ANNUAL REPORT 2010

NORFOLK
INTEGRATED ENGINEERING

CONTENTS

Registered Office

Norfolk Group Limited
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PO Box 1417
North Sydney NSW 2059

Share Registry

Link Market Services Limited
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Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235

ASX Listing

Norfolk Group Limited ordinary shares are listed on the Australian Securities Exchange (code: NFK)

Website

www.norfolkgl.com

Norfolk Shareholder Information Line

Telephone: 1300 881 079 (Australia)
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Open 8.30am to 5.30pm (AEDT) Monday to Friday

NORFOLK
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KEY HIGHLIGHTS

Highlights

- Record revenue at $792 million
- NPAT [1] from continued operations up 20.7%
- EPS [1, 2] up 18.7% to 13.54 cents per share (cps)
- EBITDA [1] up 7.4% to $36.2 million
- Operating cash flow up 31.5% to $26.7m
- Strong balance sheet, successful Rights Issue
- Record order book of $828 million

Market development

- Strategic development in stable sectors
- Alliance contracting revenue doubled
- Increased technological expertise through alliances and recruitment
- Expansion into Vietnam and Hong Kong

Health, Safety and our people

- Continued improvement in safety performance
- Zero harm policy
- Investing in technical specialists
- Developing and supporting award winning teams
- Investing in apprentices as the future
- Supporting and rewarding high performance

Operational

- NZ operations returned to profitability
- Cost minimisation focus continues
- Cross business opportunities maximised
- Realignment of business development structure

Strategy

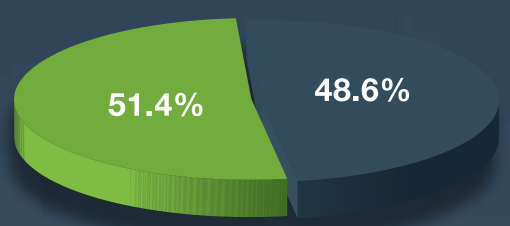
- Focus on stable sectors
- Focus on recurring and alliance style revenue
- Increase technology leadership
- Leverage existing customer network
- Build strong health and safety culture

Outlook

- Favourable long-term growth opportunities
- Record order book ($828 million)
- $625 million of FY2011 revenue underpinned by contracts, work orders and ongoing service commitments
- 10% NPAT growth expected in FY2011
- Strong position to achieve growth, whilst mindful of macro-economic impacts

Revenue split

- Service / Alliance
- Fixed contracting



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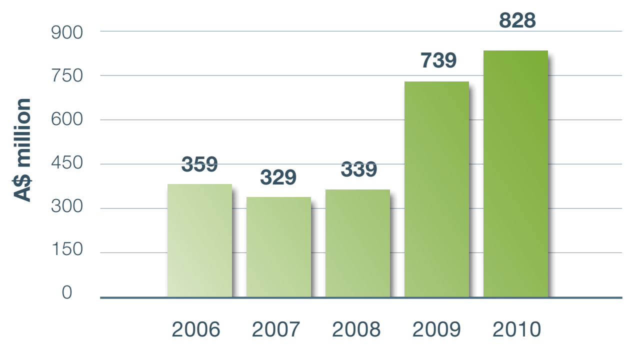
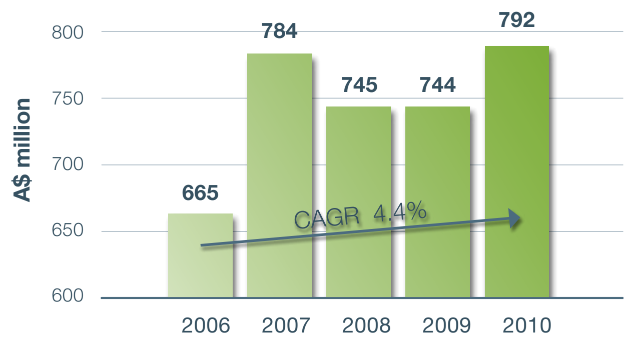
(1) FY2009 normalised to exclude one-off impairment charge
(2) EPS restated to reflect Rights Issue

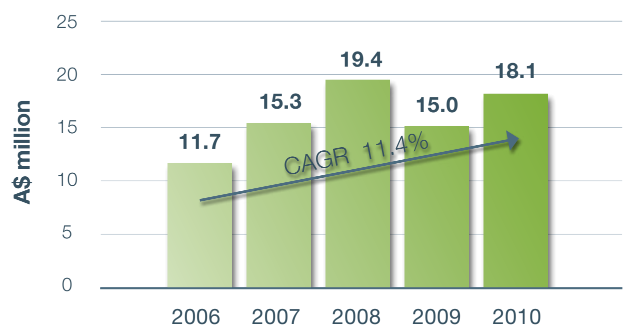
Order book



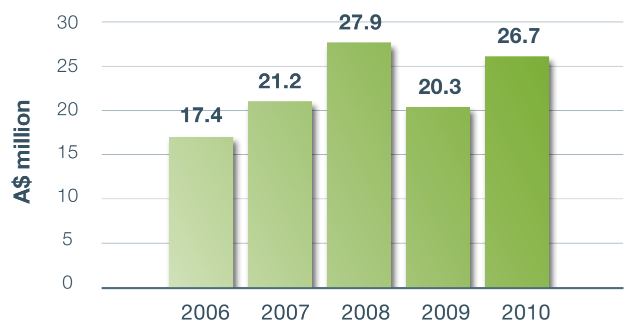
Revenues



NPAT[1]



Operating cash flow



Financial performance from continuing operations

A$ million		2010	2009 [1]	Change
Revenue	A$m	791.8	744.2	6.4%
EBITDA	A$m	36.2	33.7	7.4%
Operating Cash Flow	A$m	26.7	20.3	31.5%
EBIT	A$m	30.2	28.9	4.5%
EBIT Margin %	%	3.8	3.9	(0.1%)
NPAT	A$m	18.1	15.0	20.7%
EPS (cents) [2]	cps	13.54	11.41	18.7%

(1) FY2009 normalised to exclude one-off impairment charge
(2) EPS restated to reflect Rights Issue

NORFOLK
INTEGRATED ENGINEERING

CHAIRMAN'S REPORT

On behalf of the board of directors it gives me great pleasure to present to you the 2010 Norfolk Group Limited Annual Report.

Despite the slow down in construction activity and restrained spending that resulted from the Global Financial Crisis (GFC), Norfolk exceeded expectations. Norfolk recorded a net profit after tax from continuing operations of $18.1 million, which was a 20.7% increase on the normalised 2009 profit. With a record level order book, we are well positioned to continue to grow our profit going forward.

Disciplined financial decision making

Our achievements during this period have been the result of focused effort by the board and management on prudent financial, risk and cost management, whilst maximising the returns from our core markets and solid customer base. This has placed Norfolk in a sound financial position and well-placed to take advantage of opportunities, and to prosper when market recovery occurs.

We successfully completed a $19.9 million equity raising in February to pay down debt and to strengthen our balance sheet. The equity raising was 70% oversubscribed and the vast majority of our shareholders participated in this raising. The board appreciated the strong support shown by shareholders at this time.

To bolster Norfolk's financial position, the board took the measured decision not to pay a dividend this financial year. The board understands the importance of the dividend income stream for a number of our shareholders, so it was not a decision taken lightly. However, to support our objectives of continued growth and revenue expansion it was considered more prudent to focus on debt elimination to further strengthen the balance sheet.

Growth through our people

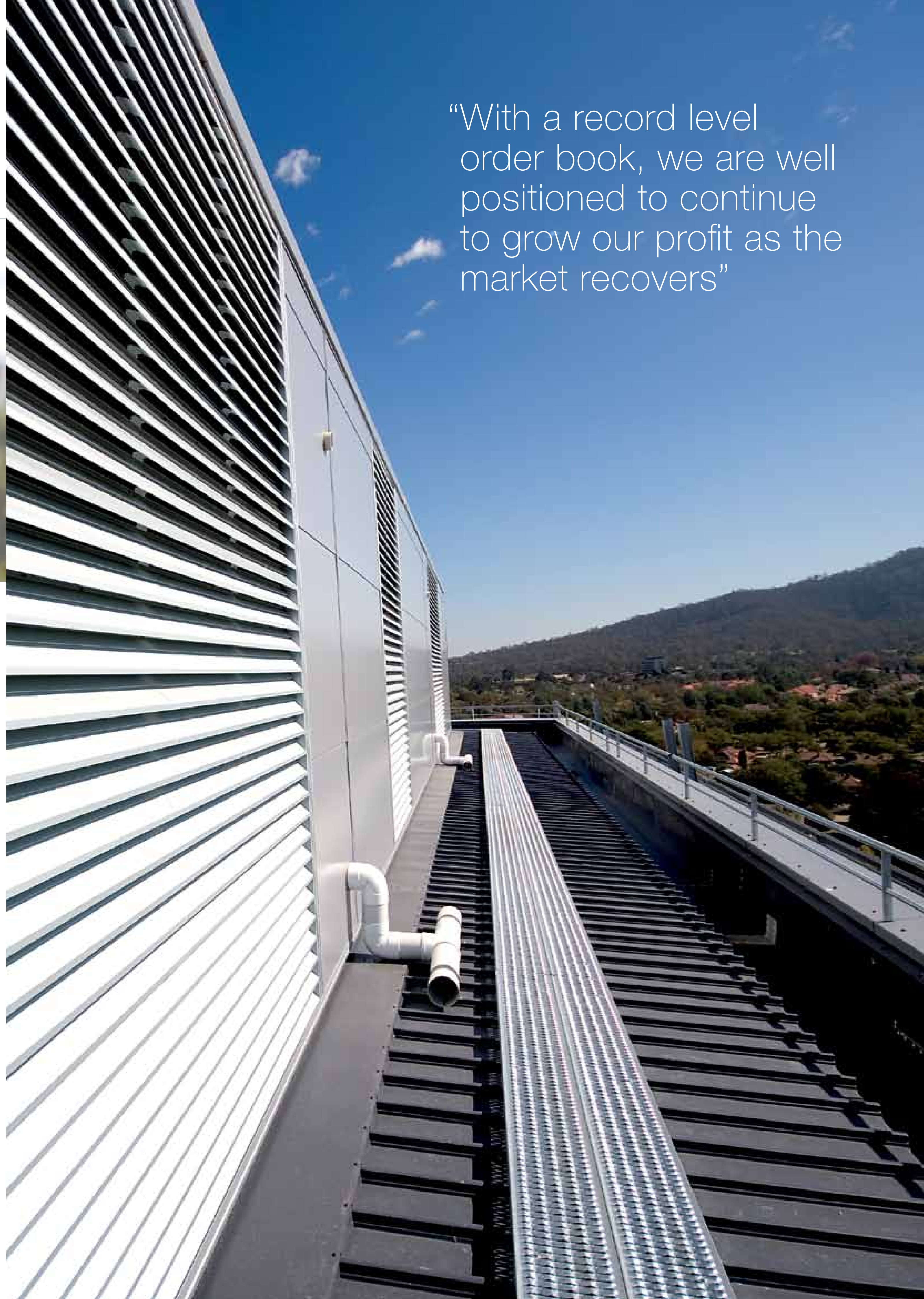
Thanks to the efforts of our diverse group of dedicated employees, Norfolk has a record order book which positions us well going into the next financial year. While economic conditions remain volatile, in some markets the opportunities for Norfolk are returning to pre-GFC levels. We believe that Norfolk's strategy to grow market share in stable sectors and drive innovation in our key markets will continue to allow us to achieve outstanding results for our shareholders.

Norfolk remains a people business and is committed to the concept of "zero harm" to our people. While we are proud of the significant improvement we have seen in our safety performance over the last two years, any injury or incident is deemed unacceptable and we will continue to focus on improving our safety systems to meet this goal.

I would like to take this opportunity to thank each of our employees for their contribution towards Norfolk's success. The solid performance of the past financial year is the result of the commitment shown from all of our people.

Finally, I would like to thank my fellow board members for their support during the year. I also want to express my appreciation to Glenn Wallace and his senior management team for maintaining their focus on the long term. Given the depth and breadth of growth opportunities before us, our company-wide commitment to a focused business strategy, and the strength and skills of our leadership and people, I am confident of our continued success as we look towards delivering exceptional shareholder value through 2011 and beyond.

Rod Keller
Chairman, Norfolk Group Limited



MANAGING DIRECTOR'S REPORT

In November 2009, we celebrated our fifth anniversary as the Norfolk Group, which may seem quite young for a group that includes companies with hundred-plus year histories in Haden and O'Donnell Griffin.

During the last five years Norfolk has grown both financially and geographically in our aim to become one of the leading providers of integrated engineering solutions, servicing thousands of customers throughout Australia, New Zealand and Asia.

Strategies to target stable market segments, increase our share in our core markets, and strengthen our lead in offering technological solutions, combined with a record order book, will take us into the future in a strong position to continue this growth.

Strong operational performance

The 2010 financial year has been a significant year for Norfolk and I am extremely pleased with the financial results we have delivered. Our strong operational cash flow, EBITDA and record revenues exceeded expectations. These results demonstrate the strength of Norfolk's business model and the resilience of earnings achieved through our diverse services, broad range of customers and geographical presence.

2010 has been the first year since listing that Norfolk has been able to show its strength without abnormal issues clouding our performance. In 2008 we dealt with the challenges of listing and last year we went through a once in a lifetime "global financial crisis". Although we were still dealing with the impact of the GFC this year, we delivered a very strong result.

We will continue to look towards the future knowing we are capable of delivering results even in harsh economic conditions

Over the last two years we have learnt a lot about ourselves. We have now been challenged on our strategy, challenged on our focus on service and recurring work, exposed to a debt facility refinance and exposed to continual share price volatility. From all of this Norfolk has emerged a much wiser and stronger company. At the end of 2010 we have a record order book and strong tendering activity. We will continue to look towards the future knowing we are capable of delivering results even in harsh economic conditions.

Our people are our success

Norfolk is a people business and our success depends on recognising and developing the skills our employees bring to the company. Our people have demonstrated their expertise, commitment and drive for results by successfully delivering projects and meeting customer expectations. They are also doing this more safely than at any other time in our history.

To ensure we are positioned to take advantage of future growth opportunities, we have bolstered the professional expertise of the business by recruiting and upskilling innovative technical specialists across Norfolk. This focus is at all levels of our company, from technicians to technology innovation managers and specialist business development teams.

We are proud of the success of our people and applaud those employees and business units who have been publically recognised for their achievements at the NECA (National Electrical and Communications Association) and Skills 360 Australia Awards.

We have bolstered the professional and technical expertise of the Group to take advantage of growth opportunities

During the year we strengthened our senior management team with the appointment of Geoff Stewart as Group Marketing Director. We have also recently appointed Tony Kutra as Director of Business Development. David Rafter transitioned from Chief Executive of the Mechanical Division to become Chief Executive of Electrical and Communications while maintaining responsibility for our international operations. Richard Smith was promoted to Chief Executive of the Mechanical Division and James Fletcher was appointed to the newly created role of General Manager New Zealand with immediate impact. The change in roles within our senior management team is a result of our focus on succession planning which enables us to develop the required expertise internally.

Commitment to zero harm

Norfolk remains committed to the safety of its people. Our safety performance improved significantly with a decline in our Lost Time Injury Frequency Rate (LTIFR) of 44% and our Total Recordable Injury Frequency Rate (TRIFR) of 35% which can be attributed to our extensive "Safety All Ways" programme. Our safety performance exceeded our target reductions and was an outstanding performance. Despite exceeding our targets, we continue to strive every day for "zero harm", improving our safety culture and supporting it with the systems and processes our people need to do their job safely.

Accountability for safety begins with me and runs throughout the organisation from the chief executives to site supervisors.

Strategic direction for growth

During the year we dedicated time to focus on the future strategic direction of Norfolk. The board has endorsed a strategy which confirms our role as a provider of integrated engineering solutions, predominately through the O'Donnell Griffin and Haden brands and supported by Resolve FM. Particular focus will be on the industrial sectors, including rail, health, resources, power and water. Service and maintenance will remain a very strong focus as this area has proven to deliver stability in our earnings especially during economic uncertainty.

Greater business development focus and resource will be applied to growing recurring revenue through alliance style construction opportunities and long term maintenance contracts in key industry sectors. We will continue to build on the success of the O'Donnell Griffin and Haden models to ensure they remain market leaders in their fields and continue to work in partnership with our customers to develop solutions that address their needs.

We will continue to strengthen our environmental capabilities through project design and delivery, alliances with research bodies and leading energy efficiency consultants and suppliers. Continuing membership of the Green Building Council of Australia and the New Zealand Green Building Council will ensure our focus on sustainability.

- *Focus on stable sectors*
- *Build recurring and alliance-style revenue*
- *Develop as technology leaders*
- *Leverage existing customer network*
- *Promote strong health and safety culture*

During the year Norfolk decided to exit its joint venture operation in the Middle East. Whilst we have now put in place a licensing arrangement which enables us to re-enter the joint venture, our strategic focus remains on the core geographies of Australia and New Zealand. We are also focussing on rail opportunities in Hong Kong and the maintenance and development of "mission critical" buildings in Asia, in particularly India and Vietnam.

Outlook

Norfolk is going into 2011 with a record order book and a project pipeline equal to pre-GFC times. By maintaining our commitment to the successful Norfolk strategy and focusing on stable sectors, Norfolk aims to achieve 10 per cent NPAT growth in the 2011 financial year.

While I don't underestimate the challenges of maintaining our revenue growth, I am confident that the experience we have gained managing through uncertainty and our growth strategy will create additional shareholder value. With a record order book we are in a position to capitalise on the excellent foundations we have established over the past 5 years, whilst being mindful of the current macro-economic uncertainty.

In the coming years we will continue to invest in the core skills of our people to ensure the success of our growth strategy. It is through our people working effectively in well resourced teams that we will continue to deliver excellent outcomes for our customers and deliver excellent results for our shareholders.

Glenn Wallace
Managing Director, Norfolk Group Limited

CHIEF FINANCIAL OFFICER'S REPORT

Norfolk recorded total revenue of $791.8 million from its continuing operations, an increase of 6.4% on the comparable previous year's numbers, whilst Net Profit After Tax (NPAT) grew by 20.7% to $18.1 million, from a normalised $15.0 million in FY2009. The revenue growth was achieved predominately through O'Donnell Griffin and Haden, who both delivered record revenue levels.

The record revenue delivered by O'Donnell Griffin was its highest on record and was due to an increase in infrastructure activity during the year. The Haden record revenues did not flow through to improved profit due to market pressure on margins and reduced activity in the commercial sector.

In New Zealand profit was up on the previous year as an impact of the restructure undertaken in 2009, while profit in India was lower than the previous year as many customers put on hold capital expenditure plans during the global financial crisis.

As a result of the significant decline of construction activity in the Middle East, Norfolk decided to exit its joint venture and replace it with a licensing arrangement which gives Norfolk the ability to re-enter the market at a future date. All of the operating losses and setup costs have been expensed during the year in the Statement of Comprehensive Income.

EBIT margins reduced slightly to 3.8% compared to 3.9% in the previous financial year which was due to the higher level of depreciation. At an EBITDA level the margin percentage increased to 4.6% from 4.5%. The increased level of depreciation was a result of the increased capital expenditure required to support the growth of Norfolk.

Norfolk's effective tax rate in the year was 26.3%, reflecting additional deductions from research and development activity.

Order book

Norfolk's order book grew to $828 million during the financial year, which was an increase of 12% on last year. The order book does not reflect expected service volume, which contributes approximately 50% to Norfolk's earnings each year. The order book reflects orders which have been awarded to Norfolk but not yet delivered. The current level is a record and provides a strong foundation for the future outlook.

Norfolk's order book grew to $828 million during the financial year, which was an increase of 12% on last year

Cash flow

Strong cash generation was a highlight of the 2010 financial year. Cash flow from operating activity increased to $26.7 million for the year compared to $20.3 million in the previous year, an increase of 31.5%. Cash flow improvement was driven by earnings growth and good working capital management. Capital expenditure of $8.2 million was higher than the $3.9 million in the prior year and was a result of increased project activity.

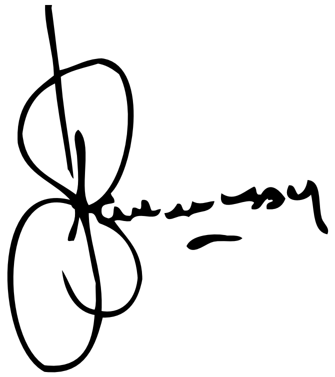
With strong shareholder support this raised an additional $19.9 million and significantly strengthened Norfolk's balance sheet

Capital management

A major focus in the year was the recapitalisation of Norfolk's balance sheet following a significant deterioration in credit markets due to the GFC and the associated rapid downturn in economic conditions. On 3 February 2010, Norfolk announced an equity raising, via a 2 for 9 pro rata non-renounceable rights entitlement offer, at a price of $0.72 per share. With strong shareholder support this raised an additional $19.9 million and significantly strengthened Norfolk's balance sheet.

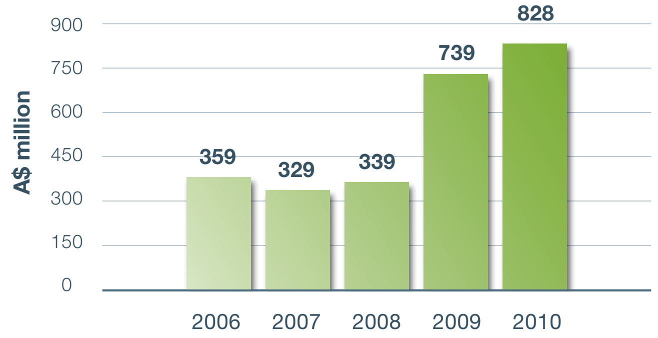
At the same time Norfolk also completed a refinance of its debt facilities for an additional 3 years. As part of the refinance, Norfolk total debt levels reduced but its available bond facility increased. The reduced net debt position provided Norfolk with greater working capital flexibility while the increased bond facility gives it greater ability to take on more projects. As at 31 March 2010, total net debt was $13 million, having been reduced from $49 million 12 months earlier, and was made up of cash holdings of $16 million and debt of $29 million. Norfolk has available a $30 million working capital facility which was undrawn at the end of the financial year.

Norfolk didn't declare a dividend during the financial year and while understanding some shareholders' desire to receive dividends, we are focused on utilising cash generated to further strengthen the balance sheet for future strategic growth.



Anthony O'Shannessy
Chief Financial Officer, Norfolk Group Limited

Order book



Operating cash flow from continuing operations

MANAGEMENT PROFILES

Glenn Wallace
Managing Director

Glenn Wallace is the Managing Director of Norfolk and was appointed to the role in 2004, following the successful acquisition of the businesses now forming Norfolk.

With many years experience in senior management roles both in New Zealand and Australia, Glenn works with other members of management to develop the strategy and business development tactics for Norfolk.

Prior to joining Norfolk, Glenn held a number of senior roles including Managing Director of Tyco, having held various roles within Tyco since joining the company as National Sales Manager in 1987, and Managing Director of the Tiri Group from 2003. Glenn is currently a non-executive director of Maui Capital Limited.

Glenn has a Diploma in Leadership Management from the Macquarie Business School, and has completed the Advanced Management Program at the University of Hawaii in 1996. He is a NSW Council Member in the Australian Industry Group and is a Member of the Australian Institute of Company Directors.

Anthony O'Shannessy
Chief Financial Officer

In January 2005 Anthony O'Shannessy was appointed Financial Director of Norfolk and subsequently to the position of Chief Financial Officer. With over 18 years international experience in the accounting profession, Anthony has held a number of senior financial roles with ABB, a global engineering organisation in Australia and Europe and Tyco, a global provider of security and fire services. Prior to his appointment with Norfolk, Anthony held the position of Divisional Finance Manager for the electrical and mechanical division of Tyco in Australia.

Anthony is responsible for Norfolk's financial and management reporting, treasury, taxation, management of the group's information and technology systems and investor relations.

Anthony is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors and holds a Bachelor of Business Studies (Accounting).

Fiona Lovell
General Counsel and Company Secretary

Fiona Lovell joined Norfolk in 2008 as Senior Legal Counsel and was appointed General Counsel and Company Secretary in April 2009. As General Counsel, Fiona is responsible for the management of legal services across Norfolk, and for providing legal advice to the Norfolk board and senior management. As Company Secretary, Fiona is responsible for the effective administration of the board and for ensuring compliance with regulations, including the ASX listing rules.

Fiona has a strong background in corporate and commercial matters, specialising in complex and large-scale litigation. Prior to joining Norfolk, Fiona worked as a solicitor in private practice and advised a number of listed entities.

Fiona holds a Bachelor of Arts/Bachelor of Laws (Hons) and a Graduate Diploma in International Law from the University of Sydney. Fiona also holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. Fiona is currently undertaking a Graduate Diploma of Applied Corporate Governance with Chartered Secretaries Australia.

David Rafter
Chief Executive, Electrical & Communications and International

David Rafter was appointed to the position of Chief Executive, Electrical and Communications and International in May 2009.

The role covers the Electrical and Communications business in Australia and all electrical & mechanical businesses operating outside Australia and New Zealand, including Norfolk Mechanical India.

David was appointed to the role of General Manager of Haden in 2005 and subsequently promoted to the position of Chief Executive, Mechanical before being promoted to his current role.

Prior to this, David was the National Manager of the Service Division for Tyco Australia's Electrical and Mechanical Business Unit and also held senior positions at Resolve FM and Telstra Corporation's Property Services business.

David holds a Master of Business Administration from Charles Sturt University, a Masters of Building Services Design Science from the University of Sydney and is a Member of the Australian Institute of Company Directors.

Richard Smith
Chief Executive, Mechanical

Richard Smith was appointed to the position of Chief Executive, Mechanical in 2009, from his position as General Manager Resolve FM.

Richard is responsible for the mechanical business within Australia which predominantly relates to heating, ventilation, air conditioning and refrigeration.

In 2007 Richard was appointed to the role of General Manager at Resolve FM and prior to that was Group General Manager – Services for Barclay Mowlem, where he established its Services Division, a combination of both the facility management and maintenance operations.

Richard has also held positions as General Manager of Strategic Planning and Development for both Barclay Mowlem and Transfield. He has extensive experience in Public-Private Partnerships and Build, Own,Operate, Transfer deals and has managed such investments for Transfield. Prior to these, Richard spent 14 years with CSR Limited in a variety of divisions and roles.

Richard holds a Master of Business Administration from Macquarie University and a Bachelor of Engineering (Chemical) from Canterbury University.

James Fletcher
General Manager, New Zealand

James Fletcher was appointed to the role of General Manager New Zealand in 2009, responsible for the ongoing growth and development of the electrical & mechanical and building products businesses.

James joined Norfolk as Group Project Manager in 2006, and was subsequently promoted to Manager of Strategic Development and New Ventures in 2007 and General Manager of Norfolk Building Products in 2008.

Prior to joining Norfolk, James held various roles with Fletcher Aluminium (part of Fletcher Building), his last role as International Markets Manager. Prior to this he was a commercial litigation barrister and solicitor at New Zealand law firm Bell Gully.

James holds a Bachelor of Arts from Victoria University Wellington, and a Bachelor of Laws (Hons) from Auckland University. James was admitted to the Bar as a Barrister and Solicitor of the High Court of New Zealand in 1995.

Geoff Stewart
Director, Group Marketing

Geoff Stewart joined Norfolk in 2009 as Group Marketing Director. Geoff is responsible for leading marketing strategy development and implementation across Norfolk.

Geoff has a strong construction industry marketing background. Before joining Norfolk, Geoff was Marketing and Strategy Manager with OneSteel Distribution.

Previously, he held a number of senior marketing roles with CSR, including Marketing Manager for Gyprock, Building Products and Wood Panels. Starting his career as a marketing trainee with Lysaght, Geoff moved to marketing roles with BOC and Selleys.

Geoff holds a Bachelor of Commerce (Marketing) from UNSW, a Graduate Management Qualification from AGSM and completed a Strategic Marketing course with Stanford.

Tony Kutra
Director, Group Business Development

Tony Kutra joined Norfolk as Business Development Director in 2010.

Tony is responsible for the development and implementation of strategies to grow the value of Norfolk through the development of market opportunities for Norfolk products and services and through merger and acquisition opportunities.

Prior to joining Norfolk, Tony held various roles with Dyno Nobel Limited, a global leader in mining services, his last being Group Executive, Strategy & Business Development. He started his career with AGL and later moved into the oil and gas sector with Bridge Oil Limited. Tony has extensive international experience in strategic planning, business development, mergers and acquisitions, investment projects and operations.

Tony holds a Bachelor of Economics (Hons) from the University of Sydney, a Masters of Business Administration from the University of Technology Sydney and is a Member of the Australian Institute of Company Directors.

NORFOLK
INTEGRATED ENGINEERING

BOARD PROFILES





Rod Keller
Non-Executive Chairman

Rod Keller has a Bachelor of Engineering (Mechanical) from the University of Sydney and is a Fellow of the Institute of Engineers, Australia. Rod brings over 37 years experience in the engineering sector and has previously held management positions with Fletcher Construction Australia, the State Government of South Australia, Esso Australia, Woodside Petroleum and Santos and was Managing Director of GPU International Australia from 1995 to 1999.

Rod became Chairman of Norfolk on 7 April 2008.

Rod is currently Chairman of OSD Pipelines Limited and was Chairman of the GasNet Australia Group from its listing in 2000 to its takeover in 2006. Rod was also recently appointed Director of Alinta Energy Limited and Alinta Energy Services Limited. Rod was previously Non-Executive Director of Macquarie Communications Infrastructure Limited, Macquarie Communications Infrastructure Management Limited, National Electricity Code Administrator and of Dyno Nobel Limited.

Glenn Wallace
Managing Director

Glenn Wallace is the Managing Director of Norfolk and was appointed to the role in 2004, following his role in the successful acquisition of the businesses now forming Norfolk.

With many years experience in senior management roles both in New Zealand and Australia, Glenn works with other members of management to develop the strategy and business development tactics for Norfolk.

Prior to joining Norfolk, Glenn held a number of senior roles including Managing Director of Tyco, having held various roles within Tyco since joining the company as National Sales Manager in 1987, and Managing Director of the Tiri Group from 2003. Glenn is currently a non-executive director of Maui Capital Limited.

Glenn has a Diploma in Leadership Management from the Macquarie Business School, and has completed the Advanced Management Program at the University of Hawaii in 1996. He is a NSW Council Member in the Australian Industry Group and is a Member of the Australian Institute of Company Directors.

Peter Abery
Non-Executive Director

Peter Abery holds a Bachelor and a Masters degree in Engineering (Electrical Engineering) from the University of Natal and a Masters of Business Administration from the University of South Africa. He is a Fellow of the Australian Institute of Company Directors and a Member of the Institute of Engineering and Technology (London). He is also a graduate of the Harvard Business School's International Senior Managers Program.

Peter is currently a director of Nomad Building Solutions, pieNetworks Limited and Salter Australia Holdings Pty Ltd and the not for profit Ear Science Institute of Australia. Peter previously was Director and Chairman of Digital Television Services (a joint venture in the United Kingdom between BSkyB, the BBC and Crown Castle), VEEM Limited and a Non-Executive Director of National Grid Australia (Basslink Limited).

Peter has a strong understanding of the industries in which Norfolk operates gained through many years of working in the engineering and related sectors. He has previously been Chief Executive Officer or Managing Director of a number of Australian and English companies including HPM Industries, National Grid Wireless (formerly Crown Castle UK), Crown Castle Australia, Vodafone Network and QPSX Communications, and has held senior management positions with Telstra Corporation and AWA.

Paul Chrystall
Non-Executive Director

Paul Chrystall holds a Bachelor of Commerce from the University of Auckland, during the completion of which he received various senior prizes, including the Alfred P Foggarty Award for excellence in economics.

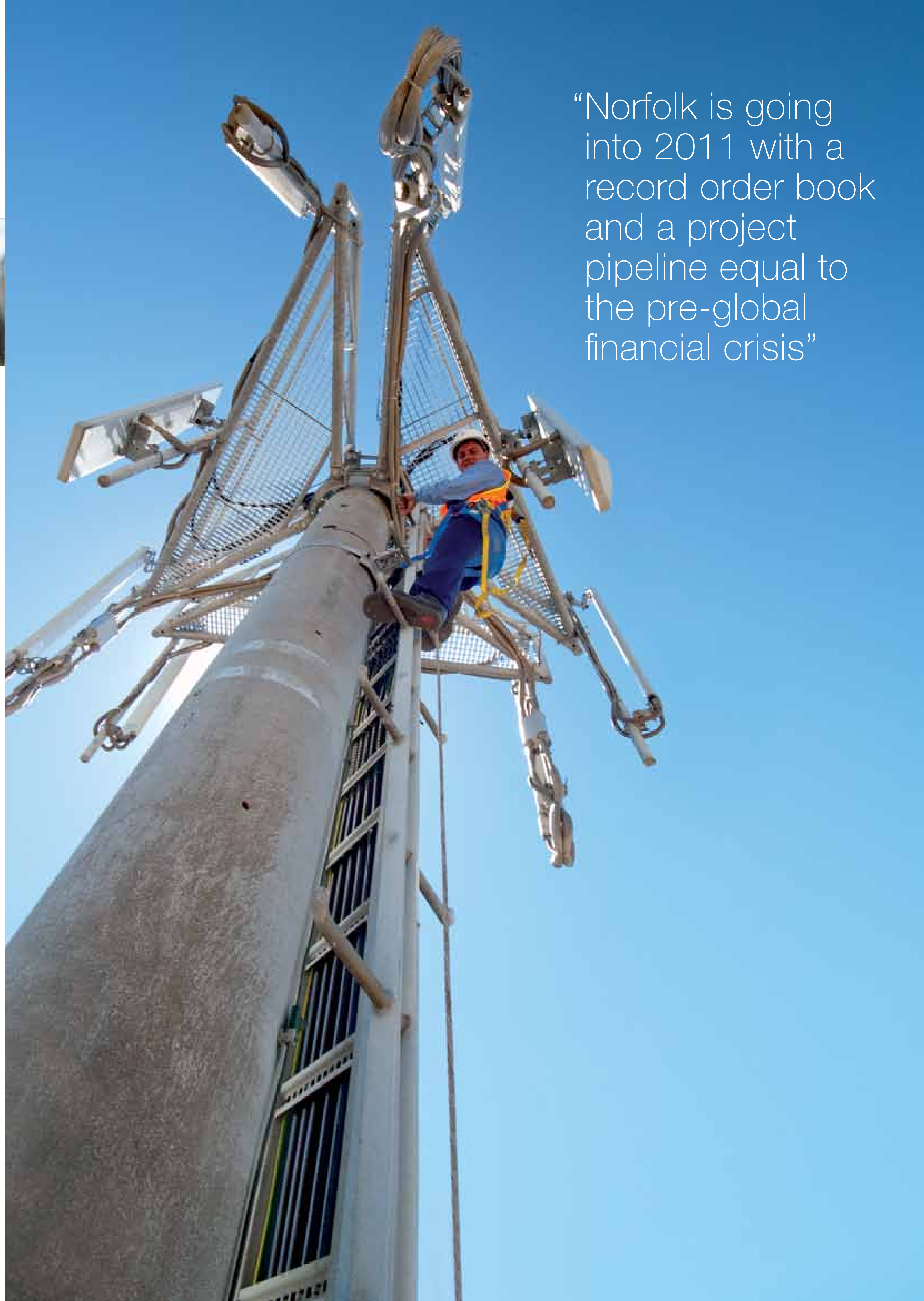
Paul is currently Managing Director of Maui Capital Limited, a New Zealand-based private equity firm and has been a director of Norfolk since 2004. He was, until September 2007, the Head of Private Equity at Goldman Sachs JBWere (NZ) Limited. Prior to joining Goldman Sachs JBWere (NZ) Limited in April 2001, Paul held a number of senior corporate finance roles in a variety of industries.

Peter Lowe
Non-Executive Director

Peter Lowe holds a Bachelor of Commerce and Master of Business Administration from the University of Melbourne and is a Member of the Australian Institute of Company Directors and a Fellow of CPA Australia. Peter's principal experience is in finance and corporate strategy in listed corporates.

Peter is currently Chairman of United Energy Distribution Holdings Pty Ltd, Western Australia Network Holdings Pty Ltd and Multinet Group Holdings Pty Ltd and a director of Citywide Solutions Pty Ltd, Snowy Hydro Limited, Aurora Energy Pty Ltd and Meridian Energy Australia Pty Ltd. In the last three years Mr Lowe was also a director of Clever Communications Limited (formerly Access Providers Limited) and GasNet Australia Group.

Peter has previously held senior management positions with CPA Australia, UtiliCorp United Inc. United Energy Limited and Fosters Brewing Group Limited.



COMPANY PROFILE

Vision
Creating the future

Mission
Norfolk's mission is to provide products and services that exceed industry best practice, ensuring sustained growth and profitability

Values
Customer Commitment, Our People, Success, Managing Excellence, Integrity and Communication

Norfolk is a leading provider of integrated electrical, communications, HVAC (heating, ventilation and air conditioning), plumbing, fire protection and property services in Australia, New Zealand and Asia.

O'Donnell Griffin is a market leader in the Australian electrical engineering, contracting and services market, while Haden is number one in the non-residential Australian heating, ventilation and air conditioning (HVAC) maintenance services market.

Haden dates from 1816 and celebrated its 40th year of operations in Australia in 2009, O'Donnell Griffin dates from 1906 and Resolve FM was established in 1962.

Specialised and highly skilled, directly employed workforce

Norfolk employs approximately 3,400 people, including more than 1,800 highly skilled engineers, electricians, signalling and communications/data technicians, plumbers, air conditioning and refrigeration technicians. Norfolk also employs 285 apprentices which enables Norfolk to secure its future skills base and to inject new ideas and energy into the business.

Each of Norfolk's businesses is supported by a strong management team who are focused on creating a profitable and sustainable future and promoting the health and safety culture throughout the organisation.

Focused on key stable sectors

Norfolk maintains a focus on key stable sectors where its technical expertise and strong relationships provide competitive advantage. Norfolk delivers products, services and experience to the government, infrastructure (water, rail, power), industrial, commercial, healthcare and education sectors.

Leveraging customer networks

We demonstrate our commitment to our customers by delivering quality products and services which sustain and grow successful business partnerships. We cultivate our customer network by providing timely, professional advice and offering multiservice solutions to our customer base across the group.

Achieving value through strong branding, diversity and alignment with core sectors

Building alliances and recurring revenue

Norfolk continues to achieve sustainable organic growth year-on-year through a commitment to continuously building the service maintenance business to increase the recurring revenue stream. We actively cultivate relationships with like-minded market leading partners to increase opportunities through alliance style contracting.

Developing leading edge technology-based solutions

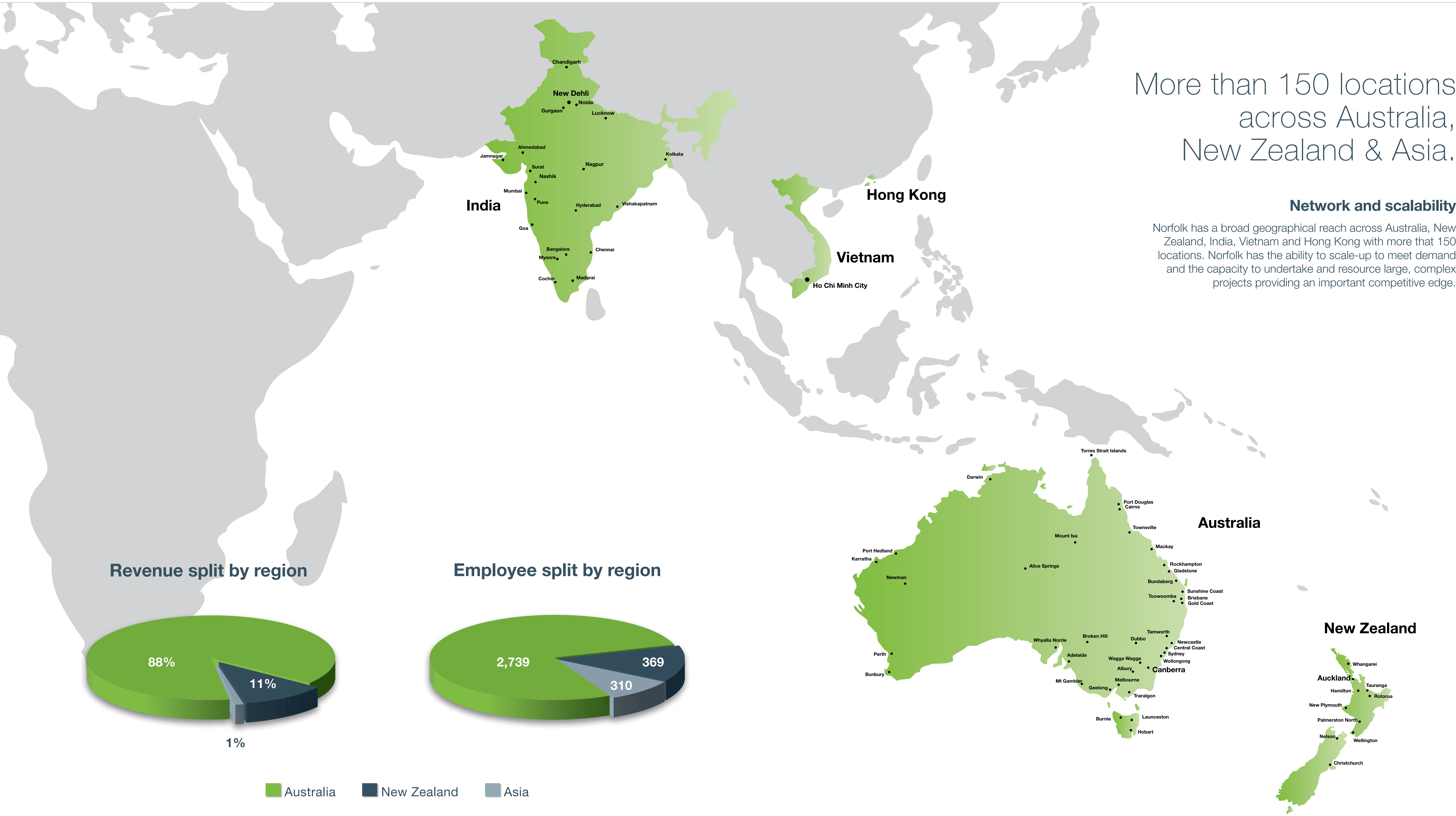
The Norfolk team specialises in harnessing the latest technology to deliver environmentally sustainable heating, ventilation, air conditioning and refrigeration, electrical services for power generation and transmission, rail signalling and electrification, facilities management, and building products and systems. We partner with leading product and consulting services to supplement our expertise in delivering high quality, leading edge technological solutions to our customers.

Health and safety culture

At Norfolk we are committed to health and safety, the environment and the community. We are committed to providing a safe workplace for all our employees, contractors, and visitors. Our commitment to the effective implementation of our "Safety All Ways" programme guides us to achieve a work environment of zero incidents and injuries for all people that work within or visit our workplaces.

NORFOLK INTEGRATED ENGINEERING

LOCATIONS



More than 150 locations across Australia, New Zealand & Asia.

Network and scalability

Norfolk has a broad geographical reach across Australia, New Zealand, India, Vietnam and Hong Kong with more that 150 locations. Norfolk has the ability to scale-up to meet demand and the capacity to undertake and resource large, complex projects providing an important competitive edge.

Revenue split by region

Employee split by region

Australia New Zealand Asia

NORFOLK INTEGRATED ENGINEERING

OUR PEOPLE

Norfolk recognises that our employees are key to our success, and we endeavour to provide the support, development and recognition they deserve.

At the end of March 2010, there were approximately 3,400 Norfolk employees. Out of these, 285 were apprentices, which Norfolk identifies as the future generation responsible for the continual delivery of the Norfolk values.

Attraction and retention of staff remains paramount for our business success as well as their professional growth. Our reward and recognition programmes and employee assistance programmes are designed to support employee professional development.

Norfolk's values are captured in the acronym COSMIC - Customer Commitment, Our People, Success, Managing Excellence, Integrity and Communication and are integrated throughout our business.

Rewarded for excellence

An increasing number of Norfolk's employees were recognised by external bodies for high achievement during 2010. We congratulate and support these employees in their endeavours:

- National ECA Apprentice of the Year - 2nd Place, 3rd place
- ECA Business Women of the Year - 1st place
- State NECA Apprentice of the Year (Industrial) Victoria - 1st Place
- State NECA Apprentice of the Year Queensland - 1st Place
- State NECA Apprentice of the Year (Industrial/Automation Communications) South Australia - 1st Place
- NECA Training Awards South Australia - 1st Place
- Wallie Askew Awards (IRHACE) - 1st in Regionals, 3rd in Nationals
- Worksafe Awards - Finalist
- Skill360 Australia Annual Awards 2009 - Host Employer Award

Norfolk's annual NOVA Awards programme is based on our COSMIC company values. It aims to recognise the exceptional contribution of employees and fosters an environment of shared success and commitment.

Norfolk is an equal employment opportunity employer and values diversity

Developing our future

The education, growth and support of employees remains paramount. We have developed major initiatives to support the training and development opportunities available for all employees including:

- Personal development programme
- Graduate programmes - three year programmes of experienced based learning and mentoring
- Apprenticeship programmes and challenges, both internal and external
- Employee assistance programme, including financial and psychological counselling services
- Training and development programmes
- Study leave & assistance
- Employee discount scheme
- Reward and recognition scheme (NOVA)
- Career development planning
- COSMIC values and leadership programme
- Non-financial rewards scheme

Our apprentices are our future

Throughout Norfolk, we recognise that our future lies in the hands of our dedicated and committed employees. We understand the importance of developing and nurturing the talents, capabilities and dreams of our apprentices and graduates to ensure they will be ready and well equipped to take us into the future.

Investment in technology and high calibre people

Norfolk's technological capability has been bolstered through the development of new solutions, integration of systems and, most importantly, investment in human capital. For example the Novo Rail team grew from 8 to 222 people representing the full range of electrical specialisations, while Haden's BMS team grew and expanded its offering from the construction to the service market. Engineering teams across Norfolk were also strengthened with the addition of a number of experienced engineers and an internationally experienced Engineering Manager. In the Mechanical Division, the role of Divisional Technology Manager was established to develop market leading energy and HVAC technological solutions and alliances with potential business partners.

HEALTH & SAFETY

Over the past three years Norfolk has improved its safety record dramatically, exceeding its year on year target reduction in the Loss Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR).

The health and safety of our employees is of paramount importance to Norfolk. As part of our commitment to health and safety we are continuing to move towards all of our businesses being accredited to the following safety standards: AS/NZS 4801:2001, AS/NZS ISO 14001:2004 and AS/NZS 19001:2000. Over the past 12 months a number of businesses have also successfully passed third party audits of their systems.

Norfolk's safety education and integrated safety management system has matured from a reactive reporting system to a predictive preventative system, significantly contributing to the improvement in Medically Treated Injuries (MTIs) and Lost Time Injuries (LTIs).

Measuring the effectiveness of safety programmes

Injury statistics or other lagging indicators provide an overall estimate of the progress required to achieve "zero harm", but they do not measure the effective implementation of safety programs, proactive action plans or preventative activities in place.

To address this, Norfolk has developed a lead indicators programme which enables us to use a combination of lead and lag indicators to measure overall safety effectiveness and performance. The lead indicators will be used to measure and drive activities to prevent and control injury, damage or loss and drive organisational behaviour.

Focus on behavioural change

The "Safe Behaviours" program targeted several key areas of safety management including:

- improving the use of Safe Work Method Statements (Job Safety Analysis)
- management of LTI and "Return to Work" programs
- the use of stand down meetings to communicate important safety information post incident
- the performance of root cause analysis incident investigations
- the development and deployment of a Hazard and Risk Assessment tool to allow for a more accurate assessment of site specific risks prior to work starting on the site.

Exceeding year on year target reduction in the Total Recordable Injury Frequency Rate

Rewarding safety

The "NOVA Safety Excellence Honour Roll and Award" programme was implemented this year to recognise the 52 branches across Norfolk who recorded 12 months LTI free. Norfolk also presents the Safety Excellence Award to the work teams or business units that demonstrated a significant improvement during the year through behavioural change, managerial leadership or implementation of a significant safety initiative.

Norfolk continues to reap the rewards from improved safety performance at the financial and non-financial level. For example, Norfolk's commitment to safety has been financially rewarded through the lowering of premiums in NSW over five years, as a result of entering the NSW - Workers Compensation - Retro Paid Premium Loss Model.

Initiatives for the coming year

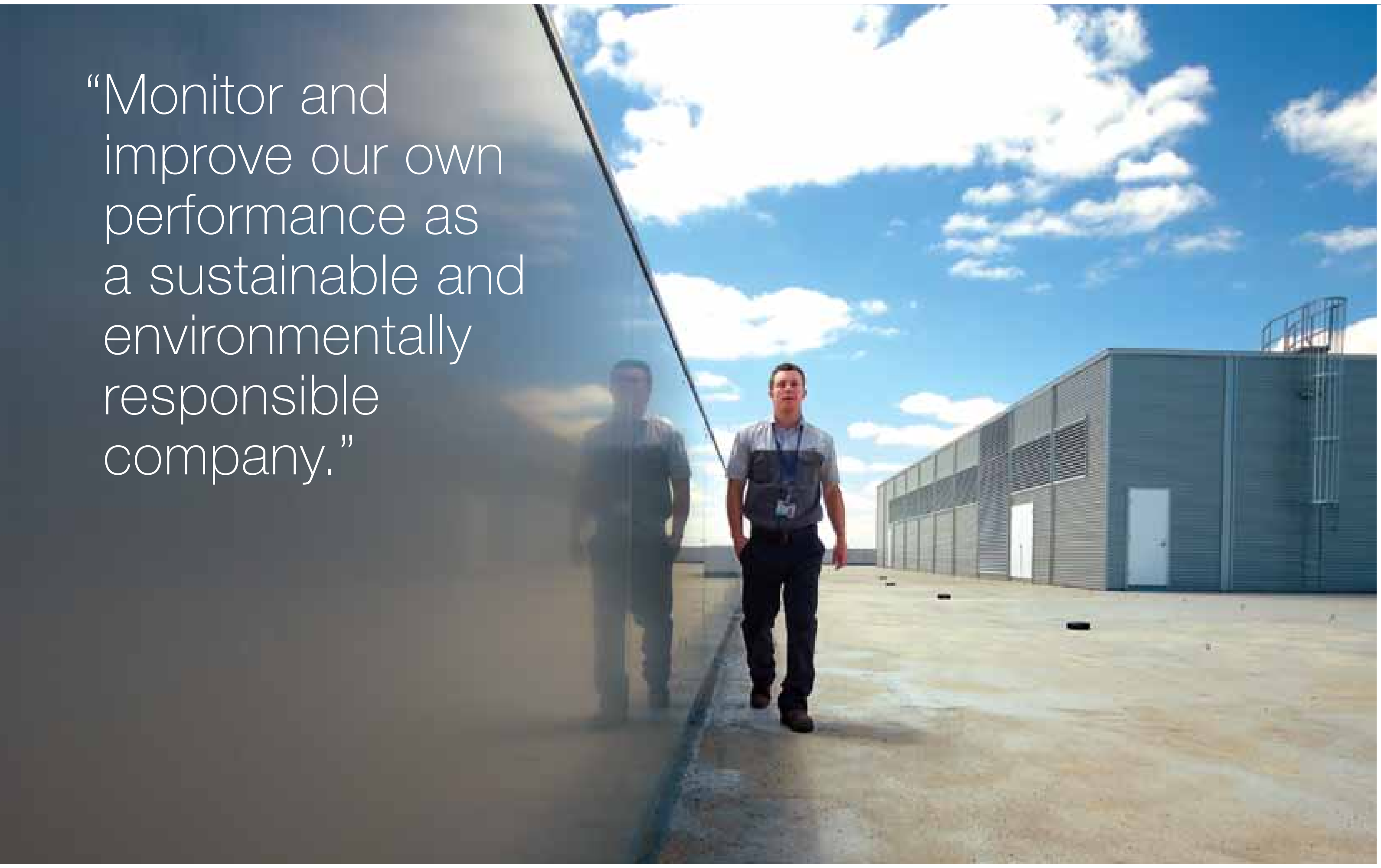
A number of initiatives and programmes aimed at supporting the "Safety All Ways" programme and toolbox talks have been developed for implementation during the coming year:

- Road Safety Awareness - a vehicle safety program which is aimed at reducing vehicle related incidents over the coming 12 months.
- 10 Cardinal Safety Rules - a campaign to educate and reinforce minimum safety performance behaviours.
- Lead indicators - use of the lead indicators programme to assist in the effective management of safety.

SAFETY ALL WAYS

SUSTAINABILITY

"Monitor and improve our own performance as a sustainable and environmentally responsible company."



Norfolk is committed to developing and enhancing its sustainability initiatives to ensure that it conserves natural resources and protects the environment, wherever it operates.

Norfolk is mindful of the impact that its undertakings may have on the environment and the importance of energy and cost efficiency to our customers. All businesses within Norfolk have environmental policies in place and are represented on Norfolk's environmental sustainability team. This team has been developed to:

- Monitor and improve our own performance as a sustainable and environmentally responsible company
- Identify the market opportunity to develop, promote and deliver environmentally sustainable products and solutions to our customers.

Supporting environmental industry bodies and research

Each of our businesses are members of and/or support a number of sustainability groups and research bodies associated with their industry or area of expertise including:

- Green Building Council of Australia and NZ Green Building Council
- Australian Insitute of Refrigeration Air Conditioning and Heating (AIRAH) and ArcTick
- National Electrical and Communications Association (NECA)
- The Property Council of Australia
- CitySwitch Green Office
- The Warren Centre Low Energy High Rise Research Project.

green building council australia MEMBER

CITY SWITCH Green Office Signatory

THE Warren CENTRE FOR ADVANCED ENGINEERING

ARC™

Growth in green engineering and products

Solar energy

O'Donnell Griffin's expansion in the green energy field continues to grow through recent contracts for solar generation. A recent contract example is O'Donnell Griffin's involvement in the Perth Solar City's project. This builds on O'Donnell Griffin's partnership with Origin Energy's domestic solar energy installation rollout, aiming to grow to an estimated 20,000 installations over a five year period.

Green buildings

Haden and Climatech continue to build on their green building engineering expertise, designing and installing energy efficient mechanical services for an increasing number of Green Star and ABGR rated buildings. Two current projects are aiming for the highest rating possible for their category.

Specialist R22 phase out programmes and building management system solutions are enabling Norfolk customers to comply with increasing legislative requirements. Norfolk is also enabling a return to building owners and operators through an increase in energy efficiency, higher reliability of systems and a reduction of a building's carbon footprint.

Energy and carbon reduction initiatives

Businesses across Norfolk have also entered into new preferred supplier agreements with energy and carbon reduction consulting firms. This supports Norfolk's strategy of developing energy and cost efficient solutions that are closely aligned to our customer's needs.

Understanding a customer's corporate energy use and greenhouse gas emission profile will enable Norfolk businesses to develop appropriate reporting and identify abatement opportunities, including cost/benefit analysis, reduction targets and upgrades of redundant equipment.

It begins in our backyards

Within our branches, our people are applying their skills and creativity to their own energy efficiency and waste reduction programmes.

During the construction of the new O'Donnell Griffin building in Victoria efforts were made to reduce the amount of potable water used. This site has not used any potable water for plumbing purposes over the eight months that it has been occupied, despite being populated by upwards of 80 employees.

Environmental Sustainability

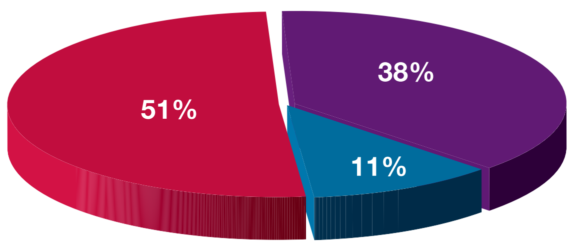
NORFOLK INTEGRATED ENGINEERING

DIVISIONAL REVIEW

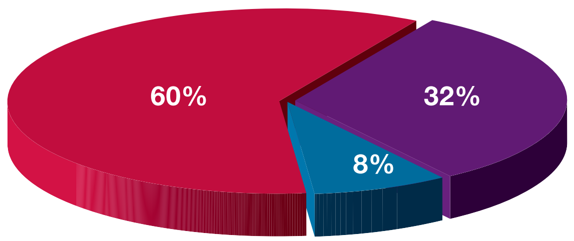
"The diversity of earnings through its range of products and services, target sectors and geographical footprint, supports the long term growth of Norfolk."

Mechanical services, Mumbai, India.

Sales contribution (1)



EBIT contribution (1)



Electrical & Communications | Mechanical | Fire & Property Services

	Electrical & Communications	Mechanical	Fire & Property Services
Total sales	$403.5 million	$302.9 million	$84.5 million
EBIT Contribution	$23.5 million	$12.7 million	$3.3 million
EBIT Margin	5.8%	4.2%	3.9%
Employees	1,364	1,685	369

(1) From continuing operations

NORFOLK INTEGRATED ENGINEERING

ELECTRICAL & COMMUNICATIONS

- Record revenue and EBIT
- Consistent result across all geographies
- Improved NZ performance due to rail contracts
- Strong growth in order book
- Strong pipeline of opportunities

Norfolk's Electrical & Communications Division is a leading provider of electrical engineering, construction and maintenance services across Australia and New Zealand.

The Electrical & Communications Division carries out the design, installation, commissioning and maintenance of a wide range of electrical and communication systems including:

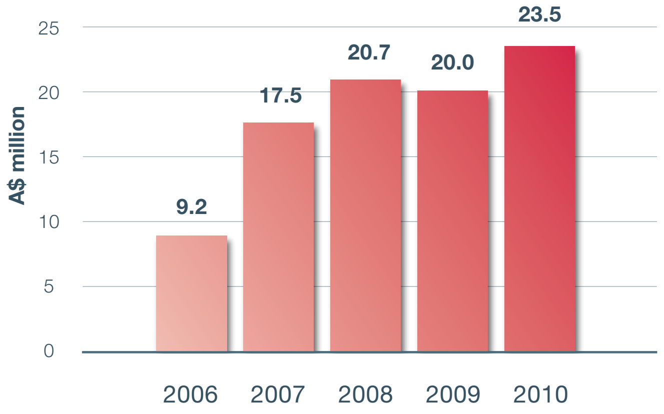
- rail signalling, traction and communication systems
- electrical cabling and instrumentation for energy plants
- electrical power transmission lines and substations
- electrical reticulation systems, instrumentation and automation, specialist high voltage transformation and distribution systems
- voice and data infrastructure and maintenance of telecommunication cellular sites and exchanges
- wiring and power control systems and data networks.

Financial results summary

For the year ending 31 March 2010, the Electrical & Communications Division delivered record sales of $403.5 million and EBIT of $23.5 million at an EBIT margin of 5.8%. Both the Australian and New Zealand businesses benefited from strong revenues with rail customers in particular.

Whilst the impact of the GFC resulted in some project delays and cancellations, the latter part of the financial year also saw an increase in confidence and bid requests from key customers in key sectors.

EBIT contribution (1)



		2010	2009 (1)	Change
Sales	A$m	403.5	349.2	15.5%
EBIT	A$m	23.5	20.0	17.5%
EBIT Margin	%	5.8	5.7	-
Order Book	A$m	657.8	588.9	11.7%
Employees		1,364	1,423	-

(1) FY2009 normalised to exclude one-off impairment charge

ELECTRICAL & COMMUNICATIONS

O'Donnell Griffin

O'Donnell Griffin grew its revenue by 96% in the rail sector during the period, by maximising opportunities through alliance contracting and expanding on its capabilities and experience in the sector. This includes a 5th consecutive contract with BHP Billiton for the Rapid Growth Project, valued at $96.5 million and the electrification package associated with the Westall Rail Upgrade Project in Victoria.

Maximising opportunities through alliance contracting and expanding on its capabilities and experience

In its most recent joint venture with Laing O'Rourke, O'Donnell Griffin have been contracted to deliver part of the $270 million Sunbury Electrification Project which will improve rail services on the Sydenham-Sunbury corridor in Victoria. Meanwhile, the ramp up of the $1.0 billion Novo Rail Alliance saw the Novo Rail team grow from 8 to 222 employees,

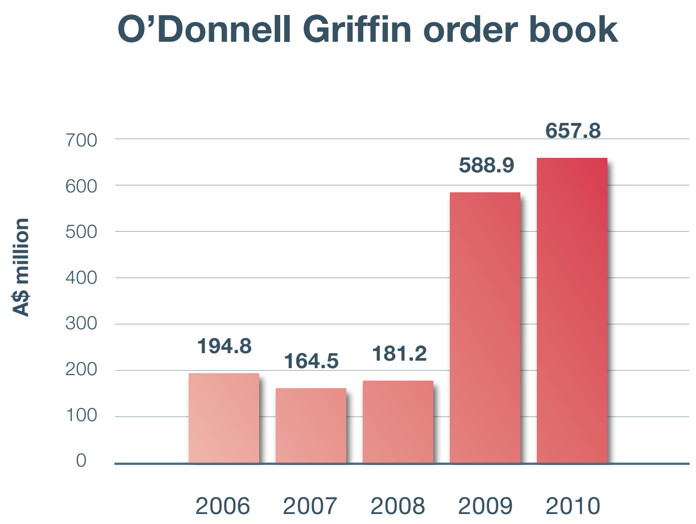
ELECTRICAL & COMMUNICATIONS ENGINEERING

O'DONNELLGRIFFIN
EXPERTISE • COMMITMENT • RESULTS

currently delivering on 32 projects at various stages of completion throughout NSW.

Offshore opportunities came to fruition in 2010 with the establishment of a rail joint venture in Hong Kong with Kum Shing Engineering targeting the Hong Kong Mass Transit Rail Corporation for future rail systems projects. The joint venture will also explore other rail opportunities in this region. Whilst in New Zealand, the Wellington rail upgrade project that was awarded to O'Donnell Griffin in 2008 has been expanded from an estimated NZ$12 million to NZ$28 million, underpinning the financial results of the New Zealand operations.

O'Donnell Griffin's growth in the water and infrastructure sectors was supported by the Adelaide Desalination Plant high voltage and process electrical project and



the supply of electrical/data communications to the Canberra International Airport ($20 million) currently under construction. The relationship with Origin Energy continues to grow with the installation of 1,761 solar panels to residential homes throughout the country.

In the resources sector, O'Donnell Griffin's mine to market strategy secured a number of new contracts and saw the completion of Dalrymple Bay Coal Terminal Expansion - Berth 4. This project set new benchmarks in project management, safety and innovation and has provided solid experience for similar contracts secured in this sector.

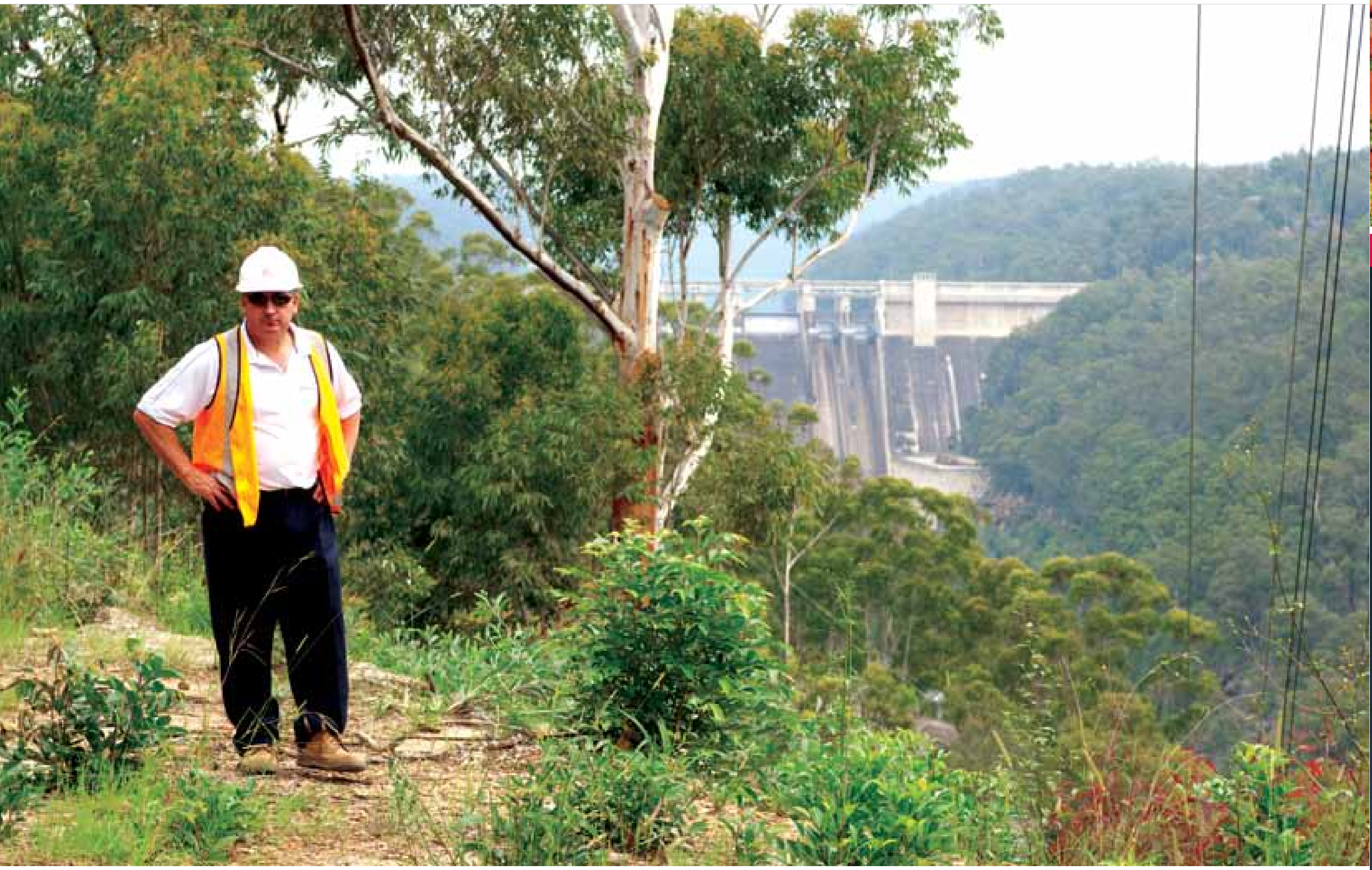
As testimony to O'Donnell Griffin's commitment to excellence, our ACT branch won the regional NECA Award for Excellence in the commercial large project category (> $2 million) for Stage II work at the new John Curtin School of Medical Research.

Diverse Data

Diverse Data's reputation for expertise in the installation and maintenance of high level fibre optic networks and structured cabling systems across Australia was directly responsible for securing several contracts throughout the year.

With both civil and communications expertise, Diverse Data is uniquely placed in the market and has been rewarded for this by securing contracts with the ACT Government for the InTACT Dark Fibre Rollout to schools and local government agencies, four of Medicare Australia's state Head Office complexes, and Centrelink's Hume Data Centre.

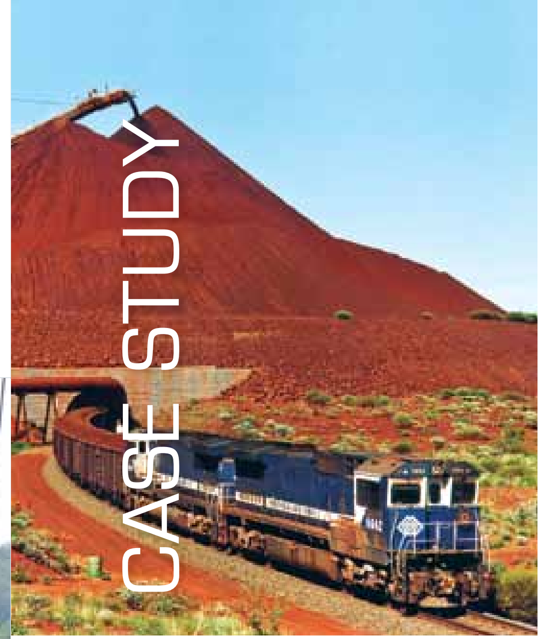
ELECTRICAL & COMMUNICATIONS

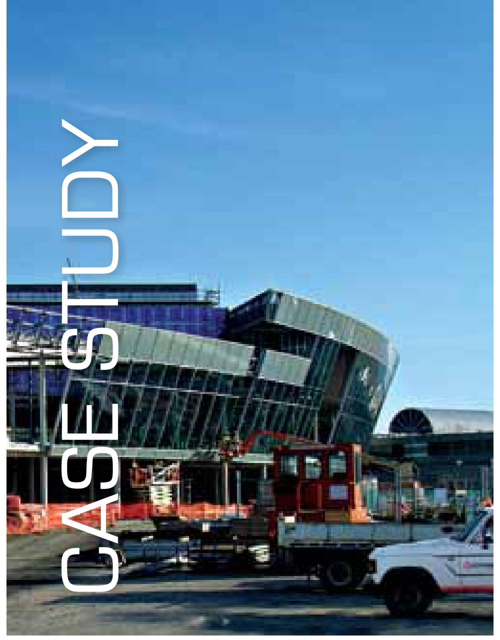


Outlook

The Electrical & Communications Division is well placed to continue its growth trajectory in coming years. This growth is underpinned by its strong existing order book including a number of long term “alliance” style programs and projects.

The Division has well defined strategies to enable it to tap into high growth markets. It also has a positive reputation with key customers to successfully deliver solutions on time and on budget against exacting safety, quality and environmental standards. Moreover, the Division continues to invest heavily in attracting and retaining key staff, developing the skill-sets of our people and building the future team via extensive apprentice and cadet programs.





Rapid Growth Project 5 - RGP5

After the successful delivery of RGP 2, 3 and 4, BHP Billiton awarded O’Donnell Griffin the RGP5 project, to the value of $96.5 million.

The contract represents an expansion of O’Donnell Griffin’s responsibilities to a complete turnkey solution covering design, fabrication, installation testing, commissioning and short-term maintenance.

In order to deliver the project, a specialist test facility was built in Perth along with a dedicated design office and production facility.

Working closely with BHP Billiton, O’Donnell Griffin has reduced intrusive testing on site by 85% and has ensured that the interruption to the delivery of iron ore to the ports is minimised.

The team has been acknowledged by BHP Billiton for its outstanding safety on the RGP5 project and is regarded as the leading team for safety on this project, setting the benchmark for other contractors.

Canberra International Airport Terminal and Car Park

O’Donnell Griffin was originally engaged to complete works on the five level car park for the new Canberra International Airport Terminal. Following an outstanding performance on site, O’Donnell Griffin’s contract was extended to include demolition and construction works on the new terminal. At completion of the works, O’Donnell Griffin will have played a key role in creating a terminal suitable to our nation’s capital.

O’Donnell Griffin has additionally been subcontracted to complete the Qantas lounges (club/business and chairman’s). This is a compressed project due for completion mid 2010 to allow for Qantas staff training and opening in time with the terminal.

Mt Arthur Coal 20Mtpa - MAC20

MAC20 refers to the expansion of the coal processing plant at the BHP Billiton Mt Arthur North site near Muswellbrook NSW.

O’Donnell Griffin has been contracted to complete the 20Mtpa plant capacity upgrade at the Mount Arthur Coal plant.

The O’Donnell Griffin project initially started out as the Stage 1 works with a contract value of $1.75 million with additional works being awarded progressively to reach a total current contract value of $12 million.

O’Donnell Griffin has also secured the mechanical sub contract works for the Krupp machines and the mechanical/electrical pump equipment replacement for the mine water.

MECHANICAL DIVISION

AIR CONDITIONING
& MECHANICAL
ENGINEERING

- 74% of Haden's gross profit from maintenance and recurring services
- Revenue geography
  - Australia increase 7%
  - India increase 28%
  - New Zealand decrease 28%
- Bottom line improvement in NZ following restructure in FY2009
- Order book lower due to decline in construction activity

"Haden's national service contract sales grew 27% and Norfolk Mechanical India experienced revenue growth of 49%."

Norfolk's Mechanical Division specialises in the design, construction, installation and maintenance of HVAC and refrigeration systems, duct cleaning services, hydraulic plumbing and pipeline services.

The Division has a portfolio of six leading brands, including Haden which remains number one in the non-residential Australian HVAC services market. The Mechanical Division operates through 70 branches across Australia, New Zealand, India and Vietnam.

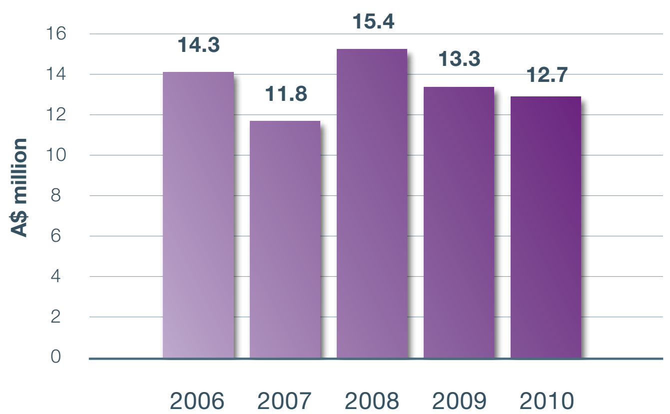
Financial results summary

For the year ending 31 March 2010, the Mechanical Division contributed revenue of $303 million, EBIT of $12.7 million, and an EBIT margin of 4.2%.

Highlights for the period included significant growth in Haden's national service contract sales revenue of 27%, sustainable expansion of the maintenance contract base and growth of sales for Haden Construction of 19.9%, building a solid foundation for growth. Climatech experienced a bottom line improvement as a result of the restructure of the New Zealand business. India continues to grow, recording an increase in revenue of 49%, while the new venture in Vietnam is progressing well.

Norfolk Mechanical's businesses fared well throughout the GFC due to organic growth strategies designed to increase recurring revenue of contracted maintenance services and enhance existing customer relationships. This was achieved by developing high value service and management solutions and investing in technology, systems, and high quality people. Strategies looked beyond the GFC to ensure the businesses were in a position to take advantage of the opportunities available as the effects of the GFC began to subside.

EBIT contribution



		2010	2009	Change
Sales	A$m	302.9	306.7	(1.2%)
EBIT	A$m	12.7	13.3	(4.5%)
EBIT Margin	%	4.2	4.3	-
Order Book	A$m	73.1	104.9	(30.3%)
Employees		1,685	1,732	-

NORFOLK
INTEGRATED ENGINEERING

MECHANICAL DIVISION

Haden

Haden's Service Division recorded growth in sales to more than $150 million through new and expanded national contracts with some of Australia's largest companies and government agencies, entry into new regional markets and the opening of a greenfield branch in Wollongong.

Haden remains number one in the non-residential Australian HVAC services market

Overall, Haden's national service contract model has enjoyed continued success with an expansion in sales to more than $23m, a 27% increase over the 12 month period. Sustainable growth continues with an increase from 19 to 23 national customers, forecast to grow further in the new financial year. The success of Haden's direct multi-service delivery model in regional and remote locations continues to grow and enhance the profitability of branches throughout Australia, doubling profitability in some branches.

AIR CONDITIONING
& MECHANICAL
ENGINEERING

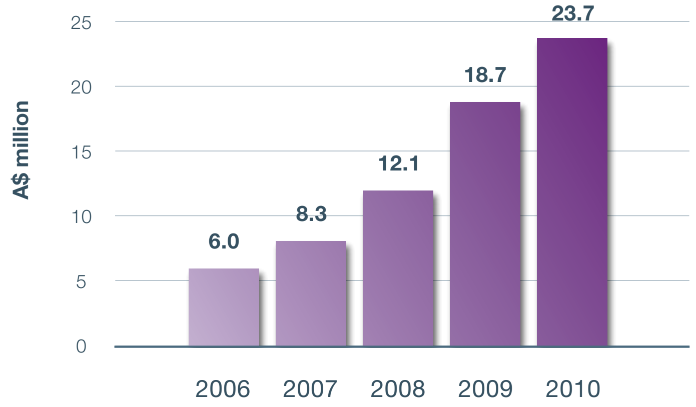
HADEN
EXPERTISE • COMMITMENT • RESULTS

The expansion of Haden's footprint will continue with a number of Greenfield branches in high growth areas scheduled to open in the next 12 months. This will build upon the existing national contract base and deliver major construction projects in regional locations.

Haden Construction Division's strategy is focused on health, education and general government funded projects. Its commitment to establishing partnerships resulted in Haden Construction increasing its annual sales by 19.9%, building a solid platform for future growth. New market growth into the infrastructure and industrial sectors will be achieved by leveraging quality in-house design engineering and project management expertise.

AIR CONDITIONING
& MECHANICAL
ENGINEERING

Haden national service contract sales



Major contract wins for the period included Macquarie University Library, Wollongong City Council, Russel 5-ACT, Stocklands 'The Pines' in Victoria, Ceduna and St Andrews Hospitals in South Australia.

Haden is currently completing mechanical engineering and general installation works on a number of green rated projects nationally including 420 George St Sydney with Bovis Lend Lease. Works on Port Hedland Hospital and the unique panda enclosure at the Adelaide Zoo were completed during the period.

Haden Construction increasing its annual sales by 19.9%

Haden is currently tendering some of the largest government funded projects in the country and intends to continue this strategy to build a solid order book of sustainable revenues.

New business streams were also developed through alliances with suppliers, including a substantial exclusive warranty maintenance agreement with one of Australia's leading domestic air conditioning product suppliers. Haden engaged in new preferred supplier agreements to support the strategy of developing energy and cost efficiency solutions that are closely aligned to customer needs. Growth in Haden's vendor neutral Building Management Systems (BMS) offering continues across service and construction businesses with significant contract wins including Macquarie University's C3C library, and high profile retail and banking sites.

Smith Brothers Plumbing

The South Australian market experienced challenging conditions as projects were deferred and general conditions remained flat due to the GFC.

Smith Brothers Plumbing's strategy to continue targeting education and publicly funded projects during this period and beyond proved successful with the securing of a major package of work under the Public Private Partnership (PPP) covering multiple South Australian schools.

In addition, Smith Brothers Plumbing secured an additional project for the Adelaide Oval Redevelopment, establishing a solid platform for 2011.

MECHANICAL DIVISION

Climatech

Despite difficult trading conditions, Climatech had a much improved year on its 2009 result. Margins improved through more robust contract management processes and selective targeting of work. Costs were closely managed and working capital improvement initiatives were implemented with strong results being achieved in debtor reduction and cash management.

A number of high profile projects were secured and/or completed including the Christchurch Civic Offices, Hastings and Nelson Courthouses, Langham Hotel Ballroom upgrade, Hazeldean Business Park, and the Air New Zealand Regional Lounge at Christchurch Airport.

With continued focus on the primary, education, energy and power sectors, Climatech secured a diverse range of construction and ongoing maintenance contracts with the likes of Fonterra, Westland Milk, University of Auckland, EIT (Hawke's Bay), Massey University, and Transpower. Climatech's New Plymouth branch also secured the HVAC installation work for a number of pre-fabricated accommodation units for the Yolla oil rig project in Australia.

Norfolk Mechanical India

The Norfolk Mechanical India business continues to grow with revenue up 49% this year and the opening of three new branches in Navi Mumbai, Bhopal and Noida. Significant contract wins have affirmed their positioning in the mission critical end of the market with the 'design, build, execute and operate' project for the Dell Perot Systems complex in Noida valued at INR 33 million using Temperzone products, and another three projects in the pipeline. This project was a first for Australian manufacturer, Temperzone, who was introduced into India through Haden.

Successful implementation and management of the Jones Lange LeSalle / IBM Pan India contract resulted in the renewal of this agreement and expansion to an additional three sites in Ahmedabad (Gujarat), Mumbai and Pune.

The outlook for Norfolk Mechanical India continues to be positive with more branches slated to open across northern India in the coming year. The business aims to focus on the booming retail sector and mission critical IT sites where their specialist knowledge and experience is a high differentiator.

Vietnam

As part of our Asia growth strategies Norfolk has entered into a A$10 million, 5 year engineering services contract with a leading technology company resulting from Norfolk's strategic alliance with Jones Lang LaSalle. This is a key step towards realising Norfolk's strategy to become the pre-eminent independent, professional mechanical and electrical service provider to mission-critical buildings in the emerging Asian economies.

Industry estimates of spending on infrastructure in this region are upwards of USD$300 billion per year across the region and Norfolk is well placed to capitalise on this growth area.

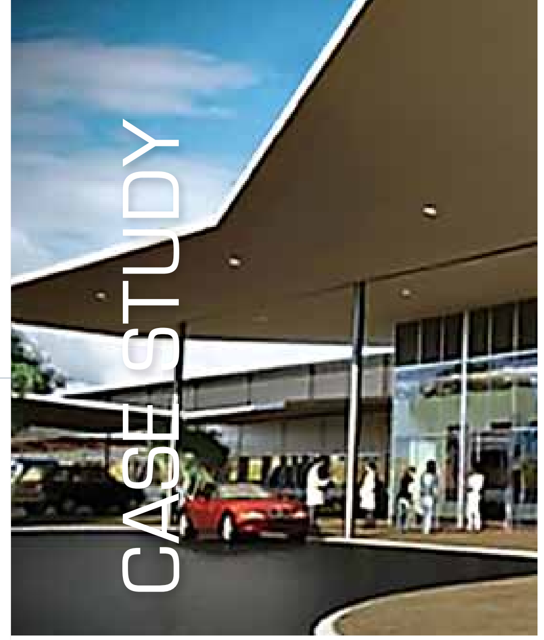
Outlook

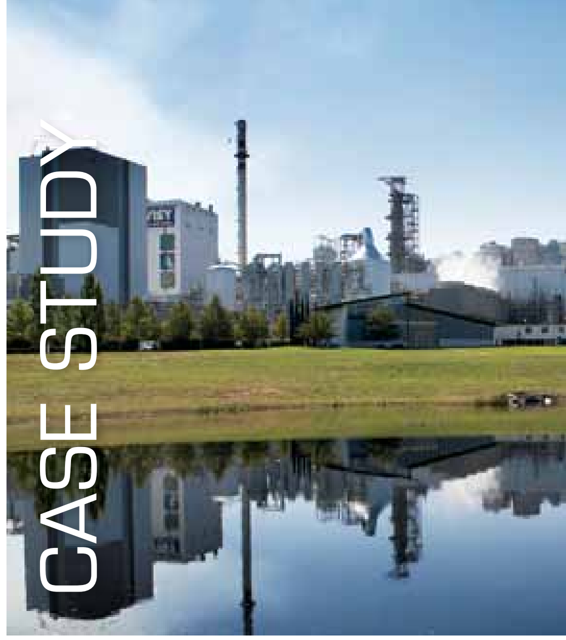
The Mechanical Division is well placed to build on the significant progress achieved in 2010 to grow its earnings base in the coming year. A substantial pipeline will see Haden service positioned to continue organic growth of 10% year on year.

Operationally, the Division continues the realignment of businesses to respond to future market conditions and continues to focus on the attraction, retention and maximisation of our highly skilled employees to meet these challenges.

Strengthening of the management team and the development of a dedicated Business Development and Customer Relationship Management structure supports the customer attraction and retention strategies that have contributed to the growth in revenue sales for the 12 month period.

The Mechanical Division has taken strategic steps to capture new market growth and focus on customer needs in line with expanding new capability offerings. As we enter a new economic era, we are poised to take advantage of significant opportunities to complement our current market offerings to the benefit of our business and most importantly our customers.





Hedland Regional Resource Centre

The Hedland Regional Resource Centre is a $138 million development that will replace the existing Hedland Hospital with a central healthcare hub for the Pilbara-Gascoigne region in Western Australia. Haden is working with DORIC Group to provide the mechanical services for the project.

The Centre will provide new inpatient and outpatient facilities including an operating suite, dedicated wards for surgical, obstetrics and paediatrics, medical imaging, birthing suites, a hostel, an ambulatory care wing, emergency department and support service buildings.

The region offers an interesting array of challenges with its extreme climatic conditions including temperature, cyclones and an ever present red dust. The system has been designed to achieve efficiency in consumption of energy, water and materials. Challenges include preventing thermal bridging and condensation formation on internal surfaces.

Haden commenced work on the Hedland Regional Resource Centre in January 2009 with completion targeted for 2010

Macquarie University Library C3C

Macquarie University Library C3C will provide a 21st century learning and research facility to the 3000 visitors who are forecast to use the facility daily.

Haden has been contracted to provide the design and installation of mechanical services and a sophisticated Building Management Systems (BMS) to this unique building.

This state-of-the-art research facility has been designed with substantial consideration given to environmental issues, occupant comfort, document and exhibit conservation. The project offers many challenges to the design and installation of mechanical services.

Visy Pulp & Paper

Haden's branch in Wagga has experienced significant growth since opening 2 years ago, and is now the largest HVAC maintenance service provider in the region.

One of the first preventative maintenance programme contracts signed by the branch was with Visy Pulp & Paper covering all HVAC & R maintenance on their Tumut site. Manufacturing sites require a 'mission critical' level of service to ensure that maintenance or repairs do not impact on production schedules. Haden's preventative maintenance programme schedules are devised to ensure planned maintenance and repairs are completed during downtime or outside peak production periods.

In 2009 Visy Pulp and Paper opened a mirror image VPP10 to the existing VPP9 plant, doubling the volume of paper produced on site. Haden Wagga carried out the $1.2 million project to supply and install air conditioning to the new plant over an 8 month period and now also maintains the new plant, which has doubled the maintenance contract at the site.

FIRE & PROPERTY SERVICES DIVISION

TECHNICAL FACILITIES MANAGEMENT SERVICES

- Decline in the NZ industrial door market contributed to decline in result
  - NZ Revenue decline from 4% to 10%
  - NZ EBIT decline from 28% to 26%
- Resolve FM result consistent across years
- Improved order book in Resolve FM

The Fire & Property Services Division includes Norfolk's property services and building products businesses.

The property services businesses include the coordination and delivery of a range of services, including:

- integrated facilities management
- operational and sustainable maintenance
- asset management
- workplace solutions
- support services
- call centre capabilities.

Norfolk Building Products includes the manufacture and/or distribution and installation of the following products:

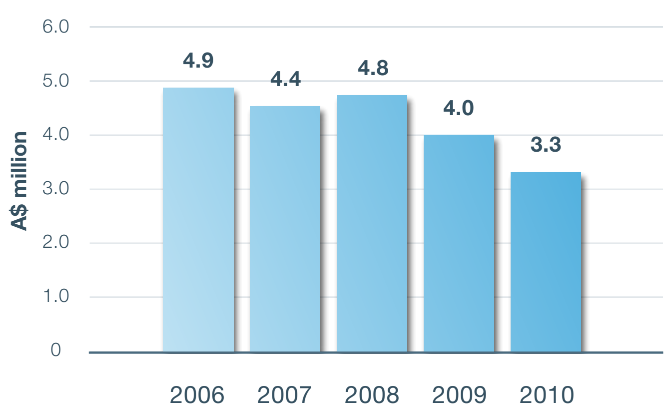
- roller shutter doors and grilles
- sectional overhead and bi-fold doors
- fire-rated roller shutters and sliding doors
- fire and smoke curtains
- fire-rated and non-rated doors

Financial results summary

For the year ending 31 March 2010, excluding discontinued operations, the division delivered revenue of $84.5 million, EBIT of $3.3 million and an EBIT margin of 3.9%.

The main impacts on financial performance for the period were the very slow recovery in the New Zealand economy, and the general unpredictability of macro-economic conditions.

EBIT contribution (1)



		2010 (1)	2009 (1)	Change
Sales	A$m	84.5	87.1	(3.0%)
EBIT	A$m	3.3	4.0	(17.5%)
EBIT Margin	%	3.9	4.6	-
Order Book	A$m	97.3	44.9	116.7%
Employees		369	403	-

(1) From continuing operations

NORFOLK INTEGRATED ENGINEERING

FIRE & PROPERTY SERVICES DIVISION

Resolve FM

Resolve FM's reputation and success in delivering facility management solutions grew considerably during 2010, particularly in the key sectors of health and custodial which demand high operational standards and technical competence.

Strategies were implemented to ensure the business continued to deliver high standards of account management and superior technical solutions throughout the GFC. This resulted in the retention and extension of existing contracts, whilst also adding new business to the portfolio.

Bottom line financial results for the period were better than expected, considering the potential impact of the GFC, and were slightly ahead of forecast.

Highlights of the year include 60% growth in the targeted custodial sector, positioning Resolve FM to take advantage of new projects planned across the country in the next few years. Wins in this sector included a significant DIAC contract through Serco for Christmas Island and other detention centres located throughout Australia.

TECHNICAL FACILITIES MANAGEMENT SERVICES

Resolve FM
EXPERTISE • COMMITMENT • RESULTS

Business in the key sector of health also grew with a new performance contract with St George Private Hospital. Resolve FM was also successful in retaining an existing contract with SA Holden, maintenance services to a DFAT facility in the ACT, and a technical and planning role for asset management at the Barrow Island Gorgon project.

Operationally, Resolve FM has maintained focus on the key pillars of health and safety, customer retention, operational excellence and growth. Initiatives to support these pillars included the expansion of the technical capability of the business and the enhancement of the Norfolk Hub (call centre) covering the whole of Norfolk.

TECHNICAL FACILITIES MANAGEMENT SERVICES

Resolve FM recognises the importance of continuing to deliver superior results for clients by taking a partnering approach to contract delivery and continuing to develop innovative technical solutions.

Energy Products International

Energy Products International (EPI), which specialises in the manufacture and supply of air handling units, boilers, flues, radiant heaters, radiators and chillers, had an exceptionally strong year. This was on the back of its strong relationships and continued business development in a number of traditional and new industry sectors.

Key customers and projects secured and/or supplied during the course of the financial year included the Christchurch Civic Building, Wellington and Waikato hospitals, Auckland and Waikato Universities and Waikato Polytechnic. Ongoing projects were secured with Vodafone and Telecom and EPI supplied equipment to numerous New Zealand local council pool complexes. EPI also entered the mining sector supplying boiler systems to Oceana Gold at the Macrae's Mine.

With the build up to the 2011 Rugby World Cup, EPI has played a significant role in supplying its products and systems to Air New Zealand, Auckland and Wellington airports and securing supply contracts for the AMI Stadium (Christchurch), Eden Park redevelopment (Auckland) and Forsyth Barr Stadium (Dunedin) projects.

EPI appears to be continuing this momentum with a strong backlog and healthy forward order book.

Metalbilt Doors, Danks Roller Doors and NZ Fire Doors

Metalbilt Doors, Danks Roller Doors and NZ Fire Doors all encountered difficult trading conditions due to a marked decline in non residential construction and industrial development. Following the decision to divest the Trafalgar fire doors and fire protection business in 2009, the decision was made to exit timber fire door manufacture altogether, and consequently the NZ Fire Doors business was divested in March 2010.

Over the course of the 2010 financial year, Metalbilt Doors continued to maintain strong gross margins albeit on lower volume. Its investment in research and development (in particular its new Fyreshield fire rated roller shutter system) yielded positive results, enabling Metalbilt Doors to secure contracts for all of the major stadium upgrades for the 2011

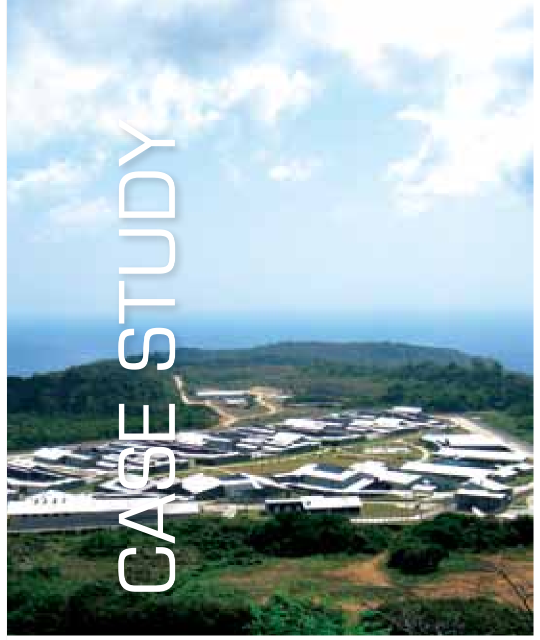
NORFOLK
INTEGRATED ENGINEERING

FIRE & PROPERTY SERVICES DIVISION

Rugby World Cup (AMI Stadium in Christchurch in 2009, Eden Park Redevelopment in Auckland in 2009 and Forsythe Barr Stadium in Dunedin in 2010, as well as a number of other regional centres). A continued focus on the defence, telecommunications and transport sectors enabled Metalbilt Doors to secure product supply and installation contracts with the NZ Defence Force Ohakea Hangar upgrade, new Telecom Auckland headquarters and upgrade work at Auckland, Hawke's Bay, Wellington and Christchurch airports.
A key focus for all New Zealand business units during the 2010 financial year was to reduce working capital investment and to manage down costs. Strong results were achieved across all businesses with reduced expense and debtor levels and excellent cash management.

Outlook

The outlook for the Fire & Property Services Division remains positive despite a slow return to pre-GFC conditions.



Christmas Island Immigration Detention Centre

Resolve FM has developed a strong working relationship with staff and the Christmas Island community through its work on the Christmas Island Immigration Detention Centre. Resolve FM has a large, dedicated facility management team on site at Christmas Island, with additional support from the mainland. We currently have a sizeable workforce of directly employed staff on the island which will be expanded on in the coming year.

Success on this site has led to Resolve FM maintaining an increasing number of facilities for DIAC throughout Australia.

The contract requires Resolve FM to provide the following services - 24/7 call centre facilities, operability testing to all workable parts of the facility, cleaning, landscaping, electrical, defect identification, defect liability management, maintenance planning and scheduling, pest control, fire services, cooling tower maintenance, inventory and logistics, portable appliance testing (PAT), mechanical services, electrical services, thermographic scans, kitchen equipment and laundry equipment.

Metalbilt Doors contributing to New Zealand Defence

In September 2009, construction began on the New Zealand Defence Force (NZDF) Ohakea Airbase new Number 3 Squadron Building. NZDF are spending NZ$27 million on new hangars and associated amenities to accommodate the new NH90 and A109 helicopters for the Royal New Zealand Airforce, due for delivery in late 2010.

Metalbilt Doors is designing, manufacturing and installing 14 Renlita bi-folding hangar doors in the Number 3 Squadron Building for Ebert Construction Limited. This project represents the single largest project for Metalbilt Doors. The hangar doors, up to 20m wide, are specifically designed by Metalbilt Doors to meet the cladding requirements and to resist Ohakea's high wind exposure.

Metalbilt Doors right behind the 2011 Rugby World Cup

In 2009, Metalbilt Doors developed, tested and obtained approvals for its new Fyreshield fire rated roller door system, the only such system to be designed, tested and manufactured in New Zealand. On the back of AMI Stadium project in Christchurch, Metalbilt Doors secured and is currently installing 44 Fyreshield fire rated roller door systems and other industrial doors into the Eden Park redevelopment in Auckland.

Metalbilt Doors and the main contractor, Fletcher Construction Company, have worked closely in the design of the doors, and associated walls and supporting structures. The Fyreshield system will help provide fire separation and compartmentalisation of the stadium areas, and in the event of fire, will act as a barrier and assist in the safe use of escape routes.

With its door systems already installed at Westpac Trust Stadium in Wellington, and a contract secured for the Forsyth Barr Stadium in Dunedin, as well as other regional centres, Metalbilt Doors is right behind the Rugby World Cup 2011.

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

Norfolk's approach to corporate governance

Norfolk's approach to corporate governance is based on a set of values and behaviours which provide transparency and accountability and ensure the protection of stakeholder interests.

Norfolk is committed to complying with the revised ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd edition published August 2007) (the ASX Principles) and maintaining an effective system of corporate governance which is integrated into our culture and business practices.

This Corporate Governance Statement reflects the corporate governance and other related policies and practices in place for Norfolk as at 31 March 2010.

Norfolk's corporate governance framework

Norfolk's corporate governance framework provides the process and structure required to ensure:

- the Norfolk board is accountable to shareholders and other stakeholders for the performance, growth and operation of the businesses
- Norfolk management is accountable to the board for its actions in managing the performance, growth and operation of the businesses
- the risks associated with the businesses are identified and managed
- communication, transparency and disclosure to shareholders and other stakeholders is maintained at all times.

The foundation of Norfolk's approach to corporate governance is the adoption of Norfolk's board Charter and Corporate Governance Statement and our Statement of Corporate Governance. Both of these documents are available on the Norfolk website (http://www.norfolkgl.com). The board Charter and Corporate Governance Statement sets out many aspects of Norfolk's corporate governance including board and committee composition (including their responsibilities and their charters), appointment of directors, and various policies governing corporate conduct, securities trading, performance reviews, continuous disclosure and shareholder communications.

Compliance with the ASX

It is the board's opinion that Norfolk has complied with each of the ASX Principles throughout the year ended 31 March 2010. A summary of Norfolk's compliance with each principle, including details of specific disclosures required by each principle, is provided below. The heading of each section reflects the relevant ASX Principle.

Principle 1
Lay solid foundations for management and oversight

The board has the overall responsibility to shareholders for all Norfolk governance matters. The board remains primarily responsible for the strategic direction and financial performance of Norfolk, whilst delegating the responsibilities of management to the Managing Director and the senior management team.

The board has adopted a charter which sets out the specific roles and responsibilities of the board and the matters delegated to management. The board provides strategic guidance and oversees management by:

- approving objectives, strategies and financial plans and by monitoring Norfolk's performance against these plans
- the appointment of the Managing Director and the review of the Managing Director's performance and remuneration
- setting appropriate goals for the conduct, performance and reward of the senior management team including the Managing Director
- approving appropriate recruitment, retention and succession plans
- working with management on key issues, including reviewing and approving major tenders, capital expenditure, acquisitions and divestments, financing, funding and capital management
- supervising external reporting and disclosure
- monitoring compliance with regulatory requirements, and ensuring all Norfolk employees act with integrity and diligence in the interests of Norfolk and our stakeholders
- reviewing and approving all significant policies and procedures to satisfy legal and other responsibilities, including operational and financial risks and health, safety, environment and community issues.

As part of the board's oversight of senior managers, all members of the senior management team are subject to annual performance reviews and goal planning. This involves an evaluation of each senior management team member by their immediate supervisor. Each senior management team member is assessed against a range of criteria including achievement of financial and safety goals. The members of the senior management team receive periodic feedback on progress against their targets. All senior management team members participated in a performance evaluation on this basis during the year ended 31 March 2010.

Principle 2
Structure the board to add value

Board composition

The board is structured to bring to its deliberations a range of commercial, operational, financial and Australasian experience relevant to Norfolk's operations. The board comprises the Chairman, Rod Keller, three Non-Executive Directors and one Executive Director (Managing Director, Glenn Wallace). Details of the members of the board, including their qualifications, expertise and experience, are provided in the Directors' Report.

The Chairman is an independent director. He is responsible for leading the board, ensuring directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating board discussions and managing the board's relationship with Norfolk's senior management.

The Managing Director is responsible for implementing Norfolk's strategies and policies. The board Charter specifies that the roles of Chairman and Managing Director be undertaken by separate people.

Board independence

Each director has an overriding duty to act in the best interests of Norfolk, to avoid conflicts of interest and to not use their position for personal benefit. Each director is required to disclose any interest which might create a potential conflict of interest with the director's duties as a director of Norfolk or which would affect the director's independence.

If a situation may give rise to a possible conflict of interest, the director concerned must declare it. Once a potential or actual conflict of interest has been declared by a director, that director will not receive board papers relevant to that item and that director must not be present at board meetings while the item is being considered. If appropriate, an independent board committee will be established to consider specific items of business.

The board has reviewed the position of all current directors in light of Norfolk's adopted definition of independence. This definition is consistent with the guidelines provided by the ASX Corporate Governance Council. The board has concluded that all directors of Norfolk are independent other than Paul Chrystall and Glenn Wallace.

Period of office

Directors are appointed in accordance with the Constitution of Norfolk Group Limited and are re-elected to that position by shareholders every three years (on a rotational basis). No non-executive director can serve more than three years without offering themselves for re-election.

Board meetings

The board meets regularly for scheduled meetings and on other occasions as required between scheduled meetings. In addition to attending board and committee meetings the directors also attend strategy sessions and divisional reviews. The agenda for each meeting is prepared by the Company Secretary in consultation with the Chairman of the board or relevant committee and the relevant members of management. The regular business of the board includes a review of safety performance, business performance, financial performance, staff management issues and major tenders and contracts.

Committees of the board

The board has established committees to assist with meeting its responsibilities. It is through the committee structure that specific areas of detail are examined and, if appropriate, recommendations are made for consideration by the board. Each committee has adopted a charter and a report of each committee meeting is presented at the next board meeting. Currently there are two committees in place:

Committee	Chair	Member
Audit and Risk Committee	Peter Lowe	Peter Abery Paul Chrystall
Nomination and Remuneration Committee	Peter Abery	Peter Lowe Glenn Wallace

Details of the frequency and attendance of members at the committee meetings are provided in the Directors' Report.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for identifying and recommending to the board individuals who are suitably qualified to become board members. Norfolk supports the appointment of directors who bring a wide range of business and professional skills and experience, details of which are recorded in the Directors' Report. The Committee comprises a majority of independent directors. The Committee is also responsible for making recommendations to the board with respect to Norfolk's

NORFOLK INTEGRATED ENGINEERING

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

compensation policies, including equity-based programs, retention policies and succession planning.

Board performance
The full board is responsible for reviewing the performance of the Chairman. It is the responsibility of the Chairman, with advice from the board and the Nomination and Remuneration Committee, to assess the performance of the board, its committees, each of the directors and senior management team. The board has a formal performance review process which involves open and constructive dialogue between the respective parties, taking into account the objectives and measurable results that have been achieved.

The performance of the Managing Director is reviewed annually by the Chairman and non-executive directors. The performance of other key executives is reviewed annually by the Managing Director against predetermined goals and criteria and then is also reviewed by the Nomination and Remuneration Committee and, if required, the board. The board has had an ongoing process for the regular self-assessment and review of the performance of the board which includes the completion of a detailed questionnaire by all directors for consideration by the Chairman and discussion with the board. This process includes consideration of the performance of each of the board committees. The performance of each individual director is reviewed by the Chairman. Where appropriate the Chairman will review an individual director's performance with the other directors.

Facilitation of board performance
Each member of the senior management team prepares detailed monthly reports which form part of the board papers. Members of the senior management team also attend regular meetings with the board to present strategy and progress and to answer any questions which may arise. Key tenders and contracts are also presented to the board for approval prior to entry.

Independent professional advice
Each director is entitled to full access to all information necessary for the director to discharge his or her duty. Non-executive directors have the right to seek independent professional advice in the furtherance of their duties as directors at Norfolk's expense. The Chairman's prior approval of any expenditure is required; however, this will not be unreasonably withheld. The directors also have direct access to the Company Secretary for all board and governance related issues.

Principle 3 - Promote ethical and responsible decision-making

Norfolk is committed to ensuring all directors and employees practice ethical and responsible decision-making when engaging in all corporate activities. Norfolk has adopted a code of conduct which applies to all Norfolk employees.

Code of conduct
The code of conduct (articulated in the board Charter and Corporate Governance Statement) sets out the ethical standards that govern the conduct of all Norfolk directors and employees. Norfolk recognises the interests of all stakeholders in the community and their role in creating shareholder value. All Norfolk directors and employees are required, at all times, to conduct themselves in a manner consistent with the principles of honesty and integrity.

The code requires directors and employees to comply with the law, to disclose relevant interests that they may have and to act in the best interests of Norfolk. The code also covers confidentiality of information and respect of privacy.

Securities Trading Policy
This policy (articulated in the board Charter and Corporate Governance Statement) provides guidance to all directors, officers and staff dealing in Norfolk Group Limited securities. The Securities Trading Policy reinforces the legal prohibition of trading by any director or employee who is aware of unpublished price sensitive information about Norfolk (insider trading) and sets out the additional policy prohibiting designated persons from trading during blackout periods. The Securities Trading Policy also requires the disclosure to the board of any margin loan arrangements by directors and key members of management. It also establishes a clear policy regarding managing exposure to fluctuations in price in relation to Norfolk's securities under any equity-based component of remuneration by key members of management.

The board Charter and Corporate Governance Statement are available on the Norfolk website (www.norfolkgl.com). The current shareholdings of directors and key management personnel are shown on page 104.

Principle 4
Safeguard integrity in financial reporting

Norfolk acknowledges that the integrity of Norfolk's financial reporting depends upon the existence of a sound system of risk oversight and management and internal controls. The Audit and Risk Committee and the board receive appropriate sign-off from the Managing Director and the Chief Financial Officer in this regard.

Audit and Risk Committee
Norfolk has an Audit and Risk Committee which is comprised of three non-executive directors, the majority of whom are independent. The Committee is responsible for risk management and oversight of Norfolk's financial reporting policies and other operational risk areas.

The Committee also monitors the internal controls and the integrity of Norfolk's financial statements in compliance with the regulatory requirements. The Committee is also responsible for the appointment, evaluation and oversight of the external auditor, and ensuring that the independence of the external audit function is maintained.

The Committee's Charter sets out that membership is restricted to non-executive directors, the majority of whom will be independent. The Committee shall appoint a Chairman who is not the Chairman of the board. The Committee shall comprise a minimum of two members and shall include at least one member who is a "financial expert" as defined by the board. The experience of each Committee member, the number of meetings and the attendances by each of the members of the Audit and Risk Committee are set out in the Directors' Report.

The Committee together with senior management has established a process for the identification, review and management of significant risks across Norfolk. During the year ended 31 March 2010 a formal internal audit function has been established and is subject to ongoing review. Norfolk is currently working towards compliance with the latest risk management standards released in late 2009. The Committee also meets with, and receives reports from, the external auditor on matters in connection with the performance of the audit. Senior management are excluded from part of these meetings to allow full and frank discussions between the Committee and the external auditor.

The performance of the external auditor is reviewed annually. PricewaterhouseCoopers was appointed as the external auditor in 2007 and continues to perform this role. It is PricewaterhouseCoopers' policy to rotate audit engagement partners on listed companies at least every five years.

Principle 5
Make timely and balanced disclosures

Continuous Disclosure Policy
Norfolk recognises the importance of timely disclosure of its activities to shareholders and the market, in accordance with its legal and regulatory obligations. To ensure compliance, Norfolk has adopted a Continuous Disclosure Policy. The Continuous Disclosure Policy (articulated in the board Charter and Corporate Governance Statement) sets out the principles that guide Norfolk in fulfilling its responsibilities to act with integrity to satisfy the disclosure and effective communication requirements of the ASX and the Corporations Act. The Policy sets in place procedures to ensure that material and price sensitive information is identified and disclosed in accordance with the Corporations Act and the ASX Listing Rules.

Publicly available information
The ASX Corporate Governance Council best practice recommendations provide that specific documents should be made publicly available, ideally on the company's website. Norfolk has a Shareholder Communications Policy and undertakes to update its website on a regular basis to provide all material announcements and information. In addition, Norfolk attempts to respond to shareholder queries as soon as possible when such queries are raised.

Principle 6
Respect the rights of shareholders

Respecting the rights of shareholders is of fundamental importance to Norfolk. Norfolk recognises that a key element of this is how we communicate with our shareholders.

Shareholder Communications Policy
Norfolk has adopted a Shareholder Communications Policy which should be read in conjunction with the Continuous Disclosure Policy referred to above. The Shareholder Communications Policy sets out how Norfolk will keep all shareholders and potential shareholders up to date about the affairs of Norfolk. The policy establishes guidelines which:

- confirm that Norfolk will not communicate price sensitive information to an external party other than where it has been disclosed to the market generally
- state that shareholders will be given the opportunity to ask questions of each director at each Annual General Meeting
- prohibit the practice of selective or differential disclosure
- provide equal access to information to all shareholders
- promote the use of the Norfolk website (www.norfolkgl.com) to facilitate shareholder communications and to ensure that all information released to the ASX is available on the Norfolk website as soon as practicable.

Attendance of Auditor at the Annual General Meeting
As standard practice, Norfolk's external auditor attends the Annual General Meeting each year. At the Annual General Meeting the external auditor is available to answer shareholder questions concerning the conduct of the external audit for the relevant financial year.

Principle 7
Recognise and manage risk

The board has required senior management to design and implement a risk management and internal control system to manage Norfolk's material business risks. The Audit and Risk Committee, the external auditor and the internal auditor referred to under Principle 4 form part of this system. Senior management has reported to the board that these risks have been effectively managed.

CORPORATE GOVERNANCE STATEMENT

The integrity of Norfolk's financial reporting depends upon the existence of a sound system of risk oversight and management and internal controls. For the publicly released annual and half year accounts, the board receives assurances from the Managing Director and Chief Financial Officer that, in their opinion:

- the financial records of Norfolk have been properly maintained
- the financial statements and notes required by accounting standards for external reporting
  - give a true and fair view of the financial position and performance of Norfolk and the consolidated Norfolk Group
  - comply with the accounting standards (and any further requirements in the Corporations Regulations) and applicable ASIC Class Orders
- the above representations are based on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8
Remunerate fairly and responsibly

The Nomination and Remuneration Committee is responsible for recommending and reviewing the remuneration arrangements for the Managing Director, non-executive directors and members of Norfolk's senior management team. The composition of the Nomination and Remuneration Committee is provided under Principle 2 above. The number of meetings and the attendances by each of the members of the Committee are set out in the Directors' Report.

The Remuneration Report (which forms part of the Directors' Report) sets out details of Norfolk's policy and practices for remunerating directors and key management personnel.

DIRECTORS' REPORT

The directors have pleasure in submitting the Directors' Report of the consolidated group consisting of Norfolk Group Limited and the companies it controlled during the year ended 31 March 2010 (Norfolk).

Directors

The following persons were directors of Norfolk Group Limited during or since the end of the financial year:

Mr Rodney Keller
Chairman - Independent Non-Executive Director
Mr Keller became Chairman of Norfolk on 7 April 2008. Mr Keller has a Bachelor of Engineering (Mechanical) from the University of Sydney and is a Fellow of the Institute of Engineers, Australia. Mr Keller brings many years experience in the engineering sector and has previously held management positions with Fletcher Construction Australia, the State Government of South Australia, Esso Australia, Woodside Petroleum and Santos and was Managing director of GPU International Australia from 1995 to 1999.

Mr Keller is currently Chairman of OSD Pipelines Limited, Alinta Energy Limited and Alinta Energy Services Limited and was Chairman of the GasNet Australia Group from its listing in 2000 to its takeover in 2006. Mr Keller was previously a non-executive director of Macquarie Communications Infrastructure Limited, Macquarie Communications Infrastructure Management Limited, National Electricity Code Administrator and of Dyno Nobel Limited.

Mr Glenn Wallace
Managing Director - Executive Director
Mr Wallace is the Managing Director of Norfolk and was appointed to the role in 2004, following his role in the successful acquisition of the businesses now forming Norfolk. Mr Wallace is also a member of the Nomination and Remuneration Committee.

Mr Wallace has a Diploma in Leadership Management from the Macquarie Business School, and completed the Advanced Management Program at the University of Hawaii in 1996. He is a NSW Council Member in the Australian Industry Group and is a Member of the Australian Institute of Company Directors. Mr Wallace has more than 15 years experience in management roles both in New Zealand and Australia. Prior to joining Norfolk, Mr Wallace held a number of senior roles including Managing Director of Tyco, having held various roles within Tyco since joining the company as National Sales Manager in 1987, and Managing Director of the Tiri Group from 2003. Mr Wallace is currently a Non-Executive Director of Maui Capital Limited.

Mr Peter Abery
Independent Non-Executive Director
Mr Abery is Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee. Mr Abery holds a Bachelor and a Masters degree in Engineering (Electrical Engineering) from the University of Natal and a Masters of Business Administration from the University of South Africa. He is a Fellow of the Australian Institute of Company Directors, and a Member of the Institute of Engineering and Technology (London) . He is also a graduate of the Harvard Business School's International Senior Managers Program.

Mr Abery has a strong understanding of the industries in which Norfolk operates, gained through many years of working in the engineering and related sectors. He has previously been Chief Executive Officer or Managing Director of a number of Australian and English companies including HPM Industries, National Grid Wireless (formerly Crown Castle UK), Crown Castle Australia, Vodafone Network and QPSX Communications, and has held senior management positions with Telstra Corporation and AWA.

Mr Abery is currently a director of Nomad Building Solutions, pieNetworks Limited and Salter Australia Holdings Pty Ltd and the not for profit Ear Science Institute of Australia. Mr Abery previously was a Director and Chairman of Digital Television Services (a joint venture in the United Kingdom between BSkyB, the BBC and Crown Castle), VEEM Limited and a Non Executive Director of National Grid Australia (Basslink Limited).

Mr Paul Chrystall
Not independent Non-Executive Director
Mr Chrystall is a member of the Audit and Risk Committee. Mr Chrystall holds a Bachelor of Commerce from the University of Auckland, during the completion of which he received various senior prizes, including the Alfred P Foggarty Award for excellence in Economics.

Mr Chrystall is currently Managing Director of Maui Capital Limited, a New Zealand-based private equity firm and has been a director of Norfolk since 2004. He was, until September 2007, the Head of Private Equity at Goldman Sachs JBWere (NZ) Limited and prior to joining Goldman Sachs JBWere (NZ) Limited in April 2001, Mr Chrystall held a number of senior corporate finance roles in a variety of industries.

Mr Chrystall is currently a Director of Maui Capital Limited, Maui Capital Indigo Fund Limited and its subsidiaries, Maui Capital Indigo General Partnership Limited and Sea + City Projects Limited.

DIRECTORS' REPORT

DIRECTORS' REPORT

Mr Peter Lowe
Independent Non-Executive Director
Mr Lowe is Chairman of the Audit & Risk Committee and a member of the Nomination & Remuneration Committee.
Mr Lowe holds a Bachelor of Commerce and Master of Business Administration from the University of Melbourne and is a Member of the Australian Institute of Company Directors and a Fellow of CPA Australia. Mr Lowe's principal experience is in finance and corporate strategy in listed corporates. Mr Lowe has previously held senior manager positions with CPA Australia, UtiliCorp United Inc. United Energy Limited and Fosters Brewing Group Limited.

Mr Lowe is currently Chairman of United Energy Distribution Holdings Pty Ltd and a director of Multinet Group Holdings Pty Ltd, Citywide Solutions Pty Ltd, Snowy Hydro Limited, Aurora Energy Pty Ltd, Western Australia Network Holdings Pty Ltd and Meridian Energy Australia Pty Ltd. In the last 3 years Mr Lowe was also a director of Clever Communications Limited (formerly Access Providers Limited) and GasNet Australia Group.

Directors' shareholdings

The following table sets out each director's relevant interest in shares and options in shares of Norfolk Group Limited as at the date of this report. No director has any relevant interest in shares or options in shares of a related body corporate of Norfolk Group Limited as at the date of this report.

Director	Number of shares and nature of interest
Rodney Keller	182,355 shares held jointly with Dianne Keller as trustee for the Keller Superannuation Fund
Glenn Wallace	Indirect interest in 3,177,778 shares held by Selby Consulting Pty Ltd
Peter Abery	61,112 shares held directly and indirect interest in 61,112 shares held by Yreba Investments Pty Ltd ATR Yreba Investments Superannuation Fund
Paul Chrystall	896,496 shares held jointly with two others as trustee of the PCKC Trust
Peter Lowe	54,068 shares held jointly with Judith Lowe as trustees for the Lowedid Superannuation Fund

Company Secretary

The company secretarial function is responsible for maintaining proper documentation, records and registers, good corporate governance and compliance with statutory obligations.
Fiona Lovell was appointed company secretary on 9 April 2009. She holds a Bachelor of Arts, Bachelor of Laws (Hons), Graduate Diploma in Applied Finance and Investments and a Graduate Diploma in International Law. Fiona is currently undertaking a Graduate Diploma in Applied Corporate Governance with the Chartered Secretaries Australia.

Dividends

No dividends were paid during the year as Norfolk concentrated on paying down debt and strengthening its balance sheet.

Principal activities

The principal activities of Norfolk during the financial year ended 31 March 2010 were to provide integrated electrical, communications, heating, ventilation and air-conditioning services and property services.

Norfolk has operations in Australia, New Zealand, India and Vietnam.

Review of operations

The operating profit for Norfolk from continuing operations after providing for income tax was $18.1 million. For the review of operations please refer to the Chairman's Report, Managing Director's Report, Chief Financial Officer's Report, Company Profile and Divisional Review sections of this annual report.

Changes in the state of affairs

During the financial year there were no significant changes in the state of affairs of Norfolk other than those referred to in the financial statements or notes in this annual report.

Subsequent events

No matters or circumstances have arisen since 31 March 2010 that has significantly affected, or may significantly affect, Norfolk's operations, the results of those operations, or the state of affairs of Norfolk in future financial years.

Future developments and expected results of operations

The directors have not included any further information on the likely developments or expected future results of the operations of Norfolk as the directors have reasonable grounds to believe that the inclusion of such information would result in unreasonable prejudice to Norfolk.

Environmental regulation

Norfolk is subject to a range of environmental regulations and continually looks at ways to reduce its impact on the environment and improve its environmental performance. During the financial year there were no environmental incidents which required reporting.

Directors' and officers' insurance

During the financial year, Norfolk paid a premium in respect of a contract to insure the directors and officers of Norfolk against liabilities incurred in acting as a director or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Directors' meetings

The table below sets out the number of meetings each director attended and the number of meetings held during the year while each director was a director or was a member of the relevant committee. The table does not indicate where a director attended a committee meeting in an ex officio capacity.

During the year 16 board meetings, 7 Audit and Risk Committee meetings and 5 Nomination and Remuneration Committee meetings were held. In addition 4 meetings of an ad-hoc independent board committee were held in relation to matters where director(s) had a conflict of interest and were attended by various directors and a strategy meeting was held and attended by all directors.

	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Rodney Keller	16	14	-	-	-	-
Glenn Wallace	16	14	-	-	5	4
Peter Abery	16	11	7	5	5	5
Paul Chrystall	16	14	7	7	-	-
Peter Lowe	16	12	7	7	5	5

Proceedings on behalf of the company

No person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring, or intervene in, proceedings on behalf of any entity within the Norfolk Group.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 of the Financial Report.

The directors are satisfied that the provision of non-audit services during the financial year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 of the Financial Report do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor
- none of the non-audit services undermine the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for Norfolk, acting as advocate for Norfolk or jointly sharing economic risks and rewards.

NORFOLK INTEGRATED ENGINEERING

DIRECTORS' REPORT

Auditor's independence declaration

The auditor's independence declaration is set out at page 63 and forms part of the Directors' Report for the financial year ended 31 March 2010.

Rounding of amounts

Norfolk Group Limited is a company of the kind referred to in Australian Securities and Investments Commission class order 98/100 dated 10 July 1998. In accordance with that class order, amounts in the Financial Report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated otherwise.

Auditor

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

Buy Back

Norfolk Group Limited does not currently have any on-market buy-back of shares.

Remuneration report (audited)

This remuneration report outlines Norfolk's remuneration policy for key management personnel for the year ended 31 March 2010. Norfolk's key management personnel comprise the directors of Norfolk Group Limited and senior managers of Norfolk including the five most highly remunerated Norfolk employees. Key management personnel have authority and responsibility for planning, directing and controlling the activities of Norfolk.

Remuneration Policy

The objective of Norfolk's remuneration policy is to set remuneration at a level that will attract and retain qualified and experienced personnel and to motivate and reward them for the achievement of strategic objectives and improvement of business results.

Remuneration is structured to reward employees for increasing shareholder wealth by providing a fixed remuneration component together with short and long term performance based incentives. The remuneration for senior management is reviewed annually using a formal performance appraisal process and comparative market remuneration data. Fixed remuneration is based on competitive levels when compared to Norfolk's peers to ensure that Norfolk secures and retains high quality senior managers taking into account the increasingly competitive labour market which Norfolk operates in.

The incentive based components of remuneration are designed to motivate Norfolk's senior managers to achieve superior performance. By aligning performance targets with Norfolk's short and long term objectives Norfolk aims to maximise shareholder value. The performance targets are reviewed annually to ensure that they continue to drive achievement of critical business objectives and provide stretch targets for senior managers.

The board's role in remuneration

The Nomination and Remuneration Committee is responsible for making recommendations to the board with respect to the Company's compensation policies, including equity-based programs. The Committee reviews, considers and evaluates the remuneration and performance of executive directors and senior management. The Managing Director reviews senior management performance against performance standards, position requirements, key personal targets and development plans and reports to the Committee. This report is considered by the Committee as part of the Committee's review of remuneration and performance.

The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

Relationship between company performance and remuneration

Remuneration is aligned with performance by:

- placing a significant portion of remuneration at risk using long and short term incentives based on performance;
- ensuring incentives are only awarded upon achievement of challenging financial and non-financial measures which drive Norfolk's strategic objectives and increase shareholder value.

The following table sets out summary information about Norfolk's earnings and movements in shareholder wealth since listing.

DIRECTORS' REPORT

	2008 (1) $'000	2009 $'000	2010 $'000
Revenue (2)	585,326	744,207	791,814
Net profit before tax (2)	26,526	8,626	24,615
Net profit after tax	18,915	4,367	17,339
Share price at the start of the year	$1.95	$1.356	$0.358
Share price at the end of the year	$1.356	$0.358	$0.78
Dividend (cents)	5.7	2.0	-
Franking credit level	100%	100%	-
Basic earnings per share (cents) (3)	14.39	3.30	12.95
Diluted earnings per share (cents) (3)	14.12	3.27	12.85
Total Shareholder Return	(27.5%)	(72.1%)	117.9%
Earnings Growth rate %	n/a	(77.1%)	292.1%

(1) Operating result from 21 June 2007 to 31 March 2008

(2) Revenue and net profit before tax from continuing operations

(3) Restated to reflect the effect of the rights issue offer during 2010

Norfolk is committed to ensuring the safety of its entire staff and providing a safe work environment. A reduction in lost time injuries is a key performance hurdle for Norfolk's incentives. Since the introduction of the safety target hurdle as a remuneration performance measure Norfolk's overall total recordable injury frequency rate has dropped by 61%.

Remuneration of directors and key management personnel

The remuneration structure is designed to provide an appropriate mix of fixed and variable remuneration and short and long term incentives. The value of remuneration received by key management personnel (KMP) is determined by measuring the achievement against specified performance measures plus fixed remuneration. The remuneration of directors comprises a fixed component only unless the director is an executive director.

Non-executive director fees

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees only contain a fixed component as this is considered appropriate to maintain their independence. Non-executive directors' fees and payments are reviewed annually by the board. The board also receives advice and/or data from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

The maximum aggregate fees approved by shareholders that can be paid to non-executive directors is $550,000. This cap was approved by shareholders at the 2008 Annual General Meeting. The allocation of fees within this pool is determined by the board after consideration of the time commitments, the size and scale of the company's operations, the expertise of individual directors, comparative market practice and other factors. The base fee for the chairman is $140,000 and $85,000 for the non-executive directors which are identical to last year. In recognition of the uncertain economic environment, fees for non-executive directors were frozen and no increases were made for the year ending 31 March 2010. There are no additional fees paid to non-executive directors.

Non-executive director Share Acquisition Plan

Non-executive directors do not receive share options. The company has adopted a non-executive director Share Acquisition Plan (NEDSAP) to facilitate the tax efficient acquisition of shares in Norfolk by non-executive directors to further align their interests with those of shareholders. Under the NEDSAP, eligible non-executive directors may sacrifice a portion of their annual directors' fees for shares. The shares are issued or acquired at the market price of shares at the time of issue or acquisition and determined in accordance with the NEDSAP rules. All Australian resident non-executive directors are eligible to participate in the NEDSAP at the invitation of the board.

Under the terms of the NEDSAP, eligible non-executive directors must not sell, transfer or create a security interest or otherwise deal in the shares acquired under the NESSAP until a withdrawal notice has been accepted by the board, or its delegated authority. A withdrawal notice may only be lodged within a share trading window determined by the board and may not be lodged until:

DIRECTORS' REPORT

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- the vesting conditions, if any, in respect of the shares have been satisfied or waived; and
- the earlier of the expiration of any restriction period set by the board or the time when the eligible non-executive director ceases to be a non-executive director unless the board agrees otherwise.

The legal title to shares issued or acquired under NEDSAP will be held by a trust, for the benefit of the eligible non-executive director during any restriction period. To date no shares have been acquired under NEDSAP.

Key management personnel
Generally, the three components of KMP remuneration are fixed annual remuneration comprising salary and benefits including superannuation; short term performance incentive in the form of a cash bonus payable if performance conditions are met; and long term performance incentives in the form of options subject to vesting conditions. For the year ended 31 March 2010 the Long Term Incentive Plan was suspended following changes to the taxation treatment of benefits received under plan to enable Norfolk to consider and determine whether the Long Term Incentive Plan was appropriate and whether it aligned management goals with shareholder interests.

The table below sets out the portion of fixed and "at risk" remuneration of KMP for the year ended 31 March 2010 based on maximum performance being achieved. The "at risk" element relates only to Short Term Incentive Plan, due to the board decision to suspend its Long Term Incentive Plan.

	% of total maximum remuneration	
KMP	Fixed Remuneration	'At-Risk' Performance Based
Glenn Wallace	74	26
James Fletcher	74	26
Fiona Lovell	74	26
Anthony O'Shannessy	74	26
David Rafter	74	26
Richard Smith	74	26

Fixed remuneration
KMP are offered a market competitive fixed remuneration base. Fixed remuneration is calculated on a total cost to the company basis, including the cost of employee benefits such as motor vehicle allowances and superannuation. The fixed remuneration component is reviewed annually to ensure the KMP's remuneration is competitive with the market. A KMP's pay is also reviewed on promotion or significant role responsibility changes. There are no guaranteed increases in fixed remuneration included in any KMP's contracts.

Short term incentives plan
Norfolk has established a Short Term Incentive Plan (STIP) to provide incentives for employees to achieve specific objectives which takes the form of an annual cash bonus. The STIP aims to:

- focus employees on achieving key financial performance, safety performance and operational performance targets; and
- reward superior individual and company performance.

The STIP rewards KMP and other company employees for their achievement and contribution during a financial year measured against specific financial and non-financial targets. The potential incentives available under the STIP are set within four levels that range between 15% and 35% of an employee's base salary depending on the employees' seniority, role and ability to affect company results. Employees who join the company prior to 31 December are entitled to a pro rata percentage of the STI. Except in certain limited circumstances, all participants in the STIP must remain employed with the company on the date incentives are paid to receive any award. Of that potential incentive, 80% is directly linked to achievement of financial performance targets and 20% is linked to achievement of safety performance targets.

The board approves the annual targets, both financial and non-financial, for the STIP.

1. Financial performance targets
Financial performance targets are set at both threshold and stretch levels. The company's philosophy in setting those targets is to establish threshold targets that represent the desired minimum outcome for each goal and stretch targets that are realistically achievable with excellent execution of the Company's annual plan. The key financial measures are EBIT (Earnings Before Interest and Tax) and Net Operating Cash Flow. In relation to the Managing Director and the Chief Financial Officer NPAT (Net Profit After Tax) is deemed to be a more suitable financial measure substituting EBIT.

Achievement of budgeted financial targets provides for 33% of the nominated incentive component. A maximum of 100% of the incentive is available on achievement of 120% of the budgeted target (calculated on a sliding scale). No incentive is available on achievement of under budget results unless authorised by the Board. Eligible employees must achieve financial targets to be able to access the safety performance target.

2. Safety performance targets
Safety performance targets have been set to reflect the company's focus on reducing incidents and injuries and the impacts for our employees and associated costs. TRIFR (Total Recordable Injury Frequency Rate) is the key measure of safety performance used as it includes both LTI (Lost Time Injuries) and MTI (Medically Treated Injuries) statistics. The safety performance target is an absolute measure and only available on achievement of the full target reduction in TRIFR.

The following table sets out the percentage of the STI paid and forfeited for each KMP during the year ended 31 March 2010.

	Short Term Incentive (in respect to the 2010 financial year and paid in 2011 financial year)	
	Paid %	Forfeited %
Glenn Wallace	61	39
James Fletcher	65	35
Fiona Lovell	57	43
Anthony O'Shannessy	61	39
David Rafter	71	29
Richard Smith	36	64

Long term incentive plan
As a result of the change to taxation in regard to share ownership announced with the 2009 federal budget Norfolk suspended its Long Term Incentive Plan (LTIP) for the year ended 31 March 2010. Norfolk is still committed to returning to a LTIP for future years which will align management interests with shareholder value and encourage employment retention. However due to the uncertainty of the taxation effect on any incentive provided under the LTIP and the questioning by external remuneration experts of the effectiveness of long term incentive plans in aligning shareholder and management interests Norfolk will take this opportunity to assess the most appropriate method of incentivising employees to achieve Norfolk's objectives. Norfolk also considered that given the unforeseen impact of the global economic crisis a focus on short term performance in the current economic environment was appropriate and provided by the STIP.

For the financial year ending 31 March 2008 the Company adopted a LTIP under which eligible participants were entitled to be granted either performance rights (entitling the grantee to shares for no consideration) or performance options (entitling the grantee to shares for an exercise price determined by the Board), which are exercisable on achievement of pre-set time or performance hurdles. In relation to performance options granted in respect of listing:

a) 50% of options are exercisable if the Company achieves a total shareholder return Compounded Annual Growth Rate (CAGR) of 15%

b) Additional options are exercisable, on a linear sliding scale, if the Company achieves a total shareholder return CAGR of greater than 15%, with all options being exercisable if the Company achieves a total shareholder return CAGR of 20%.

The LTIP was reviewed and amended for the financial year ended 31 March 2009 to more closely reflect the changing market trend in executive remuneration and on advice from external remuneration consultants. The LTIP was based on a combination of relative TSR (Total Shareholder Return) and EPS (Earnings Per Share) hurdles.

Conditions in relation to TSR Incentives
TSR Incentives may not be exercised unless:

a) Norfolk achieves a TSR ranking at the 50th percentile relative to its peer group, then 50% of TSR incentives have been deemed to meet the vesting conditions; and

b) additional TSR incentives have been deemed to meet the vesting conditions, on a linear sliding scale, if the Company achieves a TSR relative to its peer group of greater than median with all TSR Incentives meeting the vesting conditions if the Company achieves a TSR which ranks it in the top 25% of its peer group.

Conditions in relation to EPS incentives
EPS incentives may be exercised:

a) at 8% CAGR (Compound annual growth rate), one third of EPS Incentives have been deemed to meet the vesting conditions; and

b) additional EPS Incentives have been deemed to meet the vesting conditions, on a linear sliding scale, if the Company achieves a CAGR of greater than 8% with all EPS incentives being exercisable if the Company achieves a CAGR of 15%.

The CAGR and the TSR relative to the peer group is tested on the third anniversary of the Grant Date. The 'peer group' refers to the companies determined by Standard & Poors to form the "ASX Top 300" or such other group of companies as determined most appropriate by the board from time to time.

DIRECTORS' REPORT

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The exercise price of performance options will be determined by the board, but typically will be the market price of the shares at the date of grant determined in accordance with the LTIP rules.

The board has discretion to determine eligible participants under the LTIP.

The performance incentives that are the subject of the LTIP lapse in certain circumstances, including on:

- expiry;
- cessation of employment for cause; and
- cessation of employment for other specified reasons if not exercised within a period determined by the board.

The board has discretion to set vesting conditions, determine other lapse events and set restrictions on the disposal of, or other dealing with, the performance incentives that are the subject of the LTIP or shares issued on exercise of a performance incentive.

Dealing in securities

Performance based rights and unvested shares held in Norfolk's deferred share plan and exempt employee share plan are subject to Norfolk's Security Trading Policy. Under the policy directors and employees of Norfolk are prohibited from entering into arrangements which would have the effect of eliminating, reducing or transferring to any other person the risk of any fluctuation in the value of the rights or securities (i.e. hedging).

Details of remuneration

The key management personnel of the Group (as defined in AASB 124 " Related Party Disclosure') and specific executives of Norfolk Group Limited are set out in the following tables.

The key management personnel of the Group are the directors of Norfolk Group Limited and those executives who report directly to the Managing Director, being:

- Rodney Keller – Chairman (non-executive)
- Peter Abery – Director (non-executive)
- Paul Chrystall – Director (non-executive)
- Peter Lowe – Director (non executive)
- Glenn Wallace – Managing Director
- Anthony O'Shannessy - Chief Financial Officer
- James Fletcher – General Manager New Zealand
- Fiona Lovell - General Counsel and Company Secretary (appointed 09/04/2009)
- David Rafter - Chief Executive – Electrical & Communications Division and Norfolk International (appointed 01/06/2009 and Chief Executive – Mechanical Division prior)
- Richard Smith – Chief Executive - Mechanical Division (appointed 01/07/2009)

Name		**Short term benefits**			**Post-employment benefits**	**Long term benefits**	**Other**	**Share based payments**	
		Salary and fees $	STI Payment $	Non-monetary $	Super-annuation $	Long Service Leave $	Termination $	Options [1] $	Total $
Non-executive directors									
Peter Abery	2010	77,982	-	-	7,018	-	-	-	85,000
	2009	77,982	-	-	7,018	-	-	-	85,000
Paul Chrystall	2010	85,000	-	-	-	-	-	-	85,000
	2009	85,000	-	-	-	-	-	-	85,000
Rod Keller	2010	131,330	-	-	8,670	-	-	-	140,000
	2009	128,440	-	-	11,560	-	-	-	140,000
Peter Lowe	2010	77,982	-	-	7,018	-	-	-	85,000
	2009	77,982	-	-	7,018	-	-	-	85,000
Key management personnel									
Glenn Wallace	2010	785,718	156,390	-	14,282	1,889	-	120,323	1,078,602
	2009	786,256	75,000	-	13,744	1,134	-	111,111	987,245
James Fletcher	2010	199,055	40,977	-	-	-	-	16,667	256,699
	2009	205,812	-	-	-	-	-	9,722	215,534
Fiona Lovell	2010	229,923	40,947	-	17,432	490	-	-	288,302
Anthony O'Shannessy	2010	353,218	66,759	-	14,282	4,779	-	111,556	550,594
	2009	353,755	50,000	-	13,745	3,556		123,604	544,660
David Rafter	2010	352,127	89,898	43,781	28,014	13,336	-	111,556	638,712
	2009	343,687	50,000	43,781	32,532	9,740	-	123,604	603,344
Richard Smith	2010	289,963	39,207	29,537	28,502	1,432	-	30,232	418,863
	2009	234,274	25,000	35,726	22,050	312	-	23,287	340,199
Former									
Paul Jeffares [2]	2010	7,132	-	-	642	-	226,557	(9,722)	234,331
	2009	264,908	-	-	23,842	-	-	9,722	298,472
David Lee [3]	2009	369,119	-	-	30,881	-	-	123,604	523,604
Deborah O'Toole [4]	2009	25,994	-	-	2,339	-	-	-	28,333
Darren Robinson [5]	2010	166,760	-	-	25,527	-	214,577	(37,500)	369,364
	2009	289,693	-	-	23,732	-	-	26,389	339,814

(1) Value of performance options granted under the LTIP.
(2) Paul Jeffares (former General Counsel and Company Secretary) ceased employment 9 April 2009
(3) David Lee (former CEO Electrical) ceased employment 27 February 2009
(4) Deborah O'Toole (former Non-executive Director) ceased employment 24 July 2008
(5) Darren Robinson (former HR Director) ceased employment 28 October 2009

DIRECTORS' REPORT

Parent
The parent employed all non-executive directors. All other directors and executive management were employed by subsidiaries of the parent.

Key terms of service agreements

On appointment to the board, all non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for KMP are formalised in service agreements with no fixed end date. Details of these agreements are as follows:

Director and Executives	Termination notice period by Norfolk	Termination notice period by employee	Termination payments payable under contract for redundancy (inclusive of notice period)
Glenn Wallace	12 months	6 months	12 months
Anthony O'Shannessy	6 months	6 months	9 months (excluding notice)
James Fletcher	3 months	3 months	6 months
Other KMP	6 months	6 months	9 months

Termination payments are calculated based on the total fixed remuneration at the date of termination. No payment is payable in the event of summary dismissal.

Equity Instruments granted as Compensation

No performance rights or options were granted or exercised during the year ended 31 March 2010 other than the allocation of 706,464 options to Glenn Wallace pursuant to the 2008 Norfolk Long Term Incentive Plan. The allocation to Mr. Wallace was approved by shareholders at the Annual General Meeting held on 25 August 2009. No performance rights or options lapsed during the year as a result of failed performance tests however a number of these instruments have been forfeited due to executives leaving Norfolk prior to the vesting date.

As at 31 March 2010, the number of performance options on issue was 4,869,129.

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

Grant Date	Date vested and exercisable	Expiry Date	Exercise Price	Value per option at grant date
27 July 2007 (SBR)	27 July 2010	27 July 2012	$0.00	$1.95
27 July 2007 (LTI)	27 July 2010	27 July 2012	$1.95	$0.42
26 August 2008 (LTI)	26 August 2011	26 August 2013	$1.24	$0.28

Options granted carry no dividend or voting rights.

DIRECTORS' REPORT

Details of the vesting profile of the options and rights granted as remuneration to each KMP is detailed below:

Name	Number of options or rights granted	Financial Year Granted	Plan	Vested in year %	Forfeited in year %	Financial year in which options or rights vest	Minimum total value of grant yet to vest	Maximum total value of grant to vest
							$	$
Glenn Wallace	706,464	2010	LTI FY08	-	-	2012	-	94,444
	476,351	2009	LTI FY07	-	-	2011	-	15,735
James Fletcher	176,616	2009	LTI FY08	-	-	2012	-	23,611
Anthony O'Shannessy	208,846	2008	Sale Bonus Rights (SBR)	-	-	2011	-	23,609
	238,175	2008	LTI FY07	-	-	2011	-	7,869
	353,232	2009	LTI FY08	-	-	2012	-	47,222
David Rafter	208,846	2008	SBR	-	-	2011	-	23,609
	238,175	2008	LTI FY07	-	-	2011	-	7,869
	353,232	2009	LTI FY08	-	-	2012	-	47,222
Richard Smith	40,000	2008	SBR	-	-	2011	-	4,522
	176,616	2009	LTI FY08	-	-	2012	-	23,611
Former								
Paul Jeffares	176,616	2009	LTI FY08	-	100	-	-	-
Darren Robinson	119,088	2008	LTI FY07	-	100	-	-	-
	176,616	2009	LTI FY08	-	100	-	-	-

With the exception of the SBR, the option exercise price is based on market price at time of grant. The options vest after three years, provided the vesting conditions are met. No options will vest if the conditions are not satisfied, hence the minimum value of the options yet to vest is nil. The maximum value of the options yet to vest has been determined as the amount of the grant date fair value of the options that is yet to be expensed.

The plan rules contain a restriction on removing the 'at risk' aspect of the instruments granted to executives. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration table above. Fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

DIRECTORS' REPORT

At the 2009 Annual General Meeting, the shareholders approved the granting of options to Mr. Wallace under the terms of the FY2009 LTIP, which was in line with other executives and management.

The model inputs for the granting of these options was consistent with those granted during the year ended 31 March 2009 including:

a) options are granted for no consideration and vest based on a combination of Norfolk Group Limited's TSR ranking within a peer group and EPS. Vested options are exercisable for a period of two years after vesting

b) exercise price: $1.24

c) grant date: 26 August 2008

d) expiry date: 26 August 2013

e) share price at grant date: $1.28

f) expected price volatility of the Company's shares: 45%

g) expected dividend yield: 8.9%

h) risk-free interest rate: 5.7%

Shares under option

Unissued ordinary shares of Norfolk Group Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Issue price of shares	Number under option
27 July 2007 (SBR)	27 July 2012	$0.00	1,114,228
27 July 2007 (LTI)	27 July 2012	$1.95	952,702
26 August 2008 (LTI)	26 August 2013	$1.24	2,802,199

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

Rod Keller
Chairman
Norfolk Group Limited

15 June 2010
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the audit of Norfolk Group Limited for the year ended 31 March 2010, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Norfolk Group Limited and the entities it controlled during the year.

Eddie Wilkie

Eddie Wilkie
Partner
PricewaterhouseCoopers

Sydney
15 June 2010

Liability is limited by a scheme approved under Professional Standards Legislation.

FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010

General information

This Financial Report covers both Norfolk Group Limited as an individual entity and the consolidated entity consisting of Norfolk Group Limited and its subsidiaries. The Financial Report is presented in Australian dollars.

Norfolk Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia.
Its registered office and principal place of business is:

Level 5 50 Berry Street
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities is included in the Director's Report, which is not part of this Financial Report.

The Financial Report was authorised for issue by the directors on 15 June 2010. The directors have the power to amend and reissue the Financial Report.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Revenue from continuing operating activities	**4**	**791,814**	**744,207**	**–**	**15,760**
Other income	5	1,585	164	–	–
Expenses					
Cost of sales		(672,551)	(624,996)	–	–
Selling and distribution costs		(35,122)	(38,949)	–	–
Marketing expenses		(684)	(704)	–	–
Occupancy expenses		(8,434)	(7,659)	–	–
Administrative expenses	6,12	(45,905)	(56,183)	(1,352)	(85,381)
Finance costs	6	(6,088)	(7,254)	(3,767)	(4,703)
Profit/(loss) before income tax		**24,615**	**8,626**	**(5,119)**	**(74,324)**
Income tax (expense)/benefit	7	(6,486)	(3,055)	1,430	1,389
Profit/(loss) from continuing operations		**18,129**	**5,571**	**(3,689)**	**(72,935)**
Profit/(loss) from discontinued operations	**39**	**(790)**	**(1,204)**	**–**	**–**
Profit/(loss) for the year		**17,339**	**4,367**	**(3,689)**	**(72,935)**
Other Comprehensive Income					
Translation of foreign operations		(500)	(190)	–	–
Changes in the fair value of cash flow hedges		1,188	(1,246)	–	–
Tax effect of changes in the fair value of cash flow hedges		(356)	374	–	–
Total other comprehensive income/(expense) for the year, net of tax		**332**	**(1,062)**	**–**	**–**
Total comprehensive income/(expense) for the year		**17,671**	**3,305**	**(3,689)**	**(72,935)**
Profit is attributable to:					
Minority equity holders interests		14	32	–	–
Owners of Norfolk Group Limited	24	17,325	4,335	(3,689)	(72,935)
		17,339	**4,367**	**(3,689)**	**(72,935)**
Total comprehensive income/(expense) for the year is attributable to:					
Minority equity holders interests		14	32	–	–
Owners of Norfolk Group Limited		17,657	3,273	(3,689)	(72,935)
		17,671	**3,305**	**(3,689)**	**(72,935)**
		Cents	Cents		
Basic earnings per share from continuing operations	37	13.54	4.22		
Diluted earnings per share from continuing operations	37	13.43	4.18		
Basic earnings per share	37	12.95	3.30		
Diluted earnings per share	37	12.85	3.27		

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEETS
AS AT 31 MARCH 2010

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Current assets					
Cash and cash equivalents	8	15,877	13,263	189	169
Trade and other receivables	9	166,225	170,369	54,022	319
Inventories	10	4,769	8,043	–	–
		186,871	191,675	54,211	488
Current assets classified as held for sale	39	–	688	–	–
Total current assets		**186,871**	**192,363**	**54,211**	**488**
Non-current assets					
Derivative financial instruments	11	67	–	–	–
Other financial assets	12	–	–	244,393	244,393
Property, plant and equipment	13	15,897	10,845	–	–
Intangibles	14	46,140	46,837	–	–
Deferred tax	15	18,468	18,633	4,507	6,320
Total non-current assets		**80,572**	**76,315**	**248,900**	**250,713**
Total assets		**267,443**	**268,678**	**303,111**	**251,201**
Current liabilities					
Trade and other payables	16	155,862	157,131	99,299	33,901
Borrowings	17	11,269	61,821	9,397	48,000
Income tax	18	6,827	6,708	6,248	7,110
Derivative financial instruments	11	390	1,537	–	–
Provisions	19	6,204	6,929	–	–
Total current liabilities		**180,552**	**234,126**	**114,944**	**89,011**
Non-current liabilities					
Borrowings	20	15,337	942	8,793	–
Provisions	21	2,139	2,739	–	–
Total non-current liabilities		**17,476**	**3,681**	**8,793**	**–**
Total liabilities		**198,028**	**237,807**	**123,737**	**89,011**
Net assets		**69,415**	**30,871**	**179,374**	**162,190**
Equity					
Contributed equity	22	264,065	243,919	264,065	243,919
Reserves	23	(225,261)	(226,320)	2,754	2,027
Retained profits/(accumulated losses)	24	30,542	13,217	(87,445)	(83,756)
Parent entity interest		69,346	30,816	179,374	162,190
Minority interest	25	69	55	–	–
Total equity		**69,415**	**30,871**	**179,374**	**162,190**

The above balance sheets should be read in conjunction with the accompanying notes

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

	Contributed Equity $'000	Reserves $'000	Retained profits/ (accumulated losses) $'000	Parent interest $'000	Minority Interest $'000	Total equity $'000
Group						
Balance 1 April 2008	243,919	(225,208)	18,892	37,603	23	37,626
Total comprehensive income for the year	–	(1,062)	4,335	3,273	32	3,305
Transactions with owners in their capacity as owners						
Dividends	–	–	(10,010)	(10,010)	–	(10,010)
Share-based payments	–	(50)	–	(50)	–	(50)
Balance 31 March 2009	**243,919**	**(226,320)**	**13,217**	**30,816**	**55**	**30,871**
Balance 1 April 2009	243,919	(226,320)	13,217	30,816	55	30,871
Total comprehensive income for the year	–	332	17,325	17,657	14	17,671
Transactions with owners in their capacity as owners						
Proceeds from the issue of shares	20,801	–	–	20,801	–	20,801
Share issue costs	(655)	–	–	(655)	–	(655)
Share-based payments	–	727	–	727	–	727
Balance 31 March 2010	**264,065**	**(225,261)**	**30,542**	**69,346**	**69**	**69,415**
Parent						
Balance 1 April 2008	243,919	2,077	(811)	245,185	–	245,185
Total comprehensive income/(expense) for the year	–	–	(72,935)	(72,935)	–	(72,935)
Transactions with equity holders in their capacity as owners						
Dividends	–	–	(10,010)	(10,010)	–	(10,010)
Share-based payments	–	(50)	–	(50)	–	(50)
Balance 31 March 2009	**243,919**	**2,027**	**(83,756)**	**162,190**	**–**	**162,190**
Balance 1 April 2009	243,919	2,027	(83,756)	162,190	–	162,190
Total comprehensive income/(expense) for the year	–	–	(3,689)	(3,689)	–	(3,689)
Transactions with equity holders in their capacity as owners						
Proceeds from the issue of shares	20,801	–	–	20,801	–	20,801
Share issue costs	(655)	–	–	(655)	–	(655)
Share-based payments	–	727	–	727	–	727
Balance 31 March 2010	**264,065**	**2,754**	**(87,445)**	**179,374**	**–**	**179,374**

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		872,076	780,847	–	–
Payments to suppliers (inclusive of GST)		(835,976)	(750,570)	(414)	(431)
		36,100	30,277	(414)	(431)
Dividends received		–	–	–	15,760
Interest received		466	423	–	–
Other revenue		876	718	–	–
Interest and other finance costs paid		(5,486)	(7,422)	(3,431)	(4,660)
Income taxes paid		(5,863)	(4,253)	(6,311)	–
Net cash inflow/(outflow) from operating activities	**36**	**26,093**	**19,743**	**(10,156)**	**10,669**
Cash flows from investing activities					
Payment for purchase of businesses, net of cash acquired	33	–	(1,161)	–	–
Payment for purchase of subsidiaries, net of cash acquired	33	–	(136)	–	–
Payments for property, plant, equipment and software		(9,059)	(5,130)	–	–
Proceeds from sale of property, plant and equipment		862	1,197	–	–
Proceeds from sale of businesses	40	3,133	–	–	–
Net cash inflow/(outflow) from investing activities		**(5,064)**	**(5,230)**	**–**	**–**
Cash flows from financing activities					
Proceeds from issue of shares	22	20,801	–	20,801	–
Payment of share issue costs	22	(936)	–	(936)	–
Payment of dividends		–	(9,962)	–	(9,962)
Repayment of borrowings (net)		(36,811)	(1,450)	(9,689)	(659)
Repayment of finance lease liabilities		(1,143)	(1,805)	–	–
Net cash inflow/(outflow) from financing activities		**(18,089)**	**(13,217)**	**10,176**	**(10,621)**
Net increase/(decrease) in cash and cash equivalents		2,940	1,296	20	48
Effect of exchange rate changes on cash and cash equivalents		(326)	(45)	–	–
Cash and cash equivalents at the beginning of the financial period		13,263	12,012	169	121
Cash and cash equivalents at the end of the financial period	**8**	**15,877**	**13,263**	**189**	**169**
Financing arrangements	17				

The above cash flow statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements include separate financial statements for Norfolk Group Limited as an individual entity and the consolidated entity consisting of Norfolk Group Limited and its subsidiaries.

Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

The consolidated entity's Financial Report also conforms with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical cost convention

This Financial Report has been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment property and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of this Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Report, are disclosed in note 2.

Financial statement presentation

The group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Principles of consolidation

The consolidated Financial Report incorporates the assets and liabilities of all subsidiaries of Norfolk Group Limited ('Company', 'parent' or 'parent entity') as at 31 March 2010 and the results of all subsidiaries for the year then ended. Norfolk Group Limited and its subsidiaries together are referred to in this Financial Report as the 'consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between companies in the consolidated entity are eliminated.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Minority interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and balance sheet of the consolidated entity.

Segment reporting

Business segments are identified and reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management team.

Business segments represent a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment and are subject to risks and returns that are different to those of segments operating in other economic environments.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Norfolk Group Limited's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows. Assets and liabilities are translated at the closing rate at the date of that balance sheet. Income and expenses for each statement of comprehensive income are translated at average exchange rates and all resulting exchange differences are recognised as a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of GST, rebates and discounts and after eliminating sales within the Group. Sales of goods are recognised when the Group has delivered products to the customer, the customer has accepted the products and recoverability of the related receivables is reasonably assured. Revenue is recognised as follows:

Service contracts

Revenue for preventative maintenance contracts is recognised progressively over the contract term.

Revenue for minor service works is recognised on completion of the rendering of the service when the revenue can be reliably measured.

Installation contracts

Installation contracts have revenue and profit recognised in accordance with the percentage completion method. Contracts have profit recognised in accordance with the stage of completion. Percentage of completion is calculated by costs incurred to date being divided by the total forecast costs. For contracts which span a significant length of time, profit is not recognised until it is clearly demonstrated that the contract will be profitable. For larger contracts this assessment is generally made only once 50% of the contract completion is achieved.

Contract value and estimates of the costs are reviewed periodically during the life of the project and any adjustments to the percentage complete are recognised in that period in the statement of comprehensive income.

Variations for extra works performed or changes in contract scope are recognised in contract revenues to the extent where:

- it is probable that the revenue will be certified by the customer; and
- the amounts of revenue can be reliably measured.

Claims are included in contract revenue only when:

- negotiations have reached an advanced stage such that it is probable that the customer will accept the claim; and
- the amount that it is probable will be accepted by the customer can be measured reliably.

Where it is probable that a loss will arise from a contract, the excess of total costs over revenue is recognised as an expense immediately.

Where contract billings are less than the amount of revenue included in the statement of comprehensive income, an amount is presented in trade and other receivables as amounts recoverable on contracts.

If there are contracts where progress billings exceed the aggregate costs incurred plus profits (revenue recognised), the amount is presented under trade and other payables as amounts due to customers from contract work.

Interest received

Interest revenue is recognised when it is received or when the right to receive payment is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the current company tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Report, and to unused tax losses where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

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

Norfolk Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group from 12 July 2007 under the tax consolidation regime. Norfolk Group Limited is responsible for recognising the current tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax funding agreement whereby each company in the Group contributes to the income tax payable in proportion to their tax payable.

Cash and cash equivalents

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

Trade receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present

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value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the statement of comprehensive income.

Inventories

Finished goods are stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group has designated certain derivatives as hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges). The Group documents at inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Changes in the fair value of any derivative instrument that has not been designated as a hedge and therefore does not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

The fair values of derivative financial instruments used for hedging purposes are disclosed in note 11. Movements in the hedging reserve in equity are shown in note 23.

Investments and other financial assets

Investments and other financial assets are stated at the lower of their carrying amount and fair value less costs to sell. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes directly attributable expenditure that has been incurred in bringing the assets to the location and condition necessary for their intended service. Where material 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. Property, plant and equipment is depreciated using the straight-line method so as to allocate the cost of assets to their residual values over their estimated useful lives as follows:

Leasehold improvements	1–10 years
Motor vehicles	4–5 years
Plant and equipment	3–10 years

Leases

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

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs.

The leased asset is depreciated on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset.

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

Intangible assets

Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Brands

Brands arose as a result of the acquisition of O'Donnell Griffin Pty Limited, Haden Engineering Pty Limited and Norfolk Building Products Limited.

Brands are considered to have indefinite useful lives and are tested annually for impairment. Brands are carried at cost less accumulated impairment losses.

Computer software

Computer software is stated at historical cost less amortisation. Historical cost includes directly attributable expenditure that has been incurred in bringing the assets to the location and condition necessary for their intended service. Computer software is amortised over its useful economic life being 3–7 years.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised within other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments

Share-based compensation benefits are provided to the Managing Director and other eligible participants via the Norfolk Group Long Term Incentive Plan (the Plan). The fair value of options or shares granted under the Plan and the fair value of rights granted to key executives under the Sale Bonus Rights Plan are each recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employees become unconditionally entitled to the options or shares. In relation to options, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility for the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial period but not distributed at balance date.

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31 MARCH 2010

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Business combinations

Accounting for business combinations under common control

Common control transactions are specifically scoped out of AASB3 'Business Combinations'. Common control transactions are accounted for in the consolidated accounts prospectively from the date of obtaining the ownership interest. The directors have elected to use existing book values of assets and liabilities of the entities subject to the business combination and record the difference between the purchase price paid by the Company and the existing book value of the entity acquired immediately prior to the business combination as a reserve within equity described as common control reserve. Where equity instruments are issued as part of the consideration, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Acquisition method of accounting

The acquisition method of accounting is used to account for all non common control business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the balance sheet.

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

Non-current Assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

NOTES TO THE FINANCIAL STATEMENTS
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Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2010 reporting period. The consolidated entity's assessment of the impact of these new standards and interpretations are set out below.

AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash settled Share-based Payment Transactions [AASB2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the group share based payment arrangement should be measured, that is, whether it is measured as an equity - or a cash settled transaction. The group will apply these amendments retrospectively for the financial reporting period commencing on 1 April 2010. There will be no impact on the group's or the parent entity's financial statements.

AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The group will apply the amended standard from 1 April 2010. As the group has not made any such rights issues, the amendment will not have any effect on the group's or the parent entity's financial statements.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The group is yet to assess its full impact. However, initial indications are that it may affect the group's accounting for its available for sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available for sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The group has not yet decided when to adopt AASB 9.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies and simplifies the definition of a related party. The group will apply the amended standard from 1 April 2011. When the amendments are applied, the group and the parent will need to disclose any transactions between its subsidiaries and its associates. However, it has yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 January 2011)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The group will apply the interpretation from 1 April 2010. It is not expected to have any impact on the group's or the parent entity's financial statements since it is only retrospectively applied from the beginning of the earliest period presented (1 April 2009) and the group has not entered into any debt for equity swaps since that date.

AASB 2009-14 Amendments to Australian Interpretation Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The group does not have a defined benefit scheme. The amendment is therefore not expected to have any impact on the group's or the parent entity's financial statements. The group intends to apply the amendment from 1 April 2011.

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Note 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

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

The assessment of costs to complete for installation contracts and the level of unapproved variations and claims to recognise is based on past experience for similar contracts and in accordance with the accounting policy detailed above.

Critical judgements in applying the consolidated entity's accounting policies

There are no critical judgements that are likely to affect the current or future financial periods.

Note 3. Segment information – continuing operations

Primary reporting – business segments

The consolidated entity is organised into four operating divisions: Electrical & Communications, Mechanical, Fire & Property Services and Corporate Services. These divisions are the basis on which the consolidated entity reports its segment information and is consistent with the internal reporting provided to the chief operating decision maker. The principal products and services of each of these divisions are as follows:

Electrical & Communications	Designs, installs, commissions and maintains electrical and communications systems and products and also designs and manufactures energy control and measuring technology.
Mechanical	Provides a range of services including the design, construction, installation and maintenance of HVAC (heating, ventilation and air-conditioning) and refrigeration systems, duct cleaning services, plumbing and pipeline services.
Fire & Property Services	Offers a broad range of products and services. This includes the manufacture, distribution and installation of fire containment and building products as well as the delivery of integrated facilities management.
Corporate Services	Provides corporate services to the three divisions.

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2010	Electrical & Communications $'000	Mechanical $'000	Fire & Property Services $'000	Corporate Services $'000	Intersegment eliminations/ unallocated $'000	Total continuing operations $'000
Sales to external customers	403,480	302,946	84,512	-	-	790,938
Intersegment sales	2,725	250	1,615	-	(4,590)	-
Other revenue	361	108	70	337	-	876
Total revenue	406,566	303,304	86,197	337	(4,590)	791,814
Other income	1,431	75	79	-	-	1,585
Total segment revenue	**407,997**	**303,379**	**86,276**	**337**	**(4,590)**	**793,399**
Segment result	22,846	12,702	3,266	(9,227)	-	29,587
Reversal of Impairment of SSRP receivable	650	-	-	-	-	650
Total segment result	**23,496**	**12,702**	**3,266**	**(9,227)**	**-**	**30,237**
Finance costs (net)						(5,622)
Profit before income tax expense						**24,615**
Income tax expense						(6,486)
Profit after income tax expense						**18,129**
Segment assets	123,382	98,190	22,220	326,990	(303,339)	267,443
Total assets						**267,443**
Segment liabilities	109,479	61,217	12,998	21,338	(7,004)	198,028
Total liabilities						**198,028**
Depreciation and amortisation expense	3,476	1,660	355	514	-	6,005

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Note 3. Segment information – continuing operations (continued)

2009	Electrical & Communications $'000	Mechanical $'000	Fire & Property Services $'000	Corporate Services $'000	Intersegment eliminations/ unallocated $'000	Total continuing operations $'000
Sales to external customers	349,235	306,748	87,089	-	-	743,072
Intersegment sales	653	369	586	-	(1,608)	-
Other revenue	470	153	107	405	-	1,135
Total revenue	350,358	307,270	87,782	405	(1,608)	744,207
Other income	84	95	(15)	-	-	164
Total segment revenue	**350,442**	**307,365**	**87,767**	**405**	**(1,608)**	**744,371**
Segment result - other	19,958	13,298	3,952	(8,264)	-	28,944
Impairment of SSRP receivable	(13,487)	-	-	-	-	(13,487)
Total segment result	**6,471**	**13,298**	**3,952**	**(8,264)**	**-**	**15,457**
Finance costs (net)						(6,831)
Profit before income tax expense						**8,626**
Income tax expense						(3,055)
Profit after income tax expense						**5,571**
Segment assets	141,711	117,396	32,736	323,286	(346,451)	268,678
Total assets						**268,678**
Segment liabilities	99,445	78,758	21,421	79,794	(41,611)	237,807
Total liabilities						**237,807**
Depreciation and amortisation expense	1,925	1,690	450	651	-	4,716

The consolidated entity has chosen to organise the entity around differences in products and services and the reportable segments above have been identified as they each represent a component of the entity that engages in business activities from which they earn revenues or incur expenses. In addition, discrete financial information is available for each segment above and their operating results are regularly reviewed by senior management to assess performance and make resource allocation decisions.

The New Zealand Electrical and Communications business has been merged with the New Zealand Mechanical business in the 2010 financial year and is now included within the Mechanical segment. The prior year comparatives have been adjusted accordingly.

Sales between segments are carried out at arm's length and are eliminated on consolidation.

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Geographical segments

The consolidated entity operates in three geographical segments: Australia, New Zealand and Other.

2010	Sales to external customers 2010 $'000	Segment non-current assets 2010 $'000
Australia	699,359	76,039
New Zealand	87,495	4,393
Other	4,084	140
	790,938	**80,572**

2009	Sales to external customers 2009 $'000	Segment non-current assets 2009 $'000
Australia	639,166	71,607
New Zealand	100,762	4,563
Other	3,144	145
	743,072	**76,315**

The geographic segment sales and non current assets above are attributed based on each subsidiary's country of domicile.

Note 4. Revenue

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
From continuing operations				
Sales revenue	790,938	743,072	–	–
Dividends received	–	–	–	15,760
Interest received	466	423	–	–
Other revenue	410	712	–	–
Revenue from continuing operations	**791,814**	**744,207**	**–**	**15,760**

Note 5. Other income

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
From continuing operations					
Net gain on sale of property, plant and equipment		271	164	–	–
Net gain on sale of businesses	40	1,314	–	–	–
Revenue from continuing operations		**1,585**	**164**	**–**	**–**

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Note 6. Expenses

Profit/(loss) before income tax from continuing operations includes the following specific expenses

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Depreciation				
Leasehold improvements	664	519	–	–
Plant and equipment	2,110	1,817	–	–
Motor vehicles	2,755	1,746	–	–
Total depreciation	**5,529**	**4,082**	**–**	**–**
Amortisation				
Computer software	476	634	–	–
Total amortisation	**476**	**634**	**–**	**–**
Finance costs				
Interest and finance charges paid/payable	5,995	6,403	3,767	4,703
(Gain)/loss on interest rate swaps and options	93	851	–	–
Finance costs expensed	**6,088**	**7,254**	**3,767**	**4,703**
Rental expense relating to operating leases				
Minimum lease payments	19,056	17,761	–	–
Total rental expense relating to operating leases	**19,056**	**17,761**	**–**	**–**
Defined contribution superannuation expense				
Defined contribution superannuation expense	16,661	15,919	23	25
Employee benefits expense				
Employee benefits expense	263,558	256,195	429	429
Impairment of investment in subsidiaries				
Impairment of investment in subsidiaries	–	–	–	84,865
Impairment of receivables				
Impairment/(reversal of impairment) of SSRP receivable	(650)	13,487	–	–

Note 7. Income tax expense/(benefit)

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Income tax expense/(benefit)					
Current tax		9,518	9,963	(3,631)	(3,550)
Deferred tax		(2,030)	(7,796)	2,201	1,984
Adjustments for deferred tax of prior periods		2,262	667	–	177
Adjustments for current tax of prior periods		(3,602)	(296)	–	–
Aggregate income tax expense/(benefit)		**6,148**	**2,538**	**(1,430)**	**(1,389)**
Income tax expense/(benefit) attributable to:					
Profit/(loss) from continuing operations		6,486	3,055	(1,430)	(1,389)
Profit/(loss) from discontinued operations		(338)	(517)	–	–
Aggregate income tax expense/(benefit)		**6,148**	**2,538**	**(1,430)**	**(1,389)**
Deferred income tax expense/(benefit) included in income tax expense/(benefit) comprises:					
Decrease/(increase) in deferred tax assets	15	232	(7,129)	2,201	2,161
		232	**(7,129)**	**2,201**	**2,161**
Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable					
Profit/(loss) from continuing operations before income tax (expense)/benefit		24,615	8,626	(5,119)	(74,324)
Profit/(loss) from discontinued operations before income tax (expense)/benefit		(1,128)	(1,721)	–	–
		23,487	**6,905**	**(5,119)**	**(74,324)**
Tax at the Australian tax rate of 30%		7,046	2,071	(1,536)	(22,298)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:					
Non-taxable dividends		–	–	–	(4,728)
Deferred tax assets not recognised (1)		–	–	–	25,460
Sundry items		442	96	106	–
		7,488	2,167	(1,430)	(1,566)
Adjustments for deferred tax of prior periods		2,262	667	–	177
Adjustments for current tax of prior periods		(3,602)	(296)	–	–
Income tax expense/(benefit)		**6,148**	**2,538**	**(1,430)**	**(1,389)**

(1) The impairment of the investment in subsidiaries results in a temporary difference of $25,460,000. No deferred tax asset has been recognised for this temporary difference as it is unlikely to reverse in the foreseeable future.

The parent and its wholly-owned Australian resident entities became part of the same tax-consolidated group from 12 July 2007 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Norfolk Group Limited.

Entities within the tax-consolidated group have entered into tax-funding arrangements and tax-sharing agreements with the head entity. Under the terms of the tax-funding arrangements, the tax-consolidated group and each of the entities within the tax-consolidated group agree to pay a tax equivalent payment to the head entity.

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Note 8. Current assets – cash and cash equivalents

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Cash on hand	147	158	–	–
Cash at bank	15,730	13,105	189	169
	15,877	**13,263**	**189**	**169**

Note 9. Current assets – trade and other receivables

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Trade receivables	118,080	131,831	–	–
Less: Provision for impairment of receivables	(1,925)	(14,980)	–	–
	116,155	**116,851**	**–**	**–**
Other receivables	833	1,566	54,022	107
Unbilled contract works	43,463	47,179	–	–
Prepayments	5,774	4,773	–	169
Dividends receivable	–	–	–	43
	166,225	**170,369**	**54,022**	**319**

Trade receivables includes $4,473,000 (2009: $3,089,000) of customer retentions.

Bad and doubtful trade receivables
The consolidated entity has recognised an expense of $1,019,000 (2009: $13,743,000) in respect of bad and doubtful trade receivables during the period ended 31 March 2010. The expense has been included in 'administrative expenses' in the statement of comprehensive income.

Impairment of receivables
The aging of the impairment of receivables recognised above is as follows:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Over 6 months	1,925	14,980	–	–
Movements in the provision for impairment of receivables are as follows:			–	–
Opening balance	14,980	1,614	–	–
Foreign exchange differences	(29)	(12)	–	–
Provision for impairment recognised during the year	1,669	13,743	–	–
Receivables written off during the period as uncollectible	(14,045)	(365)	–	–
Unused amounts reversed [1]	(650)	–	–	–
Closing balance	**1,925**	**14,980**	**–**	**–**

(1) This amount is an impairment reversal of $650,000 (2009: $13,487,000 charge) in relation to a receivable from the Southern Suburbs Rail Project in Western Australia.

Past due but not impaired
Customers with balances past due but without provision for doubtful debts amount to $9,997,000 at 31 March 2010 (2009: $10,779,000). Management did not consider there to be a credit risk on the aggregate balances after reviewing agency credit information and recognising a tacit extension to the recorded credit terms of customers based on recent collection practices.

The aging of receivables past due but not impaired is as follows:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
1 to 3 months	6,897	7,776	–	–
3 to 6 months	1,606	1,775	–	–
Over 6 months	1,494	1,228	–	–
	9,997	**10,779**	**–**	**–**

The Group's policy requires customers to pay the Group in accordance with agreed payment terms. The Group's settlement terms are generally 30 days from date of invoice. All credit and recovery risk associated with trade receivables has been provided for in the balance sheet. Trade receivables have been aged according to their original due date in the above ageing analysis.

The Group has used the following basis to assess the impairment provision for trade receivables:

- a provision based on historical bad debt experience
- an individual account by account specific risk assessment based on past credit history
- any prior knowledge of debtor insolvency or other credit risk.

The Group holds no significant security or guarantees against receivables.

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Note 10. Current assets – inventories

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Finished goods – at cost	5,689	8,964	–	–
Less: Provision for obsolescence	(920)	(921)	–	–
Finished goods – at net realisable value	4,769	8,043	–	–

Write downs of inventory to net realisable value recognised as an expense during the period ended 31 March 2010 amounted to $174,000 (2009: $211,000).

Contracts in progress are made up as follows:

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Contract costs incurred plus recognised profits less recognised losses		654,890	572,316	–	–
Less: Progress billings		(657,065)	(563,411)	–	–
		(2,175)	**8,905**	**–**	**–**
Contract work billed in advance	16	(45,638)	(38,274)	–	–
Unbilled contract works	9	43,463	47,179	–	–
		(2,175)	**8,905**	**–**	**–**

Note 11. Derivative financial instruments

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Non current assets				
Interest rate call options	67	–	–	–
Current liabilities				
Interest rate swap contracts	(390)	(1,540)	–	–
Interest rate call options	–	3	–	–
	(390)	**(1,537)**	**–**	**–**

Norfolk is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rate movements in accordance with the Group's financial risk management policies.

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Interest rate swaps

On 31 July 2007 Norfolk Group Holdings Pty Limited, a subsidiary, entered into an interest rate swap transaction with the ANZ Banking Group Limited hedging variable rate borrowings in Australian dollars. The contract fixed rate is 7.10% p.a. for AU$20 million and expires on 1 August 2010. The contract requires settlement of payable or receivables every three months, commencing 3 November 2008. On 12 March 2010 this contract was novated to the Commonwealth Bank of Australia. At balance date the payable amount by Norfolk was $263,000 (2009: $1,189,000).

On 31 July 2007 Norfolk Building Products Limited, a subsidiary, entered into an interest rate swap transaction with the Westpac Banking Corporation hedging variable rate borrowings in New Zealand dollars. The contract fixed rate is 8.3475% p.a. for NZ$6 million and expires on 2 August 2010. The contract requires settlement of payable or receivables every three months, commencing 1 November 2008. At balance date the payable amount by Norfolk was $127,000 (2009: $351,000).

Interest rate call options

On 31 July 2007 Norfolk Building Products Limited, a subsidiary, entered into an interest option contract with the Westpac Banking Corporation as its underlying interest security for a debt obligation. The purchase interest rate cap contract strike rate is 8.21% p.a. for NZ$6 million and expires on 2 August 2010. The contract requires settlement of payable or receivables every three months, commencing 1 November 2008. At balance date the receivable amount due to Norfolk was $nil (2009: $nil).

On 12 March 2010 Norfolk Group Holdings Pty Limited, a subsidiary, entered into an interest option contract with the Commonwealth Bank of Australia as its underlying interest security for a debt obligation. The purchase interest rate cap contract strike rate is 5.59% p.a. for between AU$18.75 million and AU$3.75 million and expires on 3 December 2012. The contract requires settlement of payable or receivables every three months, commencing 3 September 2010. At balance date the receivable amount due to Norfolk was $67,000.

Note 12. Non-current assets – other financial assets

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Shares in subsidiaries – at cost	34	–	–	329,258	329,258
Provision for impairment		–	–	(84,865)	(84,865)
		–	**–**	**244,393**	**244,393**

An impairment charge against the carrying value of the investment in subsidiaries in the parent was recorded in 2009 after a review of the value in use calculation taking into account the current economic environment. Key assumptions used in the value in use calculation include a pre-tax discount rate of 14.1% (2009: 13.5%), expected future profits and future annual growth for the first five years and a terminal value. Sensitivity analysis is used to determine whether the carrying value is supported by different assumptions.

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Note 13. Non-current assets – property, plant and equipment

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Leasehold improvements – at cost	5,638	4,291	–	–
Less: Accumulated depreciation	(3,208)	(2,696)	–	–
	2,430	1,595	–	–
Plant and equipment – at cost	18,891	14,686	–	–
Less: Accumulated depreciation	(10,556)	(9,589)	–	–
	8,335	5,097	–	–
Plant and equipment under lease	750	718	–	–
Less: Accumulated depreciation	(328)	(296)	–	–
	422	422	–	–
Motor vehicles – at cost	7,286	6,401	–	–
Less: Accumulated depreciation	(5,109)	(4,597)	–	–
	2,177	1,804	–	–
Motor vehicles under lease	6,190	5,705	–	–
Less: Accumulated depreciation	(3,657)	(3,778)	–	–
	2,533	1,927	–	–
	15,897	**10,845**	**–**	**–**

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Reconciliations

Reconciliations of the book values at the beginning and end of the current and previous financial year are set out below:

	Note	Leasehold improvements $'000	Plant and equipment $'000	Plant under lease $'000	Motor vehicles $'000	Vehicles under lease $'000	Group $'000
Group							
Balance 31 March 2008		**1,795**	**4,190**	**353**	**1,952**	**3,093**	**11,383**
Additions		339	2,806	112	593	662	4,512
Additions through business combinations	33	–	5	–	68	–	73
Disposals		(6)	(101)	–	–	(881)	(988)
Foreign exchange differences		(14)	(20)	–	(1)	–	(35)
Depreciation expense		(519)	(1,783)	(43)	(808)	(947)	(4,100)
Balance 31 March 2009		**1,595**	**5,097**	**422**	**1,804**	**1,927**	**10,845**
Additions		1,523	5,312	278	2,206	2,036	11,355
Disposals		(8)	(70)	(118)	(256)	(252)	(704)
Foreign exchange differences		(16)	(54)	–	–	–	(70)
Depreciation expense		(664)	(1,950)	(160)	(1,577)	(1,178)	(5,529)
Balance 31 March 2010		**2,430**	**8,335**	**422**	**2,177**	**2,533**	**15,897**

Included in the carrying amount of plant and equipment disclosed above is $2,911,000 (2009: $586,000) of assets in the course of construction.

Note 14. Non-current assets – intangibles

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Goodwill – at cost	38,916	39,274	–	–
Brands – at cost	6,103	6,147	–	–
Computer software – at cost	4,115	4,222	–	–
Less: Accumulated amortisation	(3,151)	(2,806)	–	–
	964	1,416	–	–
Customer contracts – at cost	225	–	–	–
Less: Accumulated amortisation	(68)	–	–	–
	157	–	–	–
	46,140	**46,837**	**–**	**–**

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Note 14. Non-current assets – intangibles (continued)

Reconciliations

Reconciliations of the book values at the beginning and end of the current and previous financial year are set out below:

	Goodwill $'000	Brands $'000	Computer software $'000	Customer Contracts $'000	Group $'000
Balance 31 March 2008	**38,025**	**6,226**	**1,401**	**–**	**45,652**
Additions	–	–	619	–	619
Additions through business combinations	1,330	–	–	–	1,330
Transfer of assets	–	(52)	52	–	–
Foreign exchange differences	(81)	(27)	(9)	–	(117)
Amortisation expense	–	–	(647)	–	(647)
Balance 31 March 2009	**39,274**	**6,147**	**1,416**	**–**	**46,837**
Additions	–	–	18	–	18
Transfer of assets	(225)	–	–	225	–
Foreign exchange differences	(133)	(44)	(14)	–	(191)
Disposals	–	–	(48)	–	(48)
Amortisation expense	–	–	(408)	(68)	(476)
Balance 31 March 2010	**38,916**	**6,103**	**964**	**157**	**46,140**

Impairment tests for goodwill and brands

Goodwill and brands are allocated to the Group's cash generating units (CGUs).
A segment level summary of the goodwill allocation is presented below:

	Goodwill 2010 $'000	Brands 2010 $'000	Goodwill 2009 $'000	Brands 2009 $'000
Electrical & Communications division	1,409	765	1,409	765
Mechanical division	22,946	4,666	23,255	4,666
Fire & Property Services division	14,561	672	14,610	716
	38,916	**6,103**	**39,274**	**6,147**

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management for a 12 month period. Cash flows beyond the 12 month period are calculated using the estimated growth rates stated below. The growth rate, unless a higher rate is justified, does not exceed the long term average growth rate for the industry in which the CGU operates.

Brands have been assessed as having an indefinite useful life. This has been determined based on management's intention to maintain the use of the Brands carried, the long history of the Brands and the profitability of the businesses utilising the Brands.

Key assumptions used for value in use calculations

	EBIT margin (1)		Revenue growth rate (2)		Discount rate (3)	
	2010 %	2009 %	2010 %	2009 %	2010 %	2009 %
Electrical & Communications division	5.7	5.3	3.0	3.0	14.1	13.5
Mechanical division	5.4	5.4	3.2	3.1	14.1	13.5
Fire & Property Services division	3.4	3.5	5.3	4.7	14.1	13.5

(1) Weighted average EBIT margin

(2) Weighted average growth rate used to extrapolate cash flows beyond the budget period

(3) In performing the value in use calculations for each CGU, the Group has applied pre tax discount rates to discount the forecast future attributable pre tax cash flows.

These assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted EBIT margins and revenue growth rates based on past performance and its expectations for the future. The weighted average EBIT margins and revenue growth rates used are consistent with forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments in which they operate.

Impact of possible changes in key assumptions

The recoverable amount of the goodwill for Resolve FM Pty Limited (a component of the Fire and Property Services segment) is estimated to be $20,532,000. This exceeds the carrying amount of the Resolve FM goodwill at 31 March 2010 by $6,794,000. If the future annual revenue growth rate for Resolve FM Pty Limited were to reduce to 0.1% p.a., the recoverable amount of this CGU's goodwill would equal its carrying amount.

The recoverable amount of the goodwill of Ductclean Australia Pty Limited (a component of the Mechanical segment) is estimated to approximate the carrying amount of $1,813,000 at 31 March 2010. Any decrease in the future annual revenue growth rate or EBIT margin or increase in discount rate for Ductclean Australia Pty Limited would result in a reduction in its goodwill carrying amount.

Management does not consider a change in any of the other key assumptions on which management has based its determination of the above CGU's goodwill carrying value to be reasonably possible.

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Note 15. Non-current assets – deferred tax

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
The balance comprises temporary differences attributable to:					
Amounts recognised in profit or loss:					
Doubtful debts		534	448	–	–
Employee benefits		8,590	8,429	826	608
Accrued expenses		1,245	1,181	–	–
Losses recognised		1,513	4,133	1,513	3,012
Inventory provisions		194	279	–	–
Other provisions		1,933	2,056	–	–
Property, plant and equipment		3	(14)	–	–
Prepayments		(413)	(633)	–	–
Work in progress		2,624	(217)	–	–
Retentions		(158)	(238)	–	–
Other		217	135	–	–
		16,282	**15,559**	**2,339**	**3,620**
Amounts recognised in equity:					
Transaction costs on share issues		2,168	2,700	2,168	2,700
Cash flow hedges		18	374	–	–
		2,186	**3,074**	**2,168**	**2,700**
Deferred tax asset		**18,468**	**18,633**	**4,507**	**6,320**
Deferred tax asset to be recovered within 12 months		14,363	13,702	3,282	4,521
Deferred tax asset to be recovered after more than 12 months		4,105	4,931	1,225	1,799
		18,468	**18,633**	**4,507**	**6,320**
Movements:					
Opening balance		18,633	10,042	6,320	8,481
Foreign exchange differences		(59)	(21)	–	–
Transfer of tax losses		201	1,109	107	–
Credited/(charged) to the income statement	7	(232)	7,129	(2,201)	(2,161)
Credited/(charged) to equity		(75)	374	281	–
Closing balance		**18,468**	**18,633**	**4,507**	**6,320**

Note 16. Current liabilities – trade and other payables

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Trade payables	70,909	77,079	–	–
Contract work billed in advance	45,638	38,274	–	–
Employee benefits	26,374	27,125	–	–
Other payables	12,941	14,653	99,299	33,901
	155,862	**157,131**	**99,299**	**33,901**

Amounts not expected to be settled within the next 12 months

Employee benefits include accruals for annual leave. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Annual leave obligation expected to be settled after 12 months	4,153	4,494	–	–

Note 17. Current liabilities – borrowings

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Bank loans	10,000	60,833	10,000	48,000
Facility costs	(874)	–	(603)	–
Lease liabilities	1,028	988	–	–
Other borrowings	1,115	–	–	–
	11,269	**61,821**	**9,397**	**48,000**

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Note 17. Current liabilities – borrowings (continued)

Financing arrangements
Access was available at balance date to the following lines of credit:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Total facilities				
Bank overdraft	10,000	20,000	10,000	20,000
Bank loans	45,000	110,000	45,000	110,000
	55,000	**130,000**	**55,000**	**130,000**
Used at balance date				
Bank overdraft	–	–	–	–
Bank loans	25,035	60,833	20,000	48,000
	25,035	**60,833**	**20,000**	**48,000**
Unused at balance date				
Bank overdraft	10,000	20,000	10,000	20,000
Bank loans	19,965	49,167	25,000	62,000
	29,965	**69,167**	**35,000**	**82,000**

On 12 March 2010 the company refinanced its bank debt facilities and entered into new facilities comprised of a $25m 3 year amortising term loan, a $30m 2 year revolving working capital facility and a $60m 3 year bank guarantee facility.

The Australian and New Zealand entities within the Group are jointly and severally liable for the above facilities and the facilities are secured by charges on the assets of the Australian and New Zealand entities within the Group.

The fair value of borrowings (current and non current) approximates their book value.

Note 18. Current liabilities – income tax

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Provision for income tax	6,827	6,708	6,248	7,110

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Note 19. Current liabilities – provisions

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Provisions – long service leave	4,817	5,204	–	–
Provisions – warranties	1,063	754	–	–
Provisions – other	324	971	–	–
	6,204	**6,929**	**–**	**–**

Warranties
Provision is made for the estimated warranty claims in respect of products sold or work undertaken which still remains under warranty at balance date. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions
Movements in each class of provision during the current and previous financial periods, other than employee benefits, are set out below:

	Warranties $'000	Other $'000	Group $'000
Group – 2010			
Carrying amount at the start of the year	754	971	1,725
Foreign exchange movements	(24)	–	(24)
Additional provisions recognised	1,200	–	1,200
Amounts used during the year	(587)	(525)	(1,112)
Transfer from non current provisions	453	–	453
Unused amounts reversed	(733)	(122)	(855)
Carrying amount at the end of the year	**1,063**	**324**	**1,387**
Group – 2009			
Carrying amount at the start of the year	1,382	–	1,382
Foreign exchange movements	(13)	–	(13)
Transfer from payables	–	834	834
Additional provisions recognised	1,055	137	1,192
Amounts used during the year	(1,318)	–	(1,318)
Unused amounts reversed	(352)	–	(352)
Carrying amount at the end of the year	**754**	**971**	**1,725**

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Amounts not expected to be settled within the next 12 months
The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Long service leave obligation expected to be settled after 12 months	3,428	3,791	–	–

Note 20. Non-current liabilities – borrowings

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Bank loans	15,035	–	10,000	–
Facility costs	(1,774)	–	(1,207)	–
Lease liabilities	2,076	942	–	–
	15,337	**942**	**8,793**	**–**

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

Lease liabilities	3,104	1,930	–	–

Assets pledged as security
The lease liabilities are effectively secured as the rights to the leased assets recognised in the balance sheet revert to the lessor in the event of default.

Further information regarding bank loans is disclosed in note 17.

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Note 21. Non-current liabilities – provisions

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Provisions – long service leave	2,139	1,682	–	–
Provisions – warranties	–	1,057	–	–
	2,139	**2,739**	**–**	**–**

Warranties
Provision is made for the estimated warranty claims in respect of products sold or work undertaken which still remains under warranty at balance date. These claims are not expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions
Movements in each class of provision during the current and previous financial year, other than employee benefits, are set out below:

	Warranties $'000	Group $'000
Group – 2010		
Carrying amount at the start of the year	1,057	1,057
Amounts used during the year	(604)	(604)
Transfer to current provisions	(453)	(453)
Carrying amount at the end of the year	**–**	**–**
Group – 2009		
Carrying amount at the start of the year	1,057	1,057
Amounts used during the year	–	–
Unused amounts reversed	–	–
Carrying amount at the end of the year	**1,057**	**1,057**

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Note 22. Equity – contributed

	Group 2010 shares	Group 2010 $'000	Parent 2010 shares	Parent 2010 $'000
Authorised and issued ordinary shares – fully paid	**158,890,730**	**264,065**	**158,890,730**	**264,065**

Movements in ordinary share capital				
Details	Date	No of shares	Price	$'000
Balance	1 April 2008	130,000,000		243,919
Balance	1 April 2009	130,000,000		243,919
Rights Issue	9 March 2010	28,890,730	$0.72	20,801
Less Share issue costs				(936)
Add tax benefit of share issue costs				281
Balance	**31 March 2010**	**158,890,730**		**264,065**

On 3 February 2010 the company invited its shareholders to subscribe to a pro-rata renounceable rights issue of ordinary shares at an issue price of $0.72 per share on the basis of 2 shares for every 9 shares held, with such shares to be issued on and rank for dividends after 9 March 2010. The issue was fully subscribed.

The proceeds from the rights issue have been primarily used to strengthen the company's balance sheet through the reduction in borrowings, to provide financial flexibility to pursue growth opportunities.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

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

Note 23. Equity – reserves

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Foreign currency reserve	(456)	44	–	–
Share-based payments reserve	2,754	2,027	2,754	2,027
Hedging reserve – cash flow hedges	(40)	(872)	–	–
Common control reserve	(227,519)	(227,519)	–	–
	(225,261)	**(226,320)**	**2,754**	**2,027**

	Foreign currency $'000	Share-based payments $'000	Hedging reserve $'000	Common control $'000	Group $'000
Group					
Balance 31 March 2009	44	2,027	(872)	(227,519)	(226,320)
Currency translation differences	(500)	–	–	–	(500)
Changes in the fair value of cash flow hedges	–	–	1,188	–	1,188
Tax effect of changes in the fair value of cash flow hedges	–	–	(356)	–	(356)
Share-based payments	–	727	–	–	727
Balance 31 March 2010	**(456)**	**2,754**	**(40)**	**(227,519)**	**(225,261)**
Balance 31 March 2008	234	2,077	–	(227,519)	(225,208)
Currency translation differences	(190)	–	–	–	(190)
Changes in the fair value of cash flow hedges	–	–	(1,246)	–	(1,246)
Tax effect of changes in the fair value of cash flow hedges	–	–	374	–	374
Share-based payments	–	(50)	–	–	(50)
Balance 31 March 2009	**44**	**2,027**	**(872)**	**(227,519)**	**(226,320)**
Parent					
Balance 31 March 2009	–	2,027	–	–	2,027
Share-based payments	–	727	–	–	727
Balance 31 March 2010	**–**	**2,754**	**–**	**–**	**2,754**
Balance 31 March 2008	–	2,077	–	–	2,077
Share-based payments	–	(50)	–	–	(50)
Balance 31 March 2009	**–**	**2,027**	**–**	**–**	**2,027**

Foreign currency reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of share-based payments provided to employees as part of their compensation. This reserve includes benefits for past services as well as future service periods.

Common control reserve
Any difference between the cost of acquisition (fair value of consideration paid), and the amounts at which the assets and liabilities acquired are recorded for business combinations under common control (refer note 1 business combinations accounting policy) have been recognised in the common control reserve.

Hedging Reserve
The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity as described in note 1. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

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Note 24. Equity – retained profits/(accumulated losses)

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Retained profits/(accumulated losses) at the beginning of the financial year	13,217	18,892	(83,756)	(811)
Profit/(loss) after income tax (expense)/benefit	17,325	4,335	(3,689)	(72,935)
Dividends	–	(10,010)	–	(10,010)
Retained profits/(accumulated losses) at the end of the financial year	**30,542**	**13,217**	**(87,445)**	**(83,756)**

Note 25. Equity – minority interest

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Retained profits	69	55	–	–

Note 26. Equity – dividends

	Parent 2010 $'000	Parent 2009 $'000
Final fully franked dividend for the period ended 31 March 2008 of 5.7 cents per issued ordinary share.	–	7,410
Interim fully franked dividend for the year ended 31 March 2009 of 2.0 cents per issued ordinary share (1)	–	2,600
Total dividends provided for or paid	**–**	**10,010**

(1) paid out of profits for the half year ended 30 September 2008

No final dividend was declared		
Franking credits available for subsequent financial years based on a tax rate of 30%	12,559	7,110

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax
- franking credits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

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Note 27. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange and aging analysis for credit risk.

Risk management is carried out by senior finance employees under policies approved by the Board of Directors. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the NZ dollar and the Indian Rupee.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has set up a policy requiring Group companies to manage their foreign exchange risk. The Group companies are required to hedge their foreign exchange risk exposure arising from future commercial transactions. The Group does not hedge its net investments in foreign operations.

The Group's risk management policy is to hedge all significant future transactions in foreign currency. The carrying amount of the Group's financial assets and liabilities at the reporting date is denominated in Australian dollars except as set out below:

	2010 NZ A$'000	2010 Rupee A$'000	2009 NZ A$'000	2009 Rupee A$'000
Trade receivables	13,105	1,096	18,848	568
Bank loans	5,035	–	12,833	–
Trade payables	6,361	519	8,300	216
Other payables	4,263	235	6,615	217

Based on the financial instruments held at 31 March 2010, the Group and the parent are not exposed to any foreign exchange risk outside of translational adjustments.

Price risk

The Group and the parent entity are not exposed to price risk.

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Group policy is to maintain approximately 50% of its borrowings at fixed rate using interest rate swaps or options to achieve this when necessary. During 2010, the Group's borrowings at variable rates were denominated in Australian dollars and New Zealand dollars. As at the reporting date, the Group had the following variable rate borrowings and interest rate swap and option contracts outstanding:

	2010 Weighted average interest rate %	2010 Balance $'000	2009 Weighted average interest rate %	2009 Balance $'000
Bank loans	8.18	25,035	7.29	60,833
Less interest rate swaps and options (notional principal amount)	6.74	48,068	7.33	69,935
Net exposure to cash flow interest rate risk		**(23,033)**		**(9,102)**

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Note 27. Financial risk management (continued)

An analysis by maturities is provided in 'liquidity risk' below.

The Group's facility agreement requires it to manage its cash flow interest rate risk by using floating to fixed interest rate swaps or interest rate options. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates, whilst interest rate options have the effect of converting borrowings from floating rates to fixed rates at the borrowers discretion. Under such contracts, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

At 31 March 2010, if interest rates had changed by +/− 100 basis points from the period end rates with all other variables held constant, post tax profit on an annualised basis would have been $175,000 (2009: $427,000) for the Group and $140,000 (2009: $336,000) for the parent lower/higher, mainly as a result of higher/lower interest expense on borrowings. Accordingly the equity would have been lower/higher by $175,000 (2009: $427,000) and $140,000 (2009: $336,000) respectively for the Group and parent.

Credit risk

Credit risk is managed on a Group and segmental basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by divisional management.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets totalling $182,169,000 (2009:$ 183,632,000). For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The Group has no significant concentration of credit risk but is exposed in general to the construction and infrastructure sector.

There are no notable differences between the credit risk exposures in Australia and New Zealand.

Further details on the Group's credit risk is included in note 9.

Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding through an adequate availability of credit under committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Financing arrangements

Undrawn borrowing facilities at the reporting date to which the Group and the parent entity had access are disclosed in note 17.

The bank overdraft facility may be drawn at any time and is available until March 2012. Subject to the continuance of satisfactory credit ratios the working capital facility may be drawn at any time in either Australian or New Zealand dollars and has a term ending in March 2012. The amortising loan facility may not be redrawn and must be repaid by December 2012.

Liquidity and interest risk tables

The following tables detail the Group's and parent entity's remaining contractual maturity for its non-derivative financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and parent can be required to pay. The tables include both interest and principal cash flows, disclosed as remaining contractual maturities, and these totals differ from their carrying amount in the balance sheet for interest-bearing liabilities due to the interest component.

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2010	Weighted average interest rate%	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Remaining contractual maturities $'000
Group						
Non-interest bearing						
Trade payables	–	70,909	–	–	–	70,909
Other payables	–	58,579	–	–	–	58,579
Derivatives						
Derivative financial instruments	–	390	–	–	–	390
Interest bearing – variable rate						
Bank loans	5.59	13,089	12,346	6,589	–	32,024
Interest bearing – fixed rate						
Lease liabilities	10.97	1,313	1,674	605	–	3,592
Other borrowings	8.90	1,138	–	–	–	1,138
		145,418	**14,020**	**7,194**	**–**	**166,632**
Parent						
Non-interest bearing						
Other payables	–	99,299	–	–	–	99,299
Interest bearing – variable rate						
Bank loans	5.94	12,783	12,040	1,248	–	26,071
		112,082	**12,040**	**1,248**	**–**	**125,370**

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Note 27. Financial risk management (continued)

2009	Weighted average interest rate%	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Remaining contractual maturities $'000
Group						
Non-interest bearing						
Trade payables	–	77,079	–	–	–	77,079
Other payables	–	52,927	–	–	–	52,927
Derivatives						
Derivative financial instruments	–	1,537	–	–	–	1,537
Interest bearing – variable rate						
Bank loans	3.96	60,833	–	–	–	60,833
Interest bearing – fixed rate						
Lease liabilities	8.43	1,113	809	15	187	2,124
		193,489	**809**	**15**	**187**	**194,500**
Parent						
Non-interest bearing						
Other payables		33,901	–	–	–	33,901
Interest bearing – variable rate						
Bank loans	3.92	48,000	–	–	–	48,000
		81,901	**–**	**–**	**–**	**81,901**

Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 28. Key management personnel disclosures

Directors
The following persons were directors of Norfolk Group Limited during the financial year:

Rod Keller	Non-executive Chairman
Peter Abery	Non-executive director
Glenn Wallace	Executive director
Paul Chrystall	Non-executive director
Peter Lowe	Non-executive director

Other key management personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial period:

Anthony O'Shannessy	Chief Financial Officer
Darren Robinson (resigned 28 October 2009)	Human Resource Director
David Rafter (appointed 1 June 2009)	Chief Executive – Electrical & Communications division and Norfolk International
Richard Smith (appointed 1 July 2009)	Chief Executive – Mechanical division
James Fletcher	General Manager – New Zealand
Fiona Lovell (appointed 9 April 2009)	General Counsel and Company Secretary
Paul Jeffares (resigned 9 April 2009)	General Counsel and Company Secretary

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Short-term employee benefits	3,263,686	3,522,409	372,294	369,404
Post-employment benefits	151,387	188,461	22,706	25,596
Termination benefits	441,134	–	–	–
Long service leave	21,926	14,742	–	–
Share-based payments	343,112	551,493	–	–
	4,221,245	**4,277,105**	**395,000**	**395,000**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 28. Key management personnel disclosures (continued)

Shareholding

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

2010	Balance at the start of the year	Received as part of remuneration	Other changes	Balance at the end of the year
Ordinary shares				
Rod Keller	25,000	–	157,355	182,355
Glenn Wallace	2,600,000	–	577,778	3,177,778
Peter Abery	100,000	–	22,224	122,224
Paul Chrystall	–	–	896,496	896,496
Peter Lowe	44,237	–	9,831	54,068
Anthony O'Shannessy	844,173	–	310,928	1,155,101
David Rafter	2,504	–	557	3,061
James Fletcher	6,000	–	1,765	7,765
Fiona Lovell	–	–	–	–
Richard Smith	–	–	–	–

2009	Balance at the start of the year	Received as part of remuneration	Other changes	Balance at the end of the year
Ordinary shares				
Rod Keller	25,000	–	–	25,000
Glenn Wallace	2,600,000	–	–	2,600,000
Peter Abery	100,000	–	–	100,000
Paul Chrystall	–	–	–	–
Peter Lowe	–	–	44,237	44,237
Anthony O'Shannessy	85,941	–	758,232	844,173
Darren Robinson	–	–	–	–
David Rafter	92,504	–	(90,000)	2,504
James Fletcher	6,000	–	–	6,000
Paul Jeffares	–	–	–	–

Darren Robinson and Paul Jeffares are not included in the 2010 director and key management personnel shareholdings as they resigned during the financial year. Their holdings are disclosed in the comparative year.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Performance option holding

The number of performance options over ordinary shares in Norfolk Group Limited held during the financial year by each director and key management personnel, including their personally related parties, is set out below:

2010	Balance at the start of the year	Received as part of remuneration	Other changes	Balance at the end of the year
Options over ordinary shares				
Rod Keller	–	–	–	–
Peter Abery	–	–	–	–
Paul Chrystall	–	–	–	–
Peter Lowe	–	–	–	–
Glenn Wallace	476,351	706,464	–	1,182,815
Anthony O'Shannessy	800,253	–	–	800,253
Darren Robinson (1)	295,704	–	(295,704)	–
David Rafter	800,253	–	–	800,253
Paul Jeffares (1)	176,616	–	(176,616)	–
Fiona Lovell	–	–	–	–
Richard Smith	176,616	–	–	176,616

(1) Darren Robinson's and Paul Jeffares' performance options and rights have been forfeited as they resigned during the year.

2009	Balance at the start of the year	Received as part of remuneration	Other changes	Balance at the end of the year
Options over ordinary shares				
Rod Keller	–	–	–	–
Peter Abery	–	–	–	–
Paul Chrystall	–	–	–	–
Peter Lowe	–	–	–	–
Glenn Wallace	–	476,351	–	476,351
Anthony O'Shannessy	447,021	353,232	–	800,253
Darren Robinson	119,088	176,616	–	295,704
David Lee (1)	447,021	353,232	(800,253)	–
David Rafter	447,021	353,232	–	800,253
Paul Jeffares	–	176,616	–	176,616
Richard Smith	–	176,616	–	176,616

(1) David Lee's performance options and rights have been forfeited as he resigned during the year.

None of the above options have vested or are exercisable.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 28. Key management personnel disclosures (continued)

Further disclosures
The full key management personnel disclosures are included in the remuneration report section of the Director's Report only, thus not duplicating that information in the Financial Report. These transferred disclosures have been audited.

Note 29. Remuneration of auditors

During the period the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Company, and its related practices:

	Group 2010 $	Group 2009 $	Parent 2010 $	Parent 2009 $
Audit services – PricewaterhouseCoopers				
Audit or review of the financial report	530,935	579,827	–	–
	530,935	579,827	–	–
Other services – PricewaterhouseCoopers				
Other assurance services	162,688	11,460	–	–
Tax compliance advice	50,700	103,784	–	–
Other advisory services	333,800	–	–	–
	547,188	115,244	–	–
	1,078,123	695,071	–	–
Audit services – related practices				
Audit or review of the financial report	76,911	77,513	–	–
Other services – related practices				
Other assurance services	–	2,460	–	–
Tax compliance advice	26,984	15,784	–	–
Audit services – Other practices				
Audit or review of the financial report	4,931	5,545	–	–
Other services – Other practices				
Tax compliance advice	4,315	4,713	–	–

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 30. Contingent liabilities

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Bank guarantees	51,195	28,930	–	–
Insurance bonds	1,114	–	–	–
	52,309	28,930	–	–

Total bank guarantee facilities as at 31 March 2010 were $60,000,000 and the unused portion was $8,805,000. The insurance facilities as at 31 March 2010 were $10,000,000 and the unused portion was $8,886,000.

Note 31. Commitments for expenditure

	Note	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Lease commitments – operating					
Committed at reporting date but not recognised as liabilities, payable:					
Within one year		17,639	15,937	–	–
One to five years		23,922	23,121	–	–
More than five years		2,844	1,805	–	–
		44,405	**40,863**	**–**	**–**
Lease commitments – finance					
Committed at reporting date and recognised as liabilities, payable:					
Within one year		1,191	996	–	–
One to five years		2,401	1,128	–	–
Total commitment		3,592	2,124	–	–
Less: Future finance charges		(488)	(194)	–	–
Net commitment recognised as liabilities		3,104	1,930	–	–
Representing:					
Lease liabilities – current	17	1,028	988	–	–
Lease liabilities – non-current	20	2,076	942	–	–
		3,104	**1,930**	**–**	**–**

Description of operating leases
The Group has operating leases for land, buildings, motor vehicles and plant and equipment with the following lease terms:

- land and buildings – 1 to 10 years
- motor vehicles – 1 to 4 years
- plant and equipment – 1 to 5 years.

The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. The Group has no significant operating leases that are considered onerous.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 32. Related party transactions

The parent entity in the group is Norfolk Group Limited.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the Remuneration Report section of the Director's Report.

Transactions with related parties
The following transactions occurred with related parties:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Other income:				
Dividends received/receivable from subsidiaries	–	–	–	15,760
Other transactions:				
Tax contributions from wholly owned subsidiaries	–	–	9,080	7,110

Receivable from and payable to related parties
The following balances are outstanding at the reporting date with related parties:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Other receivables:				
Receivables from subsidiaries	–	–	54,022	–
Other payables:				
Payables to subsidiaries	–	–	99,299	33,810

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates except that no interest is charged on related party balances.

Note 33. Business combinations

	2010 $'000	2009 $'000
Outflow of cash to acquire business, net of cash acquired:		
Total purchase consideration	–	1,161
Purchase consideration in respect of prior acquisitions	–	136
Outflow of cash	**–**	**1,297**

(a) On 1 May 2008 Haden Engineering Pty Ltd, a subsidiary of the company, acquired the business of Central Refrigeration and Air-Conditioning for $1,161,000. This is a commercial and residential refrigeration and air-conditioning service business and operates in the Mechanical division of the consolidated entity. The acquired business contributed revenues of $2,533,000 and net profit of $355,000 to the consolidated entity for the year ended 31 March 2009.

	Acquiree's carrying amount $'000	Fair value $'000
Plant & Machinery	5	5
Motor vehicles	68	68
Employee benefits	(71)	(71)
Net assets acquired	2	2
Goodwill		1,159
Total purchase consideration		**1,161**
Representing:		
Cash paid to vendor		1,161
		1,161

Goodwill mainly relates to the assembled workforce acquired.

NORFOLK INTEGRATED ENGINEERING

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 34. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding 2010 %	Equity holding 2009 %
Norfolk Group Holdings Pty Limited (1)	Australia	100	100
O'Donnell Griffin Pty Limited (1)	Australia	100	100
O'Donnell Griffin Asia Pty Limited (1)	Australia	100	100
Haden Engineering Pty Limited (1)	Australia	100	100
Ductclean Australia Pty Limited (1)	Australia	100	100
A.C.N. 076 421 755 Pty Limited (1)	Australia	100	100
Resolve FM Pty Limited (1)	Australia	100	100
Resolve Engineering Pty Limited (1)	Australia	100	100
Egan Bros. Building Services Pty Limited (1)	Australia	100	100
Rel Corp Management Services Pty Limited (1)	Australia	100	100
Trafalgar Building Products Pty Limited (1)	Australia	100	100
Norfolk Electrical (Aust) Pty Limited (1)	Australia	100	100
Norfolk Resolve (Aust) Pty Limited (1)	Australia	100	100
Norfolk Building Products (Aust) Pty Limited (1)	Australia	100	100
Norfolk Mechanical (Aust) Pty Limited (1)	Australia	100	100
Haden MEP Holdings Pty Limited (1)	Australia	100	100
Norfolk Electrical and Mechanical Limited	New Zealand	100	100
Norfolk Building Products Limited	New Zealand	100	100
Norfolk Hong Kong Limited	Hong Kong	100	100
Norfolk Mechanical (Hong Kong) Limited	Hong Kong	100	100
Norfolk Mechanical (India) Pvt Limited	India	85	85
Norfolk International Holdings Limited	Hong Kong	100	–
O'Donnell Griffin Rail (Hong Kong) Limited	Hong Kong	100	–

(1) Entity party to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission (ASIC). These companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Norfolk Group Holdings Pty Limited, they also represent the 'Extended Closed Group'. The consolidated statement of comprehensive income and balance sheet of the 'Closed Group' is reported in the Norfolk Group Holdings Pty Limited Financial Report.

The portion of ownership interest is equal to the proportion of voting power held.

Note 35. Events occurring after balance date

No matter or circumstance has arisen since 31 March 2010 that has significantly affected, or may significantly, affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Note 36. Reconciliation of profit/(loss) after income tax to net cash flows from operating activities

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Profit/(loss) after income tax (expense)/benefit	17,339	4,367	(3,689)	(72,935)
Depreciation and amortisation	6,005	4,747	–	–
Net loss/(profit) on sale of non–current assets	(224)	(209)	–	–
Net loss/(profit) on sale of businesses	(1,314)	–	–	–
Impairment of investment in subsidiaries	–	–	–	84,865
Share-based payments	727	(50)	727	(50)
Unrealised (gain)/loss on interest rate swaps	93	851	–	–
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables	3,769	27,638	319	–
(Increase)/decrease in inventories	2,453	1,359	–	–
(Increase)/decrease in deferred tax assets	31	(8,244)	2,095	2,161
(Increase)/decrease in prepayments	(1,001)	(153)	–	–
Increase/(decrease) in trade and other payables	(643)	(16,731)	(8,746)	178
Increase/(decrease) in provision for income tax	148	6,529	(862)	(3,550)
Increase/(decrease) in employee benefits	70	(618)	–	–
Increase/(decrease) in other provisions	(1,360)	257	–	–
Net cash inflow/(outflow) from operating activities	**26,093**	**19,743**	**(10,156)**	**10,669**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 37. Earnings per share

	Group 2010 $'000	Group 2009 $'000
Profit from continuing operations	18,129	5,571
Profit from continuing operations attributable to minority interests	(14)	(32)
Profit from continuing operations attributable to members of Norfolk Group Limited used in calculating earnings per share	18,115	5,539
Profit/(loss) from discontinued operations	(790)	(1,204)
Profit attributable to members of Norfolk Group Limited used in calculating earnings per share	17,325	4,335
Weighted average number of ordinary shares used in calculating basic earnings per share	133,754,578	131,256,105
Adjustments for calculation of diluted earnings per share:		
Options	1,114,228	1,239,538
Weighted average number of ordinary shares used in calculating diluted earnings per share	134,868,806	132,495,105
	Cents	Cents
Basic earnings per share from continuing operations	13.54	4.22
Diluted earnings per share from continuing operations	13.43	4.18
Basic earnings per share	12.95	3.30
Diluted earnings per share	12.85	3.27

The weighted average number of ordinary shares used in calculating both basic and diluted earnings per share have been adjusted for the bonus element of the rights issue. The prior year basic and diluted earnings per share have been restated accordingly.

Note 38. Share-based payments

The Company has adopted the following share plans to satisfy the various remuneration, incentive and retention demands on it as a contemporary public company. The various plans that the Company has adopted are summarised below:

As a result of legislative changes impacting employee share and option plans and the uncertainty of existing and future share and option schemes, the Board has endorsed a suspension of all plans until the position is clearer.

Exempt Employee Share Plan (ESP)
The Company has adopted the ESP pursuant to which eligible employees of Norfolk may take advantage of concessions embodied in the Australian tax legislation to encourage broad-based employee equity participation, a concept the Board supports. Under current legislation eligible employees can acquire up to $1,000 worth of shares income tax-free each tax year by sacrificing a portion of their annual remuneration or bonus. The shares are issued or acquired at the market price of the shares, at the time of issue or acquisition, determined in accordance with the ESP rules. Under the ESP, the Board also has the discretion to issue shares at a discount to the prevailing market price. All permanent employees of Norfolk with more than 12 months of service are eligible to participate in the ESP, at the invitation of the Board.

Under the terms of the ESP, the eligible employee must not sell, transfer or create a security interest or otherwise deal in the shares until the earlier of:

- the end of three years after the time of issue or acquisition of the shares; and
- the time when the eligible employee ceases to be employed by Norfolk.

The shares issued or acquired under the ESP will be subject to an administrative holding lock for this purpose.

No shares have been issued under this plan.

Deferred Employee Share Plan (DSP)
The Company has adopted the DSP to facilitate a range of remuneration and incentive purposes. Under the DSP, eligible employees of Norfolk may sacrifice a portion of their annual remuneration or bonus and receive shares in lieu. In addition, eligible employees may be granted free shares at the Board's discretion. Any shares issued or acquired under the DSP may be subject to specific vesting and performance requirements. Where shares are issued or acquired by remuneration/bonus sacrifice, the shares are issued or acquired at the market price of the shares, at the time of issue or acquisition, determined in accordance with the DSP rules. All permanent employees of Norfolk with at least 12 months of service are eligible to participate in the DSP, at the invitation of the Board. Under the terms of the DSP, the eligible employee must not sell, transfer or create a security interest or otherwise deal in the shares until a withdrawal notice has been accepted by the Board or its delegated authority. A withdrawal notice may only be lodged within a share trading window determined by the Board and may not be lodged until:

- the vesting conditions, if any, in respect of the share have been satisfied or waived; and
- the earlier of the expiration of any restriction period set by the Board, the time when the eligible employee ceases to be employed by Norfolk or an earlier time at the Board's discretion.

The legal title to shares issued or acquired under the DSP will be held by a trust, for the benefit of the eligible employee, for this purpose.

No shares have been issued under this plan.

Non-executive Director Share Acquisition Plan (NEDSAP)
The Company has adopted the NEDSAP to facilitate the tax efficient acquisition of shares by non-executive directors to further align their interests with those of shareholders. Under the NEDSAP, eligible non-executive directors may sacrifice a portion of their annual directors' fees and receive shares in lieu. The shares are issued or acquired at the market price of shares, at the time of issue or acquisition, determined in accordance with the NEDSAP rules. All non-executive directors are eligible to participate in the NEDSAP at the invitation of the Board. Under the terms of the NEDSAP, the eligible non-executive directors must not sell, transfer or create a security interest or otherwise deal in the shares until a withdrawal notice has been accepted by the Board, or its delegated authority. A withdrawal notice may only be lodged within a share trading window determined by the Board and may not be lodged until:

- the vesting conditions, if any, in respect of the share have been satisfied or waived; and
- the earlier of the expiration of any restriction period set by the Board, the time when the eligible non-executive director ceases to be a non-executive director or an earlier time at the Board's discretion.

The legal title to shares issued or acquired under the NEDSAP will be held by a trust, for the benefit of the eligible non-executive director, for this purpose.

No shares have been issued under this plan.

Long Term Incentive Plan (LTIP)
The Company has adopted the LTIP pursuant to which eligible participants may be granted sale bonus rights, performance rights (entitling the grantee to shares for no consideration) or performance options (entitling the grantee to shares for an exercise price determined by the Board), in each case exercisable on achievement of pre-set time or performance hurdles.

In relation to performance options granted in respect of listing:

- 50% of options are exercisable if the Company achieves a total shareholder return CAGR of 15%
- additional options are exercisable, on a linear sliding scale, if the Company achieves a total shareholder return CAGR of greater than 15%, with all options being exercisable if the Company achieves a total shareholder return CAGR of 20%.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2010

Note 38. Share-based payments (continued)

The exercise price of performance options will be determined by the Board, but typically will be the market price of the shares, at the date of grant, determined in accordance with the LTIP rules. The Board has discretion to determine eligible participants under the LTIP. The performance incentives that are the subject of the LTIP lapse in certain circumstances, including on:

- expiry
- cessation of employment for cause
- cessation of employment for other specified reasons if not exercised within a period determined by the Board.

In relation to performance options granted during the 2009 financial year:

The LTIP is based on a combination of relative TSR (Total Shareholder Return) and EPS (Earnings Per Share) hurdles.

TSR Incentives may not be exercised unless:

- Norfolk achieves a TSR ranking at the 50th percentile relative to its peer group, then 50% of TSR incentives have been deemed to meet the vesting conditions; and
- additional TSR incentives have been deemed to meet the vesting conditions, on a linear sliding scale, if the Company achieves a TSR relative to its peer group of greater than median with all TSR Incentives meeting the vesting conditions if the Company achieves a TSR which ranks it in the top 25% of its peer group.

EPS incentives may be exercised:

- at 8% CAGR (Compound Annual Growth Rate), one third of EPS Incentives have been deemed to meet the vesting conditions; and
- additional EPS Incentives have been deemed to meet the vesting conditions, on a linear sliding scale, if the Company achieves a CAGR of greater than 8% with all EPS incentives being exercisable if the Company achieves a CAGR of 15%.

The CAGR and the TSR relative to the peer group is tested on the third anniversary of the Grant Date. The 'peer group' refers to the companies determined by the ASX to form the "ASX Top 300" or such other group of companies as determined most appropriate by the Board from time to time.

The Board has discretion to set vesting conditions, determine other lapse events and set restrictions on the disposal of, or other dealings with, the performance incentives that are the subject of the LTIP or shares issued on exercise of a performance incentive.

Set out below are summaries of the number of options granted under the plan for the current and previous financial years.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted during the year	Cancelled during the year	Balance at the end of the year
2010						
27 July 2007	27 July 2012	$0. 00	1,239,536	–	125,308	1,114,228
27 July 2007	27 July 2012	$1.95	1,190,877	–	238,175	952,702
26 August 2008	26 August 2013	$1.24	3,012,811	706,464	917,076	2,802,199
2009						
27 July 2007	27 July 2012	$0. 00	1,559,766	–	320,230	1,239,536
27 July 2007	27 July 2012	$1.95	952,701	476,351	238,175	1,190,877
26 August 2008	26 August 2013	$1.24	–	3,424,443	411,632	3,012,811

NOTES TO THE FINANCIAL STATEMENTS
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Note 39. Discontinued operation

(a) Description

During the 2009 financial year, the Company undertook a review of the Trafalgar fire business. The outcome of that review was a decision to restructure and ultimately divest Trafalgar's assets, which was completed post-31 March 2009. The Trafalgar business is reported in this Financial Report as a discontinued operation.

Financial information relating to the discontinued operation for the year is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the years ended 31 March 2010 and 31 March 2009.

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Revenue	317	10,391	–	–
Expenses	1,445	12,112	–	–
Profit/(loss) before income tax	**(1,128)**	**(1,721)**	**–**	**–**
Income tax benefit	338	517	–	–
Profit/(loss) from discontinued operations	**(790)**	**(1,204)**	**–**	**–**
Net cash inflow/(outflow) from operating activities	(590)	(583)	–	–
Net cash inflow/(outflow) from investing activities	–	139	–	–
Net cash inflow/(outflow) from financing activities	1,000	(63)	–	–
Net increase/(decrease) in cash generated by the business	**410**	**(507)**	**–**	**–**

(c) Current assets classified as held for sale

The carrying value of assets classified as held for sale are:

	Group 2010 $'000	Group 2009 $'000	Parent 2010 $'000	Parent 2009 $'000
Inventories	–	688	–	–
Total assets classified as held for sale	**–**	**688**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS
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Note 40. Sale of businesses

During the 2010 financial year, the company sold the assets and liabilities that comprised the WF Energy Controls and NZ Fire Doors businesses. Neither of these businesses are reported in this Financial Report as discontinued operations.

Financial information relating to the business sales for the year is set out below.

	Carrying amount $'000
Leasehold improvements	5
Plant & machinery	104
Motor vehicles	6
Trade and other receivables	572
Inventories	1,203
Employee benefits	(71)
Net assets sold	1,819
Proceeds on sale of businesses	3,133
Net gain on sale of businesses	1,314

Directors' declaration

In the directors' opinion:

a. the financial statements and notes set out on pages 65 to 116 are in accordance with the Corporations Act 2001, including:
   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the Company's and consolidated entity's financial position as at 31 March 2010 and of their performance for the financial year ended on that date; and

b. 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

c. at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 34 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 34.

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

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

Rod Keller
Chairman
Norfolk Group Limited
15 June 2010
Sydney

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report to the members of Norfolk Group Limited

Report on the financial report

We have audited the accompanying financial report of Norfolk Group Limited (the company), which comprises the balance sheet as at 31 March 2010, and, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Norfolk Group Limited and the Norfolk Group (the consolidated entity). The consolidated entity comprises 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 controls 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 Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

INDEPENDENT AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Norfolk Group Limited (continued)

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

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 Norfolk Group Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 March 2010 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;* and

(b) the consolidated financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 54 to 62 of the directors' report for the year ended 31 March 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Norfolk Group Limited for the year ended 31 March 2010, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Eddie Wilkie

Eddie Wilkie
Partner

Sydney
15 June 2010

SHAREHOLDER INFORMATION

25 MAY 2010

The shareholder information set out below was applicable as at 25 May 2010

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares
1 to 1,000	308
1,001 to 5,000	700
5,001 to 10,000	782
10,001 to 50,000	1,088
50,001 to 100,000	167
100,001 and over	123
	3,168
Holding less than a marketable parcel	188

Equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
MCIF Nominee Limited	30,749,405	19.35%
Bell Potter Nominees Ltd	21,631,742	13.61%
National Nominees Limited	4,277,719	2.69%
Masfen Securities Limited	3,348,592	2.11%
Selby Consulting (Aust) Pty Ltd	3,177,778	2.00%
GSJBWere (NZ) Priv Equity Ltd	2,817,479	1.77%
J P Morgan Nominees Australia Limited	2,566,730	1.62%
Queensland Investment Corporation	2,507,678	1.58%
HSBC Custody Nominees (Australia) Limited	2,473,672	1.56%
Custodial Services Limited	2,425,491	1.53%
Argo Investments Limited	2,264,551	1.43%
RBC Dexia Investor Services Australia Nominees Pty Limited – MLCI	2,217,091	1.40%
Bell Equities Limited	1,939,860	1.22%
Cogent Nominees Pty Limited	1,541,987	0.97%
RBC Dexia Investor Services Australia Nominees Pty Limited – BK Cust AC	1,154,515	0.73%
Portfolio Custodian Limited	1,095,718	0.69%
Portfolio Custodian Limited	1,003,375	0.63%
PGA (Investments) Pty Ltd	1,000,000	0.63%
Paul Chrystall & Christine Karen Chrystall & Christopher John Rolfe	896,496	0.56%
UBS Nominees Pty Ltd	832,848	0.52%
	89,922,727	**56.60%**

SHAREHOLDER INFORMATION
25 MAY 2010

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	4,869,129	29

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares		
	Number held	% of total shares issued	By notice dated
Maui Group	31,902,009	20.08	10 March 2010
Monadelphous Limited	21,759,072	13.7	12 March 2010

Voting rights

The voting rights attached to ordinary shares are set out below:

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

There are no other classes of equity securities.

NOTES

NOTES

CORPORATE DIRECTORY

Norfolk Group Limited
ACN 125 709 971
Registered Office
Level 5, 50 Berry Street
North Sydney NSW 2060

Head Office
Level 5, 50 Berry Street
North Sydney NSW 2060

Norfolk Website
www.norfolkgl.com

Auditors
PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

Banks
Westpac Banking Corporation
275 Kent Street
Sydney NSW 2000

Commonwealth Bank of Australia
Level 14, 385 Bourke Street
Melbourne VIC 3000

Share Register
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
precinct.com.au

Notice of Annual General Meeting
The Annual General Meeting of Norfolk Group Limited will be held at:
11.00am (AEST) on Wednesday 4 August 2010
Cavalier Room
Christie Conference Centre
56 Berry Street
North Sydney NSW 2060

NORFOLK
INTEGRATED ENGINEERING

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