

# **Half Year Report Of Wridgways Australia Limited for the Period Ended 31 December 2008**

ABN 82 079 887 728

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

Current Reporting Period: Half Year Ended 31 December 2008

Previous Corresponding Period: Half Year Ended 31 December 2007

**Wridgways Australia Limited**  
**Half Year Report**  
**For the Period Ended 31 December 2008**

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## Section A: Results For Announcement to the Market

### Revenue and Net Profit

		<b>Percentage Change %</b>		<b>Amount \$'000</b>
Revenue from operations	Up	8.6%	To	62,241
Profit after tax attributable to members	Up	5.3%	To	3,742
Profit attributable to members	Up	5.3%	To	3,742

### Dividends (Distributions)

	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend in respect of 30 June 2008 financial year - Paid 26 September 2008	11.0¢	11.0¢ (at 30% tax)
Interim dividend in respect of 30 June 2009 financial year	6.0¢	6.0¢ (at 30% tax)

Record date for determining entitlements to the interim dividend is

6 March 2009
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## Section B: Commentary on Results

### Brief Explanation of Revenue, Net Profit and Dividends

Import and export divisions again performed well consolidating our international reputation.

Interstate and local moving divisions have also performed very well in an extremely competitive environment.

The relocation division has provided a significant contribution through successful negotiation of long term contracts.

Revenue to the end of December 2008 increased by 8.6% to \$62.241m.

Precise focus upon quality revenue, cost controls and yield management saw profit after tax increase by 5.3%.

#### **Dividends**

The directors have declared a fully franked interim dividend of 6.0 cents per share (2008 interim: 6.0 cents) to be paid on 13 March 2009 to shareholders registered as such on 6 March 2009.

# **Wridgways Australia Limited**

ABN 82 079 887 728

Financial report for the half-year ended 31 December 2008

# Financial Report for the Half-year ended 31 December 2008

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# Directors' Report

The directors of Wridgways Australia Limited ("Wridgways") submit herewith the financial report for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Anthony W Whatmore  
Bryan D Weir  
James A Brown  
Desmond F Stickland  
Brian C Clarke

The above named directors held office during and since the end of the half-year.

## Review of operations

The consolidated net profit for the half year was \$3,742,000 (31 December 2007: \$3,555,000). A review of operations is contained in the Chairman's report.

## Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

## Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Mr A W Whatmore  
Director



Mr D F Stickland  
Director

Sydney, 19 February 2009

19 February 2009

Board of Directors  
Wridgways Australia Limited  
93 Heatherdale Road  
RINGWOOD VIC 3134

Dear Board Members

**Auditors Independence Declaration - Wridgways Australia Limited**

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

As lead audit partner for the review of the financial statements of Wridgways Australia Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU



D A WATSON  
Partner  
Chartered Accountants





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**Independent Auditor's Review Report  
to the Members of Wridgways Australia Limited**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Wridgways Australia Limited, which comprises the condensed consolidated balance sheet as at 31 December 2008, and the condensed consolidated income statement, condensed consolidated cash flow statement, condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 15.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 half-year 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.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Wridgways Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Auditor's Independence Declaration*

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

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wridgways Australia Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

*J. A. Watson*

D A WATSON  
Partner  
Chartered Accountants  
Melbourne, 19 February 2009

## Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Mr A W Whatmore  
Director



Mr D F Stickland  
Director

Sydney, 19 February 2009

## Condensed Consolidated Income Statement for the half-year ended 31 December 2008

	<b>Consolidated</b>	
	<b>Half-year ended 31/12/2008 \$'000</b>	<b>Half-year ended 31/12/2007 \$'000</b>
Revenue	62,241	57,322
Other income	36	13
Freight and direct costs	(42,160)	(37,253)
Occupancy expenses	(2,538)	(2,581)
Sales and administration expenses	(12,248)	(12,410)
<b>Profit before tax</b>	<b>5,331</b>	<b>5,091</b>
Income tax expense	(1,589)	(1,536)
<b>Profit for the period</b>	<b>3,742</b>	<b>3,555</b>
<b>Profit attributable to members of the parent entity</b>	<b>3,742</b>	<b>3,555</b>
<b>Earnings per share:</b>	<b>¢</b>	<b>¢</b>
Basic (cents per share)	11.69	11.11
Diluted (cents per share)	11.69	11.11

Notes to the financial statements are included on pages 9 to 15.

## Condensed Consolidated Balance Sheet as at 31 December 2008

	Consolidated	
	31 December 2008 \$'000	30 June 2008 \$'000
<b>Current assets</b>		
Cash	3,517	8,847
Trade and other receivables	14,847	10,374
Inventories	565	334
Other	1,899	989
<b>Total current assets</b>	<b>20,828</b>	<b>20,544</b>
<b>Non-current assets</b>		
Plant and equipment	7,800	6,392
Deferred tax assets	1,074	1,122
Goodwill	1,529	1,529
Brand name	8,000	8,000
Other intangible assets	862	500
<b>Total non-current assets</b>	<b>19,265</b>	<b>17,543</b>
<b>Total assets</b>	<b>40,093</b>	<b>38,087</b>
<b>Current liabilities</b>		
Trade and other payables	19,149	17,068
Current tax payables	867	1,235
Provisions	3,726	3,692
<b>Total current liabilities</b>	<b>23,742</b>	<b>21,995</b>
<b>Non-current liabilities</b>		
Provisions	177	140
<b>Total non-current liabilities</b>	<b>177</b>	<b>140</b>
<b>Total liabilities</b>	<b>23,919</b>	<b>22,135</b>
<b>Net assets</b>	<b>16,174</b>	<b>15,952</b>
<b>Equity</b>		
Issued capital	1,500	1,500
Retained earnings	14,674	14,452
<b>Total equity</b>	<b>16,174</b>	<b>15,952</b>

Notes to the financial statements are included on pages 9 to 15.

## Condensed Consolidated Statement of Changes in Equity for the half-year ended 31 December 2008

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2007	1,500	12,542	14,042
Net income recognised directly in equity	-	-	-
Profit for the period	-	3,555	3,555
<b>Total recognised income and expense</b>	-	3,555	3,555
Payment of dividends (Note 4)	-	(3,200)	(3,200)
<b>Balance at 31 December 2007</b>	<b>1,500</b>	<b>12,897</b>	<b>14,397</b>
Balance at 1 July 2008	1,500	14,452	15,952
Net income recognised directly in equity	-	-	-
Profit for the period	-	3,742	3,742
<b>Total recognised income and expense</b>	-	3,742	3,742
Payment of dividends (Note 4)	-	(3,520)	(3,520)
<b>Balance at 31 December 2008</b>	<b>1,500</b>	<b>14,674</b>	<b>16,174</b>

Notes to the financial statements are included on pages 9 to 15.

## Condensed Consolidated Cash Flow Statement for the half-year ended 31 December 2008

	Consolidated	
	Half-year ended 31/12/2008 \$'000	Half-year ended 31/12/2007 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	57,541	51,411
Interest received	226	192
Payments to suppliers and employees	(55,385)	(49,479)
Income tax paid	(1,908)	(1,664)
Net cash provided by operating activities	474	460
<b>Cash flows from investing activities</b>		
Payment for software, plant and equipment	(2,333)	(1,266)
Proceeds from sale of plant and equipment	49	25
Net cash used in investing activities	(2,284)	(1,241)
<b>Cash flows from financing activities</b>		
Dividends paid	(3,520)	(3,200)
Net cash used in financing activities	(3,520)	(3,200)
<b>Net decrease in cash</b>	<b>(5,330)</b>	<b>(3,981)</b>
<b>Cash at the beginning of the half-year</b>	<b>8,847</b>	<b>8,360</b>
<b>Cash at the end of the half-year</b>	<b>3,517</b>	<b>4,379</b>

Notes to the financial statements are included on pages 9 to 15.

# Notes to the Condensed Consolidated Financial Statements

## 1. Summary of Accounting Policies

### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

### Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the year ended 30 June 2008.

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the half-year financial report:

#### (a) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

#### (b) Revenue recognition

Revenue from the provision of removal services is recognised when the freight is delivered.

Revenue from the provision of storage services is recognised over the period of storage.

Dividend revenue is recognised on a receivable basis. Interest and rental revenue is recognised on an accrual basis.

## 1. Summary of accounting policies (cont'd)

### (c) Income tax

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Wridgways Australia Limited is the head entity in the tax-consolidated group. Wridgways Australia Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

### (d) Goods and services tax

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

### (e) Trade and other receivables

Trade receivables and other receivables are recorded at amortised cost less impairment.



## 1. Summary of accounting policies (cont'd)

### (f) Inventories

Inventories are valued at the lower of cost and net realisable value.

### (g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Transport Fleet 5 – 7 years
- Plant and Equipment 3 – 10 years

### (h) Leased assets

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

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### (i) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired (in respect of the business of Wridgways Limited) is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed (refer note 1(l)).

### (j) Brand name

The consolidated entity's brand name, Wridgways, is recorded at cost of acquisition. In the opinion of the Directors, the brand name does not have a finite useful life. Accordingly, the brand name is not amortised but tested for impairment annually and whenever there is an indication that the brand name may be impaired. The following factors support the Directors' opinion of indefinite useful life:

- There is no legal (either by way of statute or contract) limitation on the life of the Wridgways brand name. The ownership is absolute and therefore not limited as to term;

## 1. Summary of accounting policies (cont'd)

### (j) Brand name (cont'd)

- The Wridgways brand name value derives from the market recognition of the quality of the Wridgways' removal and storage services. Such services are not adversely impacted by changes in technology and regulatory frameworks or a dependence on key industries or customers. Therefore, there is no expectation that the usefulness of the brand name will diminish over time due to technical or commercial obsolescence;
- For over 100 years the brand name has been actively promoted and is prominent across the market place;
- The Wridgways name has continued to be used throughout various changes in ownership of the company. The business had its origins in a business started by Mr Ernest Wridgway in Melbourne in 1892. The business then conducted under the Wridgways name was acquired by Ansett in 1972 and sold to TNT in 1994. In 1997, Wridgways was acquired by its management team and two management buy-out funds where it was finally listed on the Australian Stock Exchange in 1999;
- History of strong earnings in the business under the brand name.

The brand name was recognised at its fair value on the acquisition of the business of Wridgways Limited on the basis of an independent valuation prepared by Grant Thornton Corporate (NSW) Pty Limited dated 27 October 1998. The basis of the valuation was the relief from franchise fee method.

### (k) Intangible assets

#### Software

Software is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 2 – 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

### (l) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 1. Summary of accounting policies (cont'd)

### (m) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

### (n) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

### (o) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

### (p) Employee benefits

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

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

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

#### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

### (q) Financial instruments issued by the company

#### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

#### Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

## 1. Summary of accounting policies (cont'd)

### (r) Foreign currency

#### Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## 2. Segment information

The consolidated entity operates in the transport industry (through the provision of removal and storage services) and operates only in Australia.

## 3. Seasonality

The removals industry typically experiences peak demand for services in December and January. Accordingly receivables and payables are generally higher as at 31 December compared to 30 June, with the majority of revenues and profits being earned during this period.

## 4. Dividends

### Recognised amounts

#### Fully paid ordinary shares

Final dividend paid in respect of the prior financial year – franked to 30%

	Half-year ended 31 December 2008		Half-year ended 31 December 2007	
	Cents per share	Total \$'000	Cents per share	Total \$'000
	11.0	3,520	10.0	3,200
	6.0	1,920	6.0	1,920

### Unrecognised amounts

#### Fully paid ordinary shares

Interim dividend in respect of current financial year – franked to 30%

	<u>31/12/08</u>	<u>31/12/07</u>
	\$	\$
<b>5. Net Tangible Assets Per Share</b>		
Consolidated net tangible assets per share	\$0.18	\$0.15

Net Tangible Assets at 31 December 2008 of \$5,783,000 consists of Net Assets of \$16,174,000 less Intangible Assets of \$10,391,000.