**917**	**973**	**30**	**30**
Total non-current liabilities		**68,385**	**46,277**	**37,203**	**27,742**
Total liabilities		**134,902**	**136,006**	**55,339**	**58,788**
Net assets		**152,754**	**144,217**	**110,843**	**106,890**
Equity					
Issued capital		**100,245**	**96,152**	**100,245**	**96,152**
Reserves		**372**	**364**	**357**	**364**
Retained earnings		**52,137**	**47,701**	**10,241**	**10,374**
Total equity		**152,754**	**144,217**	**110,843**	**106,890**

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 34 to 81.

Statements of cash flows for the year ended 31 March 2009

		Consolidated		The Company	
		2009	**2008**	**2009**	**2008**
In thousands of AUD	Note				
Cash flows from operating activities					
Cash receipts from customers		**354,630**	**332,140**	**73,805**	**43,259**
Cash paid to suppliers and employees		**(322,227)**	**(287,217)**	**(52,800)**	**(32,099)**
Cash generated from operations		**32,403**	**44,923**	**21,005**	**11,160**
Interest received		**735**	**1,243**	**174**	**428**
Interest paid		**(241)**	**(139)**	**(144)**	**(37)**
Income taxes paid		**(13,113)**	**(8,972)**	**(13,113)**	**(8,972)**
Net cash from operating activities	31	**19,784**	**37,055**	**7,922**	**2,579**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**4,924**	**3,061**	**3,029**	**940**
Payments for business acquired – net of cash acquired		**(9,626)**	**(2,317)**	**(746)**	**(2,317)**
Acquisition of property, plant and equipment		**(43,194)**	**(18,937)**	**(21,662)**	**(5,662)**
Dividends received		**-**	**-**	**3,370**	**13,700**
Loan to related entity		**-**	**-**	**-**	**(1,328)**
Acquisition of other intangibles		**(244)**	**(146)**	**(234)**	**(139)**
Net cash from investing activities		**(48,140)**	**(18,339)**	**(16,243)**	**5,194**
Cash flows from financing activities					
Proceeds from the issue of share capital		**3,908**	**-**	**3,908**	**-**
Payment of share issue costs		**(78)**	**-**	**(78)**	**-**
Proceeds from borrowings		**51,422**	**15,052**	**24,220**	**7,366**
Repayment of borrowings		**(5,354)**	**(1,469)**	**(1,794)**	**(1,469)**
Payment of finance leases and hire purchase		**(25,304)**	**(18,646)**	**(12,464)**	**(5,105)**
Dividends paid		**(9,770)**	**(8,439)**	**(9,770)**	**(8,439)**
Net cash from financing activities		**14,824**	**(13,502)**	**4,022**	**(7,647)**
Net (decrease) / increase in cash and cash equivalents		**(13,532)**	**5,214**	**(4,299)**	**126**
Cash and cash equivalents at 1 April		**27,617**	**22,403**	**8,499**	**8,373**
Cash and cash equivalents at 31 March	11	**14,085**	**27,617**	**4,200**	**8,499**

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 34 to 81.

Notes to the consolidated financial statements

1) Significant accounting policies

Tutt Bryant Group Limited ("the Company") is a company domiciled in Australia. The consolidated financial report of the Company comprises Tutt Bryant Group Limited and its controlled entities (together referred to as "the consolidated entity").

The financial report was authorised for issue by the directors on 28 May 2009.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars, which is the consolidated entity's functional currency.

The financial statements have been prepared on the historical cost basis except for derivative financial instruments which are stated at their fair value.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005) and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(b) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes;

- Note 22 - Provisions
- Note 25 - Acquisition of business
- Note 32 - Key management personnel disclosures

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report.

(c) Basis of consolidation

(i) Controlled entities

Controlled entities are entities controlled by Tutt Bryant Group Limited. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in controlled entities are carried at the lower of cost of acquisition and recoverable amount in the Company's financial statements. The accounting policies of subsidiaries have been changed where necessary to align with policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

(d) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

1. Significant accounting policies (continued)

(e) Derivative financial instruments

The consolidated entity uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. In accordance with its treasury policy, the consolidated entity does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward exchange contracts is their quoted market price at balance date, being the present value of the quoted forward price.

(f) Hedging

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e., when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

(ii) Economic hedges

Where a derivative financial instrument is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement.

1. Significant accounting policies (continued)

(g) Property, plant and equipment

(i) Owned assets

Items of land and buildings are stated at cost, or deemed cost, less accumulated depreciation and impairment losses. Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(iii) Subsequent costs

The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

• Buildings	50 years
• Rental equipment	1 - 20 years
• Machinery, equipment and fittings	5 years
• Motor vehicles	3 – 20 years
• Leased assets	4 – 10 years

The residual value, if not insignificant, is reassessed annually.

(v) Disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal from the carrying amount of property, plant and equipment and are recognised net within other income or other expense.

1. Significant accounting policies (continued)

(h) Intangible assets

(i) Goodwill

Business combinations prior to 1 January 2003

As part of its transition to AASBs, the consolidated entity elected to restate only those business combinations that occurred on or after 1 January 2003. In respect of acquisitions prior to 1 January 2003, goodwill represents the amount recognised under the consolidated entity's previous accounting framework.

Business combinations since 1 January 2003

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Negative goodwill is recognised directly in profit or loss.

Subsequent measurement

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Acquisitions of minority interests

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

(ii) Other intangible assets

Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iv) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives in the current and comparative periods are as follows:

- Customer relationships 4 - 7 years
- Computer software 3 years

(i) Investments

Investments in subsidiaries are carried at the lower of cost of acquisition and recoverable amount in the Company's financial statements.

1. Significant accounting policies (continued)

(j) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories are valued using both the actual and weighted average cost methods and include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash balances at bank and on hand.

(m) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and its present value of the estimated future cash flow discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

Non-financial assets

The carrying amounts of the consolidated entity's non-financial assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

1. Significant accounting policies (continued)

(m) Impairment (continued)

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis.

(i) Calculation of recoverable amount

The recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (ie the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. Significant accounting policies (continued)

(n) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect.

(ii) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the income statement as incurred.

(ii) Wages, salaries, annual leave and non-monetary benefits

The liability for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months, represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated based on expected wage and salary rates that the consolidated entity expects to pay as at reporting date and includes related on-costs such as payroll tax, workers compensation premiums and superannuation.

Non-accumulating non-monetary benefits such as motor vehicles are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by employees.

(iii) Long-term service benefits

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employee's services provided up to the balance date.

In determining the provision for employee benefits, consideration has been given to future increases in wage and salary rates, expected settlement dates and experience with staff departures. Related on-costs, as described above, have also been included in the liability.

Provisions for employee benefits which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

1. Significant accounting policies (continued)

(p) Employee benefits (continued)

(iv) Share-based payment transactions

The Performance Rights Plan allows certain consolidated entity employees to receive shares of the Company. The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the performance rights. The fair value of the performance rights granted is measured using a Monte Carlo simulation model, taking into account the terms and conditions upon which the performance rights were granted. The amount recognised as an expense is adjusted to reflect the actual number of performance rights that vest except where forfeiture is only due to total shareholder return not achieving the threshold for vesting.

(q) Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Makegood costs for leased property

A provision for makegood costs for leased property is recognised by the consolidated entity when an underlying makegood obligation clause exists in property lease contracts.

The provision is the best estimate of the present value of the expenditure required to settle the makegood obligation at the reporting date, based on current legal requirements and technology. Future makegood costs are reviewed annually and any changes are reflected in the present value of the makegood provision at the end of the reporting period.

The unwinding of the discounting is recognised as a finance cost.

(r) Trade and other payables

Trade and other payables are stated at amortised cost.

1. Significant accounting policies (continued)

(s) Revenue

Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from crane rental, general rental and haulage services is recognised in the period in which the services are performed.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

(t) Lease payments

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease and/or hire purchase payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(u) Finance income and expense

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the consolidated entity's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

1. Significant accounting policies (continued)

(v) Income tax

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

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in controlled entities to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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

Tax consolidation

Tutt Bryant Group Limited is the head entity in a tax-consolidated group comprising Tutt Bryant Group Limited and all of its Australian wholly owned subsidiaries. The implementation date for the tax-consolidated group was 1 April 2004.

The current and deferred tax amounts for the tax-consolidated group are allocated among the entities in the group using a stand-alone taxpayer approach whereby each entity in the tax-consolidated group measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's balance sheet and their tax values applying under tax consolidation.

1. Significant accounting policies (continued)

(v) Income tax (continued)

Any current tax liabilities and deferred tax assets arising from unused tax losses assumed by the head entity from the subsidiaries in the tax consolidated group are recognised in conjunction with the tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution to or distribution from the subsidiary. Distributions firstly reduce the carrying amount of the investment in the subsidiary and are then recognised as revenue.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses assumed from subsidiaries are recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The members of the tax-consolidated group have entered into a Tax Funding Arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/asset assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity. The members of the tax-consolidated group have also entered into a valid Tax Sharing Agreement under the tax consolidation legislation which sets out the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations and the treatment of entities leaving the tax consolidated group.

(w) Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segmental reporting is based on business segments.

(x) Discontinued operations

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations. Classification as a discontinued operation occurs upon disposal or when it is subject to a single co-ordinated plan for disposal or plan to be abandoned.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(y) Goods and services tax

Revenue, expenses 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(z) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 31 March 2009, but have not been applied in preparing this financial report.

- AASB 8 *Operating Segments* introduces the 'Management approach' to segment reporting. AASB 8, which becomes mandatory for the consolidated entity's 31 March 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the consolidated entity's Managing Director, in order to assess each segment's performance and to allocate resources to them. Currently the presentation of segment information is based on the consolidated entity's business segments.

- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly 'primary' statement) the 'statement of comprehensive income'. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the consolidated entity's 31 March 2010 financial statements.

- Revised AASB 123 *Borrowing costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the consolidated entity's 31 March 2010 financial statements.

- Revised AASB 3 *Business Combinations* changes the application of acquisition accounting for business combinations and the accounting for non controlling interest. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non controlling interest at full fair value or the proportionate share of the fair value of the underlying net assets. The revised standard becomes mandatory for the consolidated entity's 31 March 2010 financial statements.

1. Significant accounting policies (continued)

(z) New standards and interpretations not yet adopted (continued)

- Amended AASB 127 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Group's 31 March 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.

- AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payment: Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the Group's 31 March 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.

- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and 2008-6 *Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 31 March 2010 financial statements, are not expected to have any impact on the financial statements.

- AASB 2008-7 *Amendments to Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Group's 31 March 2010 financial statements.

2. Determination of fair values

A number of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the market prices for similar items.

Intangible assets

The fair value of intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Derivatives

The fair value of the forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rates of interest is determined by reference to similar lease agreements.

3. Segment reporting

Segment information is presented in respect of the consolidated entity's business and geographical segments. The primary format, business segments, is based on the management and internal reporting structure.

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

3. Segment reporting (continued)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The consolidated entity comprises the following main business segments:

- Distribution – Distribution and sale of earthmoving and construction equipment, associated spare parts and service
- Crane hire – Crane hire to the construction and mining industry
- General hire – General equipment rental

Geographical segments

The Company operates within Australia.

Notes to the consolidated financial statements (continued)

3. Segment reporting (continued)

Business segments

In thousands of AUD	Distribution 2009	Distribution 2008	Crane Hire 2009	Crane Hire 2008	General Hire 2009	General Hire 2008	Other Operations 2009	Other Operations 2008	Eliminations 2009	Eliminations 2008	Consolidated 2009	Consolidated 2008
Revenue from external customers:												
Sale of goods	136,325	153,801	865	1,103	-	-	-	-	-	-	**137,190**	**154,904**
Rendering of services	-	-	80,724	60,168	88,153	71,982	14,937	15,784	-	-	**183,814**	**147,934**
Total revenue from external customers	136,325	153,801	81,589	61,271	88,153	71,982	14,937	15,784	-	-	**321,004**	**302,838**
Inter-segment revenue	11,888	5,715	-	144	144	657	3,289	3,932	(15,321)	(10,448)	**-**	**-**
Segment revenue	148,213	159,516	81,589	61,415	88,297	72,639	18,226	19,716	(15,321)	(10,448)	**321,004**	**302,838**
Segment result	9,598	16,865	18,382	12,902	6,034*	8,057	1,475	1,662	-	-	**35,489**	**39,486**
Unallocated expenses											**(1,936)**	**(2,407)**
Net finance (expense) / income											**(12,965)**	**1,959**
Income tax expense											**(6,382)**	**(12,469)**
Profit for the period											**14,206**	**26,569**

* Includes impairment losses of $1,094

Notes to the consolidated financial statements (continued)

3. Segment reporting (continued)

Business segments

	Distribution		Crane Hire		General Hire		Other Operations		Eliminations		Consolidated	
In thousands of AUD	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Segment assets	81,713	74,284	161,341	158,359	115,910	107,116	8,334	9,644	(79,642)	(69,180)	**287,656**	**280,223**
Segment liabilities	26,124	21,684	36,901	37,808	93,754	89,366	3,762	6,010	(27,896)	(25,165)	**132,645**	**129,703**
Unallocated liabilities											**2,257**	**6,303**
Total liabilities											**134,902**	**136,006**
Depreciation and amortisation	295	359	10,103	8,719	12,236	10,519	968	755	-	-	**23,602**	**20,352**
Non-cash expenses	1	1,200	855	990	156	(134)	81	(78)	-	-	**1,093**	**1,978**
Capital expenditure	173	271	26,104	7,668	17,348	10,495	1,359	503	(1,790)	-	**43,194**	**18,937**
Impairment losses	-	-	-	-	1,094	-	-	-	-	-	**1,094**	-

Tutt Bryant Group Limited and its controlled entities

Notes to the consolidated financial statements (continued)

		Consolidated		The Company	
	In thousands of AUD	2009	2008	2009	2008
4.	**Other income**				
	Net gain on disposal of property, plant and equipment	1,567	1,490	1,024	818
	Dividends received from controlled entities	-	-	3,370	13,700
	Other	535	328	14	-
		2,102	1,818	4,408	14,518
5.	**Other expenses**				
	Impairment loss on trade receivables	643	449	274	263
	Inventory write-downs	337	439	-	-
6.	**Personnel expenses**				
	Wages and salaries	43,952	38,779	10,760	9,078
	Increase in liability for long service leave and annual leave	3,234	2,520	803	690
	Equity settled remuneration	271	224	256	224
		47,457	41,523	11,819	9,992
7.	**Auditors' remuneration**				
	In AUD				
	Audit services				
	Auditors of the Company				
	KPMG Australia:				
	Audit and review of financial reports	332,000	318,000	142,000	127,200
	Other services				
	Auditors of the Company				
	KPMG Australia:				
	Taxation services	113,500	115,862	113,500	115,862

In thousands of AUD	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
8. Finance income and expense				
Interest income	735	1,243	174	348
Net foreign exchange gain	-	5,304	-	80
Finance income	735	6,547	174	428
Interest expense	(5,855)	(4,588)	(2,978)	(2,349)
Net foreign exchange loss	(7,845)	-	(191)	-
Finance expense	(13,700)	(4,588)	(3,169)	(2,349)
Net finance (expense) / income	(12,965)	1,959	(2,995)	(1,921)

9. Income tax expense

Recognised in the income statement

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Current tax expense				
Current year	8,999	12,360	3,948	1,981
Adjustments for prior years	119	686	229	352
	9,118	13,046	4,177	2,333
Deferred tax expense				
Origination and reversal of temporary differences	(2,736)	(577)	(1,110)	(142)
Total income tax expense in income statement	6,382	12,469	3,067	2,191

Numerical reconciliation between tax expense and pre-tax net profit

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Profit before tax	20,588	39,038	12,704	19,678
Income tax using the domestic corporation tax rate of 30% (2008: 30%)	6,176	11,711	3,811	5,903
Increase in income tax expense due to:				
Non-deductible expenses	87	72	38	16
Other	-	-	-	30
Decrease in income tax expense due to:				
Non-assessable dividend income	-	-	(1,011)	(4,110)
	6,263	11,783	2,838	1,839
Under provided in prior years	119	686	229	352
Income tax expense on pre-tax net profit	6,382	12,469	3,067	2,191

10. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 March 2009 was based on profit after tax attributable to ordinary shareholders of $14,206,000 (2008: $26,569,000) and a weighted average number of ordinary shares during the year ended 31 March 2009 of 131,535,764 (2008: 129,867,695), calculated as detailed below.

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2009 was based on profit after tax attributable to ordinary shareholders of $14,206,000 (2008: $26,569,000) and a weighted average number of shares of 132,017,576 (2008: 130,654,890) which includes performance rights issued.

Profit attributable to ordinary shareholders (basic and diluted)

In thousands of AUD	2009	2008
Profit attributable to ordinary shareholders (basic and diluted)	**14,206**	**26,569**

Weighted average number of ordinary shares (basic)

In thousand of shares		
Issued ordinary shares at 1 April	**129,913**	**129,755**
Effect of shares issued	**1,622**	**113**
Weighted average number of ordinary shares at 31 March	**131,535**	**129,868**

Weighted average number of ordinary shares (diluted)

In thousand of shares		
Issued ordinary share at 1 April	**129,913**	**129,755**
Effect of shares issued	**1,622**	**113**
Effect of performance rights issued	**434**	**787**
Weighted average number of ordinary shares (diluted) at 31 March	**131,969**	**130,655**

Earnings per share

Basic earnings per share

In cents	**10.80**	**20.46**

Diluted earnings per share

In cents	**10.76**	**20.34**
Total basic earnings per share (in cents) based on total shares on issue at balance date of 137,373,993.	**10.34**	**20.46**
Total diluted earnings per share (in cents) based on total shares (including the effect of performance rights) at balance date of 137,808,636.	**10.31**	**20.34**

Tutt Bryant Group Limited and its controlled entities

Notes to the consolidated financial statements (continued)

In thousands of AUD	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
11. Cash and cash equivalents				
Bank balances	14,085	27,617	4,200	8,499
Cash and cash equivalents in the statement of cash flows	14,085	27,617	4,200	8,499

The consolidated entity's exposure to interest rate risk can be seen at note 26.

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
12. Trade and other receivables				
Current				
Trade receivables	27,434	27,734	9,609	6,995
Prepayments	1,489	1,332	609	636
Amounts receivable from controlled entities	-	-	251	8,696
Amounts receivable from related entities	7	-	7	-
Finance lease receivables	26	39	-	-
Fair value derivatives	-	1,261	-	-
	28,956	30,366	10,476	16,327
Non-current				
Finance lease receivables	5	26	-	-
Loans to controlled entities	-	-	24,679	24,434
	5	26	24,679	24,434

The consolidated entity's and Company's exposure to credit risk can be seen at note 26.

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
13. Inventories				
Work in progress	3,010	2,138	2,023	354
Finished goods	44,385	52,156	30	2,883
	47,395	54,294	2,053	3,237
14. Other financial assets				
Current investments				
Listed equity securities available-for-sale	5	5	-	-
Non-current investments				
Investments in controlled entities - at cost	-	-	37,292	37,292

15. Current tax assets and liabilities

The current tax liability for the consolidated entity of $2,307,000 (2008: $6,303,000) and for the Company of $2,307,000 (2008: $6,078,000) represent the amount of income taxes payable in respect of current and prior periods.

In accordance with the tax consolidation legislation, the Company as the head entity of the Australian tax-consolidated group has assumed the current tax liability initially recognised by the members in the tax-consolidated group.

Tutt Bryant Group Limited and its controlled entities

Notes to the consolidated financial statements (continued)

16. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

In thousands of AUD	Assets		Liabilities		Net	
Consolidated	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Property, plant and equipment	-	-	(1,388)	(2,296)	**(1,388)**	**(2,296)**
Intangible assets	-	-	(275)	(508)	**(275)**	**(508)**
Inventories	331	327	-	-	**331**	**327**
Receivables	363	296	-	-	**363**	**296**
Employee benefits	2,042	1,817	-	-	**2,042**	**1,817**
Unrealised foreign exchange gains / losses	881	-	-	(475)	**881**	**(475)**
Provisions	190	188	-	-	**190**	**188**
Prepayments	-	-	(44)	(59)	**(44)**	**(59)**
Share issue costs	327	536	-	-	**327**	**536**
Finance lease liabilities	120	52	-	-	**120**	**52**
Other items	166	99	-	-	**166**	**99**
Tax assets /(liabilities)	4,420	3,315	(1,707)	(3,338)	**2,713**	**(23)**
Set off of tax	(1,707)	(3,315)	1,707	3,315	**-**	**-**
Net tax liabilities	2,713	-	-	(23)	**2,713**	**(23)**
The Company						
Property, plant and equipment	-	-	(1,592)	(2,535)	**(1,592)**	**(2,535)**
Receivables	184	101	-	-	**184**	**101**
Employee benefits	592	510	-	-	**592**	**510**
Unrealised foreign exchange gains / losses	8	-	-	(5)	**8**	**(5)**
Provisions	9	9	-	-	**9**	**9**
Prepayments	-	-	(22)	(31)	**(22)**	**(31)**
Share issue costs	327	536	-	-	**327**	**536**
Finance leases	120	52	-	-	**120**	**52**
Other items	154	33	-	-	**154**	**33**
Tax assets /(liabilities)	1,394	1,241	(1,614)	(2,571)	**(220)**	**(1,330)**
Set off of tax	(1,394)	(1,241)	1,394	1,241	**-**	**-**
Net tax liabilities	-	-	(220)	(1,330)	**(220)**	**(1,330)**

16. Deferred tax assets and liabilities (continued)

Movement in Temporary Differences

In thousands of AUD	Consolidated Balance 1 Apr 07	Recognised in income	Balance 31 Mar 08
Property, plant and equipment	(3,132)	836	(2,296)
Intangible assets	(695)	187	(508)
Share issue costs	763	(227)	536
Inventories	143	184	327
Receivables	257	39	296
Employee benefits	1,598	219	1,817
Unrealised foreign exchange gains / losses	63	(538)	(475)
Provisions	228	(40)	188
Prepayments	(5)	(54)	(59)
Finance lease liabilities	67	(15)	52
Other items	113	(14)	99
	(600)	577	(23)

In thousands of AUD	Balance 1 Apr 08	Recognised in income	Balance 31 Mar 09
Property, plant and equipment	(2,296)	908	**(1,388)**
Intangible assets	(508)	233	**(275)**
Share issue costs	536	(209)	**327**
Inventories	327	4	**331**
Receivables	296	67	**363**
Employee benefits	1,817	225	**2,042**
Unrealised foreign exchange gains / losses	(475)	1,356	**881**
Provisions	188	2	**190**
Prepayments	(59)	15	**(44)**
Finance leases	52	68	**120**
Other items	99	67	**166**
	(23)	2,736	**2,713**

16. Deferred tax assets and liabilities (continued)

Movement in Temporary Differences

In thousands of AUD	The Company Balance 1 Apr 07	Recognised in income	Balance 31 Mar 08
Property, plant and equipment	(2,715)	180	(2,535)
Share issue costs	763	(227)	536
Receivables	25	76	101
Employee benefits	380	130	510
Unrealised foreign exchange gains / losses	-	(5)	(5)
Provisions	9	-	9
Prepayments	(1)	(30)	(31)
Finance leases	67	(15)	52
Other items	-	33	33
	(1,472)	142	(1,330)
	Balance 1 Apr 08	**Recognised in income**	**Balance 31 Mar 09**
Property, plant and equipment	(2,535)	943	**(1,592)**
Share issue costs	536	(209)	**327**
Receivables	101	83	**184**
Employee benefits	510	82	**592**
Unrealised foreign exchange gains / losses	(5)	13	**8**
Provisions	9	-	**9**
Prepayments	(31)	9	**(22)**
Finance leases	52	68	**120**
Other items	33	121	**154**
	(1,330)	1,110	**(220)**

17. Property, plant and equipment

In thousands of AUD	Consolidated					The Company				
	Land and buildings	Rental equipment	Motor vehicles	Machinery, equipment and fittings	Total	Land and buildings	Rental equipment	Motor vehicles	Machinery, equipment and fittings	Total
Cost										
Balance at 1 April 2007	15,512	132,398	10,802	5,138	**163,850**	14,932	87,047	261	978	**103,218**
Acquisitions through business combinations	-	2,818	199	77	**3,094**	-	2,081	199	77	**2,357**
Acquisitions	14	14,973	2,697	1,253	**18,937**	-	3,556	818	1,288	**5,662**
Transfer to intangibles	-	-	-	(20)	**(20)**	-	-	-	-	-
Reclassification of assets	-	55	444	(499)	-	-	-	-	-	-
Disposals	-	(3,806)	(968)	(262)	**(5,036)**	-	(641)	-	-	**(641)**
Balance at 31 March 2008	15,526	146,438	13,174	5,687	**180,825**	14,932	92,043	1,278	2,343	**110,596**
Balance at 1 April 2008	15,526	146,438	13,174	5,687	**180,825**	14,932	92,043	1,278	2,343	**110,596**
Acquisitions through business combinations	-	6,537	390	-	**6,927**	-	-	-	-	-
Acquisitions	358	30,785	11,458	593	**43,194**	175	11,555	9,597	335	**21,662**
Reclassification of assets	-	535	(535)	-	-	-	-	-	-	-
Disposals	-	(8,208)	(1,314)	(42)	**(9,564)**	-	(4,421)	-	-	**(4,421)**
Balance at 31 March 2009	15,884	176,087	23,173	6,238	**221,382**	15,107	99,177	10,875	2,678	**127,837**

17. Property, plant and equipment (continued)

In thousands of AUD

	Consolidated					The Company				
	Land and buildings	Rental equipment	Motor vehicles	Machinery, equipment and fittings	Total	Land and buildings	Rental equipment	Motor vehicles	Machinery, equipment and fittings	Total
Depreciation and impairment losses										
Balance at 1 April 2007	1,806	30,639	743	2,559	**35,747**	1,853	27,462	41	433	**29,789**
Depreciation charge for the year	436	15,339	2,135	1,668	**19,578**	415	5,611	88	1,134	**7,248**
Disposal of assets	-	(2,749)	(651)	(66)	**(3,466)**	-	(519)	-	-	**(519)**
Balance at 31 March 2008	2,242	43,229	2,227	4,161	**51,859**	2,268	32,554	129	1,567	**36,518**
Balance at 1 April 2008	2,242	43,229	2,227	4,161	**51,859**	2,268	32,554	129	1,567	**36,518**
Depreciation charge for the year	456	19,193	2,296	674	**22,619**	426	7,032	440	284	**8,182**
Disposal of assets	-	(5,355)	(824)	(28)	**(6,207)**	-	(2,416)	-	-	**(2,416)**
Balance at 31 March 2009	2,698	57,067	3,699	4,807	**68,271**	2,694	37,170	569	1,851	**42,284**
Carrying amounts										
At 1 April 2007	13,706	101,759	10,059	2,579	**128,103**	13,079	59,585	220	545	**73,429**
At 31 March 2008	13,284	103,209	10,947	1,526	**128,966**	12,664	59,489	1,149	776	**74,078**
At 1 April 2008	13,284	103,209	10,947	1,526	**128,966**	12,664	59,489	1,149	776	**74,078**
At 31 March 2009	13,186	119,020	19,474	1,431	**153,111**	12,413	62,007	10,306	827	**85,553**

Leased plant and machinery

The consolidated entity leases assets under a number of finance lease agreements. At the end of these leases, the consolidated entity has the option to purchase the equipment at a beneficial price. At 31 March 2009, the net carrying amount of leased assets was $82,003,445 (2008: $58,972,931). The leased equipment secures lease obligations.

18. Intangible assets

In thousands of AUD	Consolidated Goodwill	Consolidated Customer Relationship	Consolidated Computer Software	Consolidated Total	The Company Goodwill	The Company Customer Relationship	The Company Computer Software	The Company Total
Cost								
Balance at 1 April 2007	36,302	2,724	446	**39,472**	746	-	13	**759**
Acquisitions through business combinations	1,190	-	-	**1,190**	1,190	-	-	**1,190**
Acquisitions	-	-	146	**146**	-	-	139	**139**
Transfer from property, plant and equipment	-	-	20	**20**	-	-	-	-
Balance at 31 March 2008	37,492	2,724	612	**40,828**	1,936	-	152	**2,088**
Balance at 1 April 2008	37,492	2,724	612	**40,828**	1,936	-	152	**2,088**
Acquisitions through business combinations	4,270	-	-	**4,270**	-	-	-	-
Acquisitions	-	-	244	**244**	-	-	234	**234**
Transfer from property, plant and equipment	-	-	-	-	-	-	-	-
Balance at 31 March 2009	41,762	2,724	856	**45,342**	1,936	-	386	**2,322**

Tutt Bryant Group Limited and its controlled entities

Notes to the consolidated financial statements (continued)

18. Intangible assets (continued)

	Consolidated				The Company			
In thousands of AUD	Goodwill	Customer Relationship	Computer Software	Total	Goodwill	Customer Relationship	Computer Software	Total
Amortisation and impairment losses								
Balance at 1 April 2007	477	408	220	**1,105**	249	-	3	**252**
Amortisation for the year	-	624	150	**774**	-	-	25	**25**
Impairment loss	-	-	-	**-**	-	-	-	**-**
Balance at 31 March 2008	477	1,032	370	**1,879**	249	-	28	**277**
Balance at 1 April 2008	477	1,032	370	**1,879**	249	-	28	**277**
Amortisation for the year	-	775	208	**983**	-	-	116	**116**
Impairment loss	1,094	-	-	**1,094**	-	-	-	**-**
Balance at 31 March 2009	1,571	1,807	578	**3,956**	249	-	144	**393**
Carrying amounts								
At 1 April 2007	35,825	2,316	226	**38,367**	497	-	10	**507**
At 31 March 2008	37,015	1,692	242	**38,949**	1,687	-	124	**1,811**
At 1 April 2008	37,015	1,692	242	**38,949**	1,687	-	124	**1,811**
At 31 March 2009	40,191	917	278	**41,386**	1,687	-	242	**1,929**

18. Intangible assets (continued)

In thousands of AUD	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Impairment tests for cash generating units containing goodwill				
The following cash generating units have significant carrying amounts of goodwill:				
Kingston Industries (WA) Pty Ltd – Heavy Haulage	**1,185**	**1,185**	**-**	**-**
Kingston Industries Pty Ltd – Plant Hire and Rail Maintenance	**2,032**	**3,060**	**-**	**-**
Kingston Industries Pty Ltd – Caradel	**1,878**	**-**	**-**	**-**
Tutt Bryant Crane Hire – Northern Territory	**497**	**497**	**497**	**497**
North Sheridan Pty Ltd	**23,722**	**23,840**	**-**	**-**
North Sheridan Pty Ltd – Compactor Hire	**2,391**	**-**	**-**	**-**
Muswellbrook Crane Services Pty Ltd	**6,845**	**6,792**	**-**	**-**
Bradshaw Ultra Heavy Haulage	**1,190**	**1,190**	**1,190**	**1,190**
Office Cleaning Services Pty Ltd	**451**	**451**	**-**	**-**
	40,191	**37,015**	**1,687**	**1,687**

During the financial year management wrote off $1.1m in goodwill pertaining to the Kingston Industries Rail Maintenance and Waste Management businesses.

Impairment tests for all cash generating units are based on value in use calculations. Those calculations use cash flow projections based on management's forecasted results for the year ending 31 March 2010. Cash flows for up to a further five years (and terminal values) are extrapolated using growth rates of 3% across all cash generating units, based on management's knowledge and past experience of the business. A pre-tax discount rate of 15% has been used in discounting the projected cash flows.

19. Trade and other payables

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Trade payables and accrued expenses	**34,385**	58,680	**6,106**	4,571
Amounts payable to related entities	**110**	3,824	**63**	185
Amounts payable to controlled entities	**-**	-	**368**	13,417
Fair value derivatives	**1,048**	-	**-**	-
	35,543	62,504	**6,537**	18,173

The consolidated entity's exposure to currency risk is disclosed in note 26.

20. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the consolidated entity's interest-bearing loans and borrowings. For more information about the consolidated entity's exposure to interest rate and foreign currency risk, see note 26.

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Current liabilities				
Secured bank loans	**9,091**	720	**1,630**	436
Finance lease and hire purchase liabilities	**13,513**	14,766	**6,150**	5,066
	22,604	15,486	**7,780**	5,502
Non-current liabilities				
Secured bank loans	**646**	951	**-**	-
Finance lease and hire purchase liabilities	**65,300**	42,943	**36,492**	25,975
	65,946	43,894	**36,492**	25,975

20. Interest-bearing loans and borrowings (continued)

In thousands of AUD

Terms and debt repayment schedule	Nominal interest rate	Year of maturity	2009 Fair value	2009 Carrying amount	2008 Fair Value	2008 Carrying amount
Terms and conditions of outstanding loans were as follows:						
Consolidated						
Secured bank loan	6.98%	2009	350	350	-	-
Secured bank loan	5.16%	2009	1,280	1,280	-	-
Secured bank loan	7.05%	2012	951	951	1,235	1,235
Secured bank loan	5.51%	2009	-	-	436	436
Secured bank loan	5.63%	2009	7,156	7,156	-	-
Finance lease and hire purchase liabilities	5.51 - 9.40%	2009-2014	78,880	78,813	57,709	57,709
			88,617	88,550	59,380	59,380
Company						
Secured bank loan	6.98%	2009	350	350	-	-
Secured bank loan	5.16%	5.16%	1,280	1,280	-	-
Secured bank loan	5.51%	2009	-	-	435	435
Finance lease and hire purchase liabilities	5.51 - 9.40%	2009-2014	42,678	42,642	31,041	31,041
			44,308	44,272	31,476	31,476

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Financing facilities				
Bank overdraft	**1,550**	1,550	**-**	-
Secured bank loans	**10,506**	6,596	**3,350**	3,436
Other trade financing facilities	**93,034**	71,544	**89,190**	47,235
	105,090	79,690	**92,540**	50,671
Facilities utilised at reporting date				
Secured bank loans	**9,737**	1,671	**1,630**	436
Other trade financing facilities	**78,813**	57,709	**42,642**	31,041
	88,550	59,380	**44,272**	31,477
Facilities not utilised at reporting date				
Bank overdraft	**1,550**	1,550	**-**	-
Secured bank loans	**769**	4,925	**1,720**	3,000
Other trade financing facilities	**14,221**	13,835	**46,548**	16,194
	16,540	20,310	**48,268**	19,194

Financing arrangements

Bank overdrafts

The bank overdraft facility of a controlled entity as at 31 March 2009 was secured by a guarantee from the consolidated entity . Interest on bank overdraft is charged at prevailing market rates. The bank overdraft is payable on demand and subject to annual review.

Secured bank loans

The bank loans are secured by registered first mortgages over land and buildings and an ultimate parent company guarantee. One bank loan amounting to $950,875 has a remaining term of 4 years whilst the remaining loans expire in 2009.

20. Interest-bearing loans and borrowings (continued)

Financing arrangements (continued)

Other trade financing facilities

Other trade financing facilities comprise mainly finance lease and hire purchase facilities which are secured by the leased assets with a written down value of $80,646,188 (2008: $58,972,931). In the event of default, the assets revert to the lessor.

Finance lease and hire purchase liabilities

Finance lease and hire purchase liabilities of the consolidated entity are payable as follows:

Consolidated	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
In thousands of AUD	**2009**	**2009**	**2009**	**2008**	**2008**	**2008**
Less than one year	**18,532**	**5,019**	**13,513**	18,533	3,767	14,766
Between one and five years	**72,613**	**7,313**	**65,300**	46,285	3,342	42,943
	91,145	**12,332**	**78,813**	64,818	7,109	57,709
The Company						
Less than one year	**9,208**	**3,058**	**6,150**	7,347	2,281	5,066
Between one and five years	**40,449**	**3,957**	**36,492**	28,116	2,141	25,975
	49,657	**7,015**	**42,642**	35,463	4,422	31,041

Under the terms of the agreements, no contingent rents are payable. The consolidated entity finances certain fleet assets under hire purchase arrangements, typically for periods of four to five years, and leases plant and equipment under finance leases expiring from one to six years. At the end of the term, the consolidated entity has the option to purchase certain equipment at a predetermined residual value. The terms of the agreements require that no additional debt or further leases are taken out without prior approval of the lessor.

21. Employee benefits

In thousands of AUD

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Current				
Liability for long service leave	806	735	292	300
Liability for annual leave	4,479	3,935	1,220	993
	5,285	4,670	1,512	1,293
Non-current				
Liability for long service leave	1,522	1,387	461	407

22. Provisions

	Warranties	Lease makegood	Total
Consolidated			
Balance at 1 April 2008	1,509	230	1,739
Provisions made during the year	171	-	171
Provisions used during the year	(195)	(20)	(215)
Balance at 31 March 2009	1,485	210	1,695
Current	778	-	778
Non-current	707	210	917
	1,485	210	1,695
The Company			
Balance at 1 April 2008 and 31 March 2009	-	30	30

Warranties

The provision for warranties relates mainly to equipment sold during the years ended 31 March 2007, 2008 and 2009. The provision is based on estimates made from historical warranty claim rates adjusted for specific information arising from internal quality assurance processes. The consolidated entity expects to incur the liability over a period of up to 3 years.

Lease makegood

A provision for makegood costs for leased property is recognised by the consolidated entity when an underlying makegood obligation clause exists in property lease contracts.

23. Capital and reserves

	The Company	
	2009	**2008**
Share capital		
In thousands of shares		
On issue at beginning of year	**129,913**	**129,755**
Issued for cash	**7,105**	**-**
Exercise of performance rights	**356**	**158**
On issue at end of year	**137,374**	**129,913**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Reserves

Equity compensation reserve

The equity compensation reserve represents the value of performance right shares that the consolidated entity is required to include in the income statement. This reserve is reversed against share capital when the underlying shares vest with the employee.

Dividends	The Company	
In thousands of AUD	**2009**	**2008**
Dividend franking account		
30% franking credits available to shareholders of Tutt Bryant Group Limited for subsequent financial years	**25,744**	**20,589**

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

(a) franking credits that will arise from the payment of the current tax liabilities;

(b) franking debits that will arise from the payment of dividends recognised as a liability at year end;

(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at year end; and

(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

Dividends paid by the Company to members during the financial year were:

- Previous year final – 18 July 2008 – fully franked divided at 4.5 cents per share $5,862,086
- Current year interim – 20 January 2009 – fully franked dividend at 3.0 cents per share $3,908,057

After the balance sheet date, the following dividend was proposed by the directors.

	Cents per share	Total amount	Franked / unfranked	Date of payment
Final ordinary	1.5	$2,060,610	100% Franked	17 July 2009

The financial effect of this dividend has not yet been brought to account in the financial statements for the year ended 31 March 2009 and will be recognised in subsequent financial reports. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce franking credits by $883,118 (2008: $2,505,464).

24. Consolidated entities

	Country of incorporation	Ownership 2009	Ownership 2008
Parent entity			
Tutt Bryant Group Limited	Australia		
Subsidiaries			
BT Equipment Pty Limited	Australia	100%	100%
Pacific Tutts Heavy Lift (PNG) Ltd (deregistered during the year)	Papua New Guinea	-	77.09%
Tat Hong Equipment Finance Pty Limited	Australia	100%	100%
EQR Investments Pty Limited	Australia	100%	100%
Office Cleaning Services Pty Limited	Australia	100%	100%
Kingston Industries Pty Limited	Australia	100%	100%
Relsok Pty Limited	Australia	100%	100%
Kingston Industries (WA) Pty Limited	Australia	100%	100%
Falconer Administration Trust	Australia	100%	100%
North Sheridan Pty Ltd	Australia	100%	100%
Muswellbrook Crane Services Pty Ltd	Australia	100%	100%

25. Acquisition of business

In April 2008 and May 2008 the consolidated entity acquired the trading names, together with some of the assets and liabilities of Compactor Hire and Caradel Hire located in Queensland and New South Wales respectively.

The consolidated entity considers it impractical to restate the 2009 financial results to include the acquired entity for the full financial year, as these entities were privately owned, had a different balance date and accounting policies were not consistent to those adopted by the consolidated entity. The acquisition had the following effect on the consolidated entity's assets and liabilities on acquisition date:

Compactor Hire Townsville Pty Limited	**Recognised values on acquisition**
In thousands of AUD	
Property, plant and equipment	3,558
Interest-bearing loans and borrowings	(1,143)
Employee entitlements	(17)
Net identifiable assets and liabilities	2,398
Goodwill on acquisition	2,391
	4,789
Consideration paid	4,789

Caradel Hire Pty Limited	**Recognised values on acquisition**
Property, plant and equipment	3,369
Interest-bearing loans and borrowings	(1,646)
Trade and other receivables	630
Employee entitlements	(141)
Net identifiable assets and liabilities	2,212
Goodwill on acquisition	1,879
	4,091
Consideration paid	4,091

25. Acquisition of business (continued)

The values of assets and liabilities recognised on acquisition are their estimated fair values. The goodwill recognised on the acquisition is attributable mainly to the long standing presence of the business in the industry, the knowledge and technical ability of the acquired business workforce and the synergies expected to be achieved from integrating the business into the consolidated entities existing operations.

26. Financial instruments

The Company and consolidated entity have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Risk Management Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Audit, Compliance and Risk Committee on its activities.

Exposure to credit, interest rate and currency risks arises in the normal course of the consolidated entity's business. Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates.

a) Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entities receivables from customers and derivatives. For the Company it also arises from receivables due from controlled entities.

The Risk Management Committee has established a credit policy under which each significant new customer is analysed individually for creditworthiness before the consolidated entity's standard payment and delivery terms and conditions are offered. The exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The consolidated entity does not require collateral in respect of financial assets.

Transactions involving derivative financial instruments are with counterparties who have sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

26. Financial instruments (continued)

a) Credit risk (continued)

Impairment losses

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

	Consolidated			
	Gross	**Impairment**	**Gross**	**Impairment**
In thousands of AUD	**2009**	**2009**	**2008**	**2008**
Not past due	**25,786**	**-**	23,756	-
Past due 0 - 30 days	**1,090**	**-**	4,128	(150)
Past due 31 + days	**1,766**	**(1,208)**	837	(837)
	28,642	**(1,208)**	28,721	(987)

	The Company			
	Gross	**Impairment**	**Gross**	**Impairment**
	2009	**2009**	**2008**	**2008**
Not past due	**8,952**	**-**	**6,441**	**-**
Past due 0 - 30 days	**466**	**-**	**892**	**(338)**
Past due 31+ days	**803**	**(612)**	**-**	**-**
	10,221	**(612)**	**7,333**	**(338)**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated		The Company	
	2009	2008	**2009**	2008
Balance 1 April	**987**	913	**338**	139
Impairment loss recognised	**643**	449	**274**	263
Written off during the year	**(422)**	(375)	**-**	(64)
Balance 31 March	**1,208**	987	**612**	338

26. Financial instruments (continued)

b) Liquidity risk

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

The effective interest rates and repricing analysis on page 74 details the maturity periods of interest bearing financial liabilities. The only non-interest bearing financial liability is trade and other payables, which is expected to be settled within six months.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The consolidated entity enters into derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

(i) Foreign currency risk

The consolidated entity is exposed to foreign currency risk on purchases that are denominated in a currency other than the AUD. The currencies giving rise to this risk are primarily Euro, U.S. Dollars and Japanese Yen.

The consolidated entity enters into forward foreign exchange contracts to buy specified amounts of various foreign currencies at a pre-determined exchange rate. The consolidated entity uses these forward exchange contracts to hedge its foreign currency risk.

The consolidated entity has foreign currency intercompany payables which have not been hedged of $109,584 (2008: $3,641,408).

At any point in time the consolidated entity hedges 75 to 85 percent of its trade payables denominated in a foreign currency. The consolidated entity uses forward exchange contracts to hedge its currency risk, most with a maturity of less than 180 days from the reporting date.

26. Financial instruments (continued)

c) Market risk (continued)

(i) Foreign currency risk (continued)

The following significant exchange rates applied during the year:	Average rate		Reporting date spot rate	
	2009	2008	**2009**	2008
JPY	**80.33**	95.26	**68.25**	91.38
EUR	**0.5532**	0.5950	**0.5234**	0.5808
USD	**0.7930**	0.8740	**0.6948**	0.9173

Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the following currencies at 31 March would have increased / (decreased) profit before tax by the amounts shown below. For purposes of assessing the foreign currency risk associated with foreign exchange contracts, a 10% increase in forward rates has been assumed. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

	Consolidated		The Company	
	2009	**2008**	**2009**	**2008**
In thousands of AUD				
JPY	**77**	242	-	-
EUR	**(190)**	(41)	-	-
USD	**34**	(66)	-	-
	(79)	135	-	-

A 10 percent weakening of the Australian dollar against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

26. Financial instruments (continued)

c) Market risk (continued)

(i) Foreign currency risk (continued)

	Consolidated		The Company	
In thousands of AUD	**2009**	**2008**	**2009**	**2008**
At balance date, the consolidated entity held the following forward exchange contracts used for hedging outflows:				
Less than 3 months				
JPY	7,247	16,867	-	-
EUR	2,745	3,936	-	-
USD	1,023	1,358	-	-
Between 3 months and 6 months				
JPY	1,881	2,520	-	-
	12,896	24,681	-	-

The consolidated entity's exposure to foreign currency risk at balance date was as follows, based on notional amounts:
Forward exchange contracts used for hedging outflow:

Consolidated

	JPY	EUR	USD	SGD	GBP	TOTAL
Trade payables denominated in a currency other than AUD	10,378	744	1,403	18	9	12,552
Less						
Forward exchange contracts held	9,128	2,745	1,023	-	-	12,896
Net exposure as at 31 March 2009	1,250	(2,001)	380	18	9	(344)
Net exposure as at 31 March 2008	**2,889**	**(265)**	**(649)**	**40**	**2**	**2,017**

The Company

	JPY	EUR	USD	SGD	GBP	TOTAL
Trade payables denominated in a currency other than AUD	-	-	-	18	-	18
Less						
Forward exchange contracts held	-	-	-	-	-	-
Net exposure as at 31 March 2009	-	-	-	18	-	18
Net exposure as at 31 March 2008	-	-	-	**40**	-	**40**

Tutt Bryant Group Limited and its controlled entities

Notes to the consolidated financial statements (continued)

26. Financial instruments (continued)

c) Market risk (continued)

(ii) Interest rate risk

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice:

Consolidated	**March 2009**				**March 2008**			
In thousands of AUD	**Effective interest rate**	**Total**	**12 months or less**	**1-5 years**	**Effective interest rate**	**Total**	**12 months or less**	**1-5 years**
Cash and cash equivalents – at variable rates	2.10%	**14,085**	-	-	6.70%	27,617	-	-
Finance lease receivables	7.80%	**31**	26	5	7.80%	65	39	26
		14,116	26	5		27,682	39	26
Finance lease liabilities	7.64%	**78,813**	13,513	65,300	7.65%	57,709	14,766	42,943
Secured bank loans	5.76%	**9,737**	9,091	646	6.64%	1,671	720	951
		88,550	22,604	65,946		59,380	15,486	43,894

The Company	**March 2009**				**March 2008**			
In thousands of AUD	**Effective interest rate**	**Total**	**12 months or less**	**1-5 years**	**Effective interest rate**	**Total**	**12 months or less**	**1-5 years**
Cash and cash equivalents – at variable rates	2.10%	**4,200**	4,200	-	6.70%	8,499	-	-
Finance lease liabilities	7.64%	**42,642**	6,150	36,492	7.61%	31,041	5,066	25,975
Secured bank loans	5.55%	**1,630**	1,630	-	5.51%	436	436	-
		44,272	7,780	36,492		31,477	5,502	25,975

The finance lease liabilities and secured bank loans of the consolidated entity relate to fixed rate instruments, finance leases and hire purchase agreements.

Notes to the consolidated financial statements (continued)

26. Financial instruments (continued)

c) Market risk (continued)

(ii) Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The consolidated entity does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(d) Recognised assets and liabilities

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised in the net profit. The fair value of forward exchange contracts used as economic hedges of monetary assets in foreign currencies at 31 March 2009 resulted in a fair value derivative liability of $1,047,987 (2008: asset $1,260,820) for the consolidated entity and $nil (2008: $nil) for the Company.

(e) Fair values

The carrying value of financial assets and liabilities approximate their fair value except for finance lease and hire purchase liabilities where carrying values are stated at amortised cost.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the consolidated entity defines as net operating profit divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

27. Operating leases

	Consolidated		The Company	
	2009	2008	2009	2008
In thousands of AUD				
Leases as lessee				
Non-cancellable operating lease rentals are payable as follows:				
Less than one year	4,187	3,236	1,051	572
Between one and five years	8,006	5,060	2,028	795
More than five years	1,644	-	1,586	-
	13,837	8,296	4,665	1,367

The consolidated entity leases a number of premises, motor vehicles and computer equipment under operating leases. The leases typically run for a period of up to 5 years, after which time, the lease terms are generally renegotiated. Lease payments are generally set for the term of the lease. None of the leases includes contingent rentals.

Leases as lessor

The consolidated entity leases out equipment under finance leases. The future minimum lease payments under non-cancellable leases are as follows:

Less than one year	26	39	-	-
Between one and five years	5	26	-	-
	31	65	-	-

During the year ended 31 March 2009, $386,898 (2008: $342,550) was recognised as revenue in the income statement and $81,689 (2008: $24,209) in respect of repairs and maintenance was recognised as an expense in the income statement relating to these leases.

28. Capital and other commitments

Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for and payable:				
Within one year	2,879	6,979	11	5,226

The above commitments include capital expenditure commitments relating to the procurement of various items of plant, computer equipment and workshop equipment.

29. Contingencies

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
In thousands of AUD				
Contingent liabilities considered remote				
Guarantees				
(i) Under the terms of a Deed of Cross Guarantee, described in Note 30, the Company has guaranteed the repayment of all current and future creditors in the event any of the entities party to the Deed are wound up. No deficiency in net assets exists in these companies at reporting date;	-	-	-	-
(ii) The Company is party to cross guarantees with its controlled entities in respect of various bank facilities; and	-	-	-	-
(iii) The consolidated entity has given bank guarantees to various customers in relation to property and civil construction contracts.	**1,018**	**1,479**	**101**	**-**

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefit will be required or the amount is not capable of reliable measurement.

30. Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 29 March 2005, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Tat Hong Equipment Finance Pty Ltd
- EQR Investments Pty Ltd
- Kingston Industries Pty Ltd
- Office Cleaning Services Pty Ltd
- BT Equipment Pty Ltd
- Relsok Pty Ltd
- Kingston Industries (WA) Pty Ltd
- North Sheridan Pty Ltd
- Muswellbrook Crane Services Pty Ltd

The income statement and balance sheet for the entities that are a party to the Deed of Cross Guarantee is consistent with that set out on pages 30 and 32.

31. Reconciliation of cash flows from operating activities

In thousands of AUD	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
Cash flows from operating activities				
Profit for the period	14,206	26,569	9,637	17,487
Adjustments for:				
Depreciation	22,619	19,578	8,182	7,248
Amortisation	983	774	116	25
Impairment of goodwill	1,094	-	-	-
Interest expense on finance leases and hire purchase	5,614	4,449	2,833	2,312
Dividends from controlled entities	-	-	(3,370)	(13,700)
Gain on sale of property, plant and equipment	(1,567)	(1,490)	(1,024)	(818)
Equity settled share based payment expense	271	224	256	224
Income tax expense	6,382	12,469	3,067	2,191
Operating profit before changes in working capital and provisions	49,602	62,573	19,697	14,969
Decrease / (increase) in trade and other receivables	2,061	(2,076)	5,606	(7,244)
Decrease / (increase) in inventories	6,899	(16,872)	1,184	(2,288)
(Decrease) / increase in trade and other payables	(26,213)	1,593	(5,725)	5,758
Increase in provisions and employee benefits	548	809	273	356
Cash generated from the operations	32,897	46,027	21,035	11,551
Income taxes paid	(13,113)	(8,972)	(13,113)	(8,972)
Net cash from operating activities	19,784	37,055	7,922	2,579

32. Key management personnel disclosures

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

Bernard Carrasco (Chairman)

Kym Godson

Bryan Gardiner

San Tiong Ng

Sun Ho Ng

Chen Wei Ng

Executive directors

David Haynes - Managing Director

Stephen Fisher - Director of Finance

Executives

Jim Blaker - General Manager, BT Equipment Pty Ltd

Rob West - National Crane Operations Manager, Tutt Bryant Crane Hire

Alex Dracoulas - General Manager, Kingston Industries Pty Ltd

Julian Laws - General Manager, Paramount Hire Services

Gary Meyer - General Manager, Muswellbrook Crane Services Pty Ltd

Information regarding individual directors and executives remuneration disclosures is detailed below.

	Consolidated		The Company	
	2009	**2008**	**2009**	**2008**
32. Key management personnel disclosures (continued)				
In AUD				
Aggregate remuneration was as follows:				
Short term benefits				
Salary and fees	1,760,178	1,497,942	1,112,381	937,127
Short term incentive cash bonus	345,986	763,594	181,415	444,761
Long service leave	79,991	70,238	40,040	58,131
Non-monetary benefits	170,666	152,224	87,778	94,150
Post employment benefits				
Superannuation benefits	236,667	267,154	145,617	160,971
Share based payments				
Performance rights	270,546	220,546	255,546	220,546
	2,864,034	**2,971,698**	**1,822,777**	**1,915,686**

Movements in shares

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

	Held at 1 April 2008	Purchases	Performance rights share allotment	Held at 31 March 2009
Directors				
Bernard Carrasco	70,000	3,818	-	73,818
Kym Godson	49,000	2,672	-	51,672
Bryan Gardiner	25,000	1,363	-	26,363
San Tiong Ng	70,000	3,818	-	73,818
Sun Ho Ng	70,000	3,818	-	73,818
Chen Wei Ng	14,000	763	-	14,763
David Haynes	129,368	19,987	237,078	386,433
Stephen Fisher	71,684	10,375	118,539	200,598
Executives				
Jim Blaker	14,000	-	-	14,000
Rob West	6,047	1,281	-	7,328
Alex Dracoulas	8,197	1,764	-	9,961
Julian Laws	365	1,411	-	1,776
Gary Meyer	-	-	-	-

In addition, each of the directors San Tiong Ng and Sun Ho Ng are substantial holders of shares in Tat Hong Holdings Limited and therefore may be regarded as having interests in all of the 95,782,043 shares in the Company owned by Tat Hong International Pte Ltd (a subsidiary of Tat Hong Holdings Ltd).

32. Key management personnel disclosures (continued)

Other transactions with key management personnel

Apart from the details disclosed in this note and the Remuneration Report on page 12, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous year and there were no material contracts involving director's interests at year end.

33. Related Parties

Identity of related parties

The consolidated entity has a related party relationship with its controlled entities, its controlling entities (refer below) and with its key management personnel (refer note 32).

Controlling entities

The immediate parent entity is Tat Hong International Pte Ltd, a company incorporated in Singapore. The ultimate parent entity is Tat Hong Holdings Limited, a company incorporated in Singapore.

	Consolidated		The Company	
In thousands of AUD	2009	2008	2009	2008
Transactions with other related entities				
The aggregate amounts brought to account in respect of related party transactions were:				
Purchase of goods for resale from:				
Related entities	4,369	16,338	280	12,787
Controlled entities	-	-	3,223	3,932
	4,369	16,338	3,503	16,719
Sales of goods for resale to:				
Commonly controlled entities	1,831	667	1,776	604

In thousands of AUD	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
33. Related Parties				
Amounts receivable from and payable to related parties				
Aggregate amount receivable at balance date from:				
Current				
Related entities	7	-	7	-
Controlled entities	-	-	251	8,696
	7	-	258	8,696
Non-current				
Controlled entities – interest free	-	-	24,679	24,434
Aggregate amount payable at balance date to:				
Current				
Related entities	110	3,824	63	185
Controlled entities	-	-	368	13,417
	110	3,824	431	13,602

With the exception of the interest free loans provided by the Company to controlled entities, all related party transactions were on commercial terms and conditions.

34. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Directors' declaration

1 In the opinion of the directors of Tutt Bryant Group Limited (the Company):

(a) the financial statements and notes, and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, set out on pages 8 to 16, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 31 March 2009 and of their performance for the financial year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the Company and the group entities identified in Note 30 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 March 2009.

Signed in accordance with a resolution of the directors:

Bernard L Carrasco	David J F P Haynes
Chairman	Managing Director

Dated at Sydney

28 May 2009

KPMG

Independent auditor's report to the members of Tutt Bryant Group Limited

Report on the financial report

We have audited the accompanying financial report of Tutt Bryant Group Limited (the Company), which comprises the balance sheets as at 31 March 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 34 and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

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

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Tutt Bryant Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 31 March 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included on pages 8 to 16 of the directors' report for the year ended 31 March 2009. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Tutt Bryant Group Limited for the year ended 31 March 2009, complies with Section 300A of the *Corporations Act 2001.*

KPMG

KPMG

G Boydell

Greg Boydell
Partner

Sydney

28 May 2009