SEYMOUR WHYTE LIMITED AND CONTROLLED ENTITIES

ABN 67 105 493 203

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

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KEY DATES FOR SHAREHOLDERS

23 September 2013	Ex date for final dividend
27 September 2013	Record date for final dividend
18 October 2013	Payment of of final dividend
27 November 2013	Annual General Meeting
31 December 2013	Half year end
February 2014	Half year results and interim dividend announcement
April 2014	Proposed payment of interim dividend
30 June 2014	Full year end
August 2014	Full year results and final dividend announcement

ANNUAL GENERAL MEETING

Place	The Auditorium McCullough Robertson Level 11, Central Plaza Two 66 Eagle Street, Brisbane
Date	Wednesday 27 November 2013
Time	10:00am

COMPANY PROFILE

ABOUT SEYMOUR WHYTE

Seymour Whyte is an Australian infrastructure, engineering and construction company that has been successfully delivering projects for more than 25 years. Founded in 1987 by John Seymour and Garry Whyte, Seymour Whyte has developed a reputation for reliable project delivery with an unwavering focus on safety.

Seymour Whyte has developed a solid platform for future growth with the capacity and experience to deliver an increasingly diverse range of projects aross a wide geographic footprint. The company continues to deliver excellence in infrastructure throughout its established markets, while successfully pursuing opportunities within new sectors and regions.

CAPABILITIES

- A demonstrated capacity to deliver large and complex projects
- An understanding of clients' requirements
- A high level of approval and prequalification with government authorities
- Highly qualified and experienced management and personnel
- A strong safety culture that protects employees, suppliers and the public
- A strong reputation in the core delivery areas of time, cost and quality
- Technical capability to deliver complex projects requiring a higher engineering component
- An ability to negotiate strategically important joint ventures

OUR VALUES

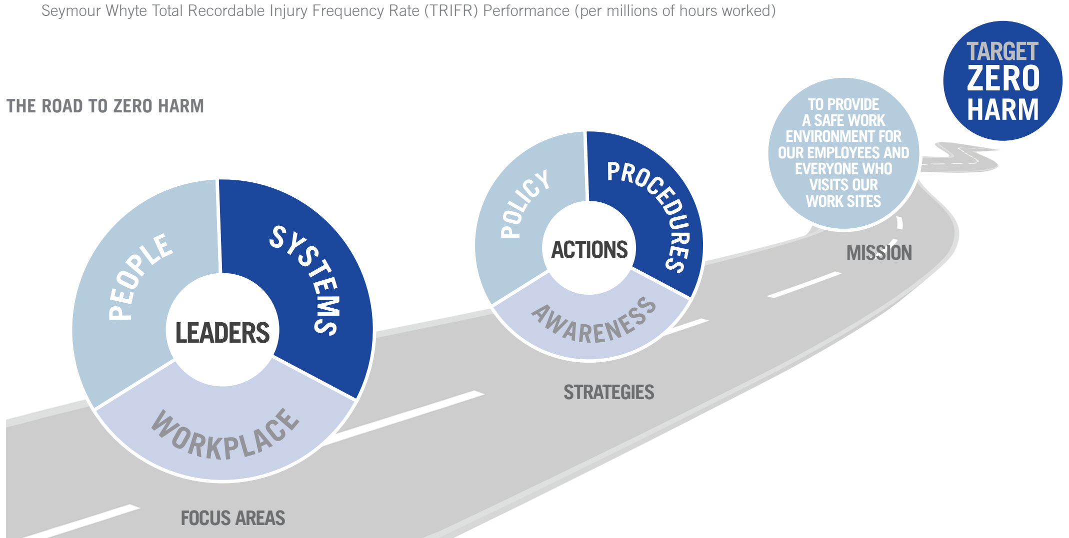
- Safe delivery
- Reputation
- Our people are our strength
- Openness, honesty and collaboration
- Disciplined performance and accountability
- Sustainable growth
- Driven to succeed
- Nimble and agile

SAFE DELIVERY

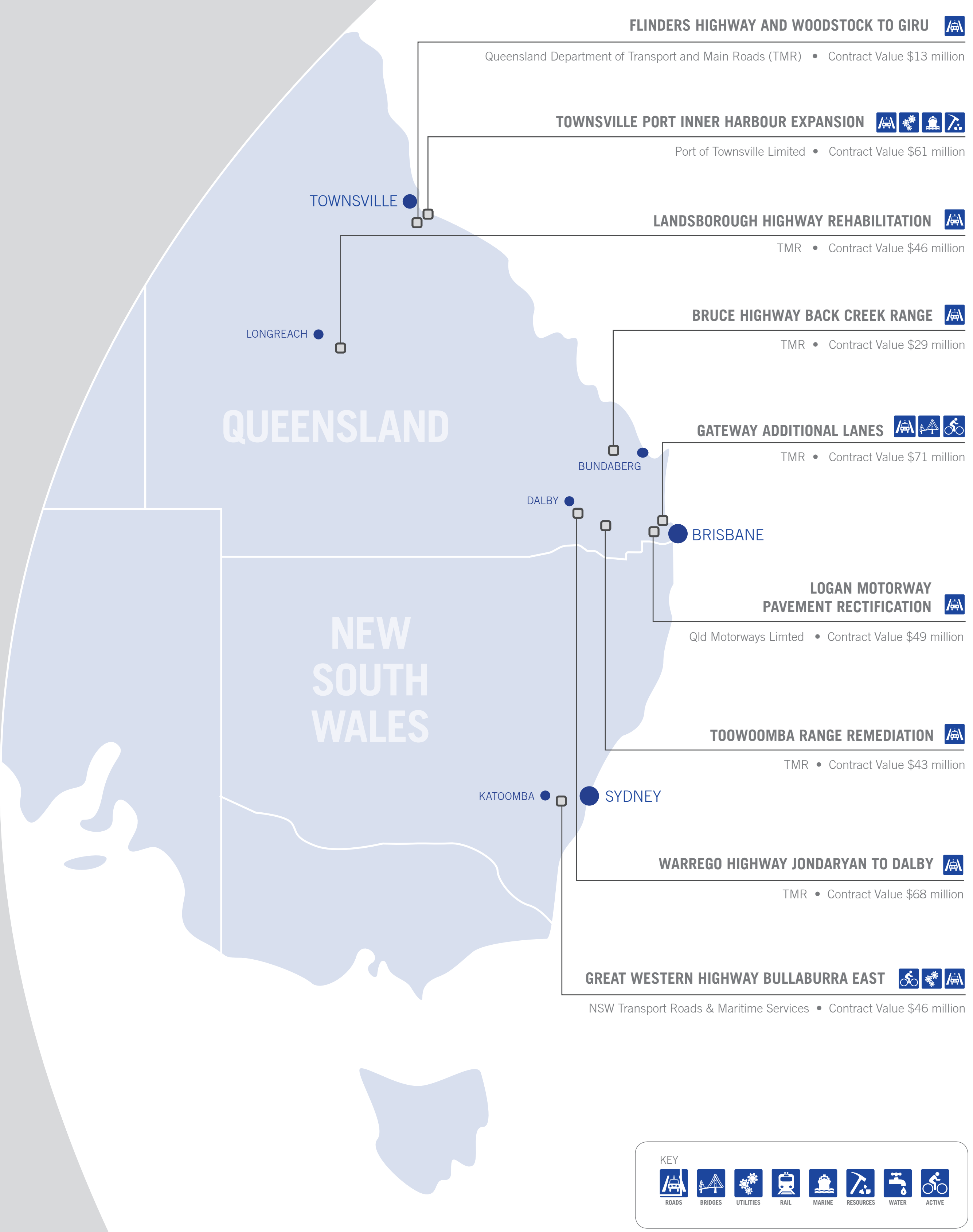
Seymour Whyte has built a culture of safety around the core belief that we can work incident and injury free. We continue to strive to meet the highest standards for our workers, their families and our clients.

Seymour Whyte Total Recordable Injury Frequency Rate (TRIFR) Performance (per millions of hours worked)

THE ROAD TO ZERO HARM



CURRENT PROJECTS
(Correct as at 30 June 2013)



CHAIRMAN & CEO REPORT

OPERATING AND FINANCIAL REVIEW

Mac Drysdale CHAIRMAN

David McAdam CEO & MANAGING DIRECTOR

Welcome to the new look Seymour Whyte annual report. In line with changing standards and the continuing drive for efficiencies this year's annual report provides a much more concise review of the year.

The 2013 financial year was a period of consolidation for Seymour Whyte. While trading conditions remained challenging, we finished the year in a sound financial position and with a positive outlook for the future. The investments we have made over the last 12 months in developing and implementing new systems and processes will benefit the business for many years to come.

We are pleased to report that profit (after tax) was up 4.7% to $9.3 million, slightly exceeding the earnings guidance we had provided throughout the year. The net profit result for the year was enhanced by a 50% decrease year on year in our income tax bill from $4 million to $2 million. The majority of this relates to a tax credit of $1.4 million for research and development activities. Our earnings before tax provide a good indication of the challenging conditions and fell from $12.9 million to $11.3 million.

Revenue (adjusted for Jointly Controlled Operations) fell 8.2% to $282.4 million as a result of the fiscal tightening by our core client base throughout calendar 2012, which resulted in a number of projects being delayed or cancelled. Basic Earnings per share (EPS) increased to 11.9 cents, from 11.4 cents previously. The implementation of operational improvements and efficiencies was a core focus throughout the year and together with the R&D tax credit allowed us to increase our profit margin (NPAT/Revenue) from 2.9% in FY12 to 3.3% in FY13.

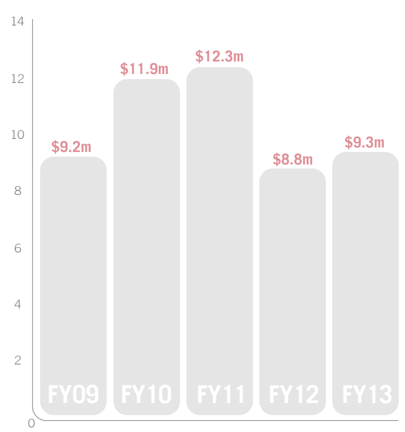
One of Seymour Whyte's core strengths over recent years has been the continual improvement and enhancement of the company's balance sheet. This trend continued in FY13 with net tangible assets increasing 14% to $44.4 million, up from $38.8 million in FY12. NTA per share improved from 50 cents to 57 cents. The increase in NTA was primarily attributable to an increase in the company's cash holdings which were up 53% to $47.7 million from $31.1 million previously. The increase was due to improved debtor management systems and greater organisational awareness of cash management.

The strong cash holdings combined with a positive outlook allowed us to declare a final dividend of 6.25 cents per share, taking the full year dividend to 8.00 cents per share (fully franked). The dividend represents a payout ratio of 67%, up from 53% in FY12.

Operationally the business continues to make improvements with full resolution and no repeat of the project management and control issues which impacted the company in FY12. Full implementation of the new systems, which were created in response, have resulted in a significant improvement in project controls and monitoring and made a strong contribution to the company's performance over the last 12 months.

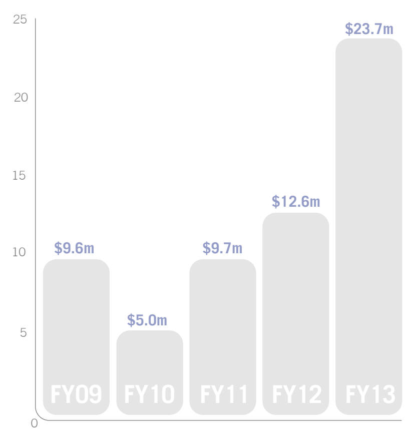
The transition to a new flatter organisational structure with clearer accountabilities for project performance has been bedded down as well as a number of key appointments. We believe the new structure positions us well with the capabilities and flexibility to grow in the future.

NET PROFIT AFTER TAX



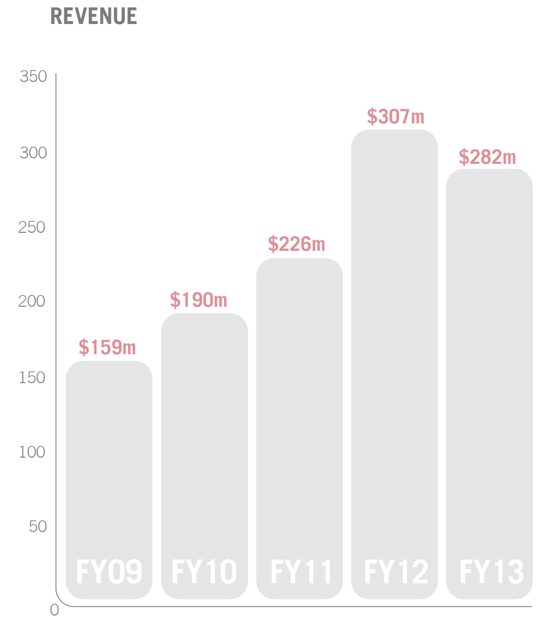
Profit (after tax) up 4.7% to $9.3 million

OPERATING CASH FLOW



Operating Cash Flow up 88% to $23.7 million

TOTAL REVENUE
FELL BY 8.2%
CHALLENGING MARKET

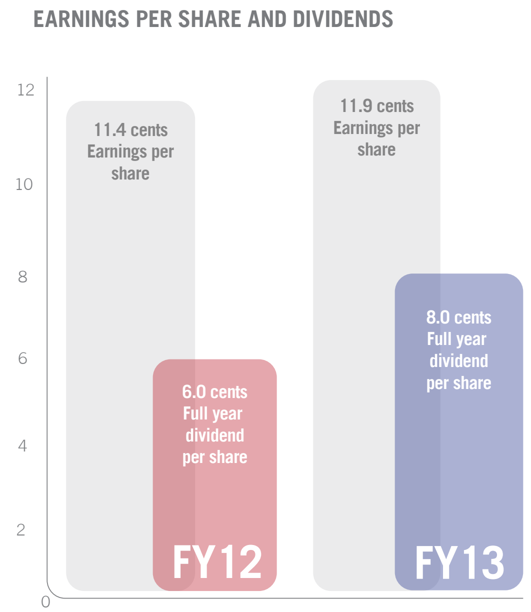


FINANCIAL POSITION

	30 JUNE 2012	30 JUNE 2013	CHANGE
NET ASSETS	$39.7m	$46.1m	+16.1%
NET ASSETS RELATIVE TO TOTAL REVENUE	12.9%	16.3%	+26.4%
NET TANGIBLE ASSETS PER SHARE	50 cents	57 cents	+14.0%

NET ASSETS
INCREASED 16.1%
STRONG GROWTH
PLATFORM

DIVIDENDS
INCREASED 33%
CONFIDENCE
IN THE FUTURE



ORDER BOOK

The company achieved new project wins (including growth from existing projects) of more than $250 million in FY13, as we continued to focus on innovation in delivery and pricing. This growth was achieved on the back of win rates rising sharply, as a proportion of bids, from 9% in FY12 to 20% in FY13.

Our success in winning new contracts in this tough environment has been evidence of our ability to undertake projects in a more efficient and cost effective manner than our competitors. Our strong, performance-based relationships with state government departments continue to be a competitive advantage in winning publicly-funded projects. We have also narrowed our focus to target 'winnable' projects in core markets and smaller projects in strategic growth markets.

As at June 30, 2013, the company's Order Book stood at $246 million, with $198 million of work in FY14 and $48 million of work for FY15.

We expect to continue growing the Order Book for the current year and beyond and to this end have developed a targeted business development program with dedicated resources and a reporting responsibility directly to the Managing Director. At the end of FY13 we had tenders in progress for approximately $660 million of new work and identified contestable prospects of a further $740 million which are expected to be awarded before the end of June 2014.

Flood recovery and flood remediation works remain the priority for government spending in the short term; however, we expect this work to begin trailing off towards the end of the current year. With the mining boom showing continued signs of waning, Seymour Whyte is fortunate to have no exposure in its forward order book to mining or mining services which leaves us relatively insulated from the downturn.

We will continue to position the company to make the most of growing opportunities for constructing infrastructure in the private sector and we will maintain the flexibility to work as a sole contractor or in joint ventures, depending on the nature of emerging opportunities.

OUTLOOK

In the short-term the company's primary focus remains on organic growth through greater penetration in traditional markets in Queensland and NSW and with our core Government clients.

The company's strong balance sheet provides opportunity for growth-focussed investments and we are actively investigating opportunities for managable, earnings accretive acquisitions that enhance our skills in target areas, subject to maintaining our balance sheet strengths.

We have adjusted our strategy to meet changing market conditions where there is less opportunity in mining, resources and mining services. We believe there will be greater opportunities for the company in the future in the utilities sector. Given the available work opportunities, we hold a positive outlook for the future.

In the medium-term the company will focus on expanding into new areas and new products, in particular moving beyond roads into other classes of infrastructure. We will continue to seek clients beyond the Queensland and New South Wales Governments and aim to take on higher value projects within 3-5 years.

Our key strategic objectives are to consolidate our financial management, grow sustainably with a model based on low debt and strong cash flow, to enhance and develop our in-house capabilities to match our skills and capacity to our growth and expansion and to become an infrastructure engineer with a national footprint.

The board would like to thank all Seymour Whyte staff for their tireless work in the past financial year which has left us in a very strong position to continue to grow our earnings and to capitalise on future opportunities.

We would also like to thank you, our investors, for your continued support as we work toward realising our vision of being the best performing contractor in our chosen markets.

Mac Drysadale
Chairman

David McAdam
Managing Director and CEO

GOVERNANCE

CORPORATE GOVERNANCE STATEMENT 2013

The Board's guiding principle is to build sustainable shareholder value, acting honestly, conscientiously and fairly in the interests of shareholders, employees and other stakeholders.

To that end, Seymour Whyte's Board embraces the principle that good corporate governance is essential to the preservation and enhancement of shareholder value. The Board believes that the success of the business is strengthened by implementing clearly articulated policies to enhance accountability, efficiency and the reliable measurement of performance.

The Board has adopted a charter (the Charter), which sets out the key corporate governance principles and procedures. The Charter is available on the company's website at seymourwhyte.com.au. The Charter will be kept under review by the Board and amended from time to time.

Except as noted below, the Charter and the other governance measures adopted reflect the Board's endorsement of and compliance with the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations, 2nd edition (with 2010 Amendments), referred to below as "the Principles".

PRINCIPLE 1 – Lay solid foundations for management and oversight

1.1	The Board has established a clear distinction between its functions and those delegated to management, as set out in the Charter.	✔
1.2	Senior executives are subject to a process of formal evaluation by the Board annually as disclosed in the Charter.	✔
1.3	Senior executives have been evaluated by the Board in the reporting period in accordance with the process disclosed.	✔

PRINCIPLE 2 – Structure the Board to add value

2.1	The Board is comprised of six members, three of whom are independent. Together, the directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the company.	✔
2.2	The Chair is an independent director.	✔
2.3	The roles of Chair and CEO are exercised by different individuals.	✔
2.4	The Board has not established a separate nominations committee. The full Board is responsible for the proper oversight of directors and senior management. The Board considers that, having regard to its size and the size of the company, no further efficiencies or benefits would be derived from establishing a separate nominations committee.	X
2.5	The Charter discloses the process for evaluating the performance of the board, its committees and directors. Evaluations have taken place in the reporting period.	✔

PRINCIPLE 2 – Structure the Board to add value (continued)

2.6	The independent directors are the Chairman Mac Drysdale, the Chair of the Audit committee Don Mackay and Susan Johnston. No independent director has a substantial shareholding, has been previously an employee or adviser or supplier or has had any other material contractual relationship with the company other than his or her directorship. The board seeks to achieve a mix of skills and experience in directors which include financial, engineering industry, safety and prior ASX listed company board experience.	✔

The period of office of each director at the date of the Annual Report and their skills, experience and expertise are set out below, together with their status as independent or non-independent director. The independence of directors who have any interest in contracts with the Company or who is a substantial holder of shares in the company is considered and determined by the board in each case:

DIRECTOR	PERIOD OF OFFICE	SKILLS AND EXPERIENCE
MAC DRYSDALE *Chairman of the Board* *Independent Director* *Chairman of Remuneration and Human Resources Committee* *Member of Audit Committee*	6 years 1 month	As Chairman of the Board since 2007, Mac has played a key role in the strategy development and growth of Seymour Whyte. Mac is a highly respected executive with a strong history as a Director and Chairman. Since 1991, Mac has served on the boards of Country Road Australia Ltd (Chairman), Country Road U.S.A Ltd, Mitre 10 Ltd, International Wool Secretariat (Chairman), Australian Wool Research and Promotion Organisation (Chairman), Wool International and Australian Wool Corporation(Chairman). He also has a Bachelor of Business (Accounting) Degree. With a long family history of grazing in Western Queensland, Mac continues to operate an organic grazing property in the Augathella region.
JOHN SEYMOUR *Non-Executive Director* *Member of Audit Committee* *Member of Remuneration and Human Resources Committee*	10 years 1 month	John, along with Garry Whyte, established the Seymour Whyte group of companies in 1987. Since 2003 John has sat on the board as a Founding Director and a major shareholder of the Company. With over 40 years in civil engineering John's understanding of the industry, his experience with major clients and his engineering knowledge is invaluable to the company's strategic. John is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institution of Engineers and has played an active role in industry bodies such as the Civil Contractors Federation (past President of the Queensland branch) and was inducted in to the QUT Contractors' Hall of Fame in 2006.
DON MACKAY *Independent Director* *Chairman of Audit Committee* *Member of Remuneration and Human Resources Committee*	4 years 5 months	Don has a successful track record with his role as CEO and Managing Director of Australian Agricultural Company Limited, where he played key roles in business growth, international expansion and capital raising. As General Manager of Elders Limited (NSW), Don influenced the transformation of the business into a high performing industry leader. He holds a University of New South Wales Graduate Management Qualification. Don is also a member of the Australian Institute of Company Directors and in 2001 was awarded the Centenary Medal by the Prime Minister of Australia for Distinguished Service to Primary Industry.
JOHN READY *Independent Director* *Chairman of Risk Management Committee*	3 years 2 months	John has 47 years' experience as a civil engineer and 40 years' experience in civil engineering contracting including roles in project management, senior level corporate management and as an owner operator.
SUSAN JOHNSTON *Independent Director* *Member of Risk Management Committee*	2 years	Susan brings more than 20 years' experience in senior management and policy advisory roles in the resources and energy sector. Susan also has more than 10 years' experience as a company director. Her experience includes two years as CEO of the Queensland Resources Council and seven years as a Director of Tarong Energy Corporation and senior executive positions at Anglo American and the Australian Coal Association. Susan has a strong background in safety, including as Head of Safety and Sustainable Development (Australia) at Anglo American Metallurgical Coal Pty Ltd. She has degrees in Arts and Law from the University of Queensland and is a Graduate of the Australian Institute of Company Directors.
DAVID McADAM *Chief Executive Officer* *Managing Director*	6 months	David has held a number of senior positions in the construction industry including General Manager of the Thiess Construction division from 2008 to 2010 and General Manager of United Group's construction and services division in Queensland from 2002 to 2004. Over a 30-year career David has been involved with and managed a large number of projects ranging in value from $50 million to in excess of $4 billion. These projects have typically been complex multi-discipline developments in industries including oil and gas, petrochemical, minerals and metals, food, transport infrastructure, property development and power and water. He has a degree in Chemical Engineering and a Masters of Business Administration. He is a Fellow of the Australian Institute of Company Directors and Institution of Engineers.

PRINCIPLE 3 – Promote ethical and responsible decision-making

3.1	The Board has established a code of conduct which is contained in the Charter and disclosed on the company's website. In addition the board has adopted a "whistle blower" policy.	✔
3.2	A policy concerning trading in securities has been established. The policy applies to directors and all staff and is incorporated into the Corporate Governance Charter. A policy concerning diversity has been adopted at the Company's board meeting in September 2011. The policy has been incorporated into the Corporate Governance Charter.	✔
3.3	The code of conduct and trading policy are publicly available in the Corporate Governance section in the Investor Relations area of the company's website. The board has adopted a diversity policy. The board has set measurable objectives for achieving gender diversity.	✔
3.4	The proportion of women employees in SWL (including its wholly owned subsidiary SWC) is 22%. There is one woman in a senior executive position and one woman on the board.	✔

PRINCIPLE 4 – Safeguard integrity in financial reporting

4.1	The Board has established an audit committee.	✔
4.2	The audit committee consists only of non-executive directors. Its current composition, being Don Mackay (Chair), John Seymour and Mac Drysdale complies with the Principles and it is chaired by an independent chair who is not the chairman of the Board. A majority of members of the audit committee are independent directors.	✔
4.3	The audit committee has a formal charter, which is set out in the Charter.	✔
4.4	The names and qualifications of the members of the audit committee are set out below, together with their attendance at committee meetings. The committee meets at least every three months. In the FY12 - 13 the committee met five times. All members of the committee are financially literate. The qualifications of the members of the Audit Committee are included on page 8. The procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners include: ▪ The financial auditor must be a reputable national or international accounting firm with demonstrated experience in the property and construction sector. ▪ The auditor's historical performance is reviewed by the audit committee when considering its engagement at the commencement of each financial year.	✔

PRINCIPLE 4 – Safeguard integrity in financial reporting (continued)

4.4	The committee considers the auditor's independence, competence and effectiveness and the appropriateness of fee levels when making its assessment as to appointment. The audit committee ensures that the lead audit partner rotates in accordance with the requirements of the Corporations Act. The company has a general policy of engaging other accounting firms for major non-audit services such as tax advice.	✔

PRINCIPLE 5 – Make timely and balanced disclosure

5.1	The Board has established written policies, detailed in the Charter, to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance.	✔
5.2	The policies to guide compliance with Listing Rule disclosure requirements are contained in the Charter in sections 2.19, 6.3(h), 6.5(f) and 6.5(i)(i), which is available on the company's website.	✔

PRINCIPLE 6 – Respect the rights of Shareholders

6.1	The Board has adopted a communications policy for effective communications with shareholders. The policy is contained in clause 2.19 of the Charter.	✔
6.2	The shareholder communications policy contained in the Charter is available on the company's website. In addition to the AGM and the full year and half year reports, the Board regards industry briefings accompanied by appropriate announcements through the ASX platform as important means of communication with shareholders.	✔

PRINCIPLE 7 – Recognise and manage risk

7.1	The Board has established policies for the oversight and management of material business risks. These policies are set out in the Corporate Governance Charter, available on the company's website. The Board has established a Risk Committee, whose members are John Ready (Chair), Susan Johnston and Managing Director David McAdam.	✔
7.2	The Board has required management to design and implement a risk management and internal control system and to report to the Board on the effectiveness of the management of those risks.	✔
7.3	The Board has received declarations under s295A of the Corporations Act from the Chief Executive Officer and the Interim Chief Financial Officer. The Board has received assurances from them that these declarations are founded 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.	✔
7.4	The Board has received a report from management in respect of risk management in the reporting period under recommendation 7.2. The company's policies on risk oversight and management of material business risks are included in the Charter available on the company's website.	✔

PRINCIPLE 8 – Remunerate fairly and responsibly

8.1	The Board has established a remuneration committee with its own charter, contained within the Board Charter.	✔
8.2	The members of the remuneration committee are Mac Drysdale (Chair), Don Mackay and John Seymour. A majority of the committee are independent directors.	✔
8.3	Acting under the Remuneration Committee charter the Board clearly distinguishes the structure of non-executive directors' remuneration from that of senior executives.	✔
8.4	The attendance of committee members at meetings of the Remuneration and Human Resources Committee during FY 2012-2013 is set out in the table below.	✔

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

The Directors present their report, together with the financial statements of the group consisting of Seymour Whyte Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2013.

Directors

The following persons were Directors of Seymour Whyte Limited during the whole of the financial year and up to the date of this report.

Mac Drysdale
Don Mackay
John Seymour
John Ready
Susan Johnston

David McAdam was appointed as Managing Director on 1 February 2013.

Details of the qualifications, experience and responsibilities of the Directors are set out on page 8 of the Annual Report.

Company secretary

Rob Leacock holds the position of Deputy Chief Executive Officer, Company Secretary and General Counsel. He has degrees in Arts and Law and a Certificate in Corporate Governance. He brings over 25 years as a building and construction industry lawyer as well as commercial and governance expertise.

Principal activities

During the financial year the principal activity of the group was the operation of a civil engineering business.

Dividends

Dividends paid during the financial year were as follows:

	2013	2012
	$	$
Final dividend for the year ended 30 June 2012 of 2.00 cents (2011: 4.50 cents) per ordinary share fully franked at the tax rate of 30%	1,556,582	3,502,309
Interim dividend for the year ended 30 June 2013 of 1.75 cents (2012: 4.00 cents) per ordinary share fully franked at the tax rate of 30%	1,362,009	3,113,164
	2,918,591	6,615,473

Review of results and operations

Total revenue of $282.35m was earned for the year ended 30 June 2013 (after adjusting revenue for $5.94m in 'work managed' by a jointly controlled operation and revenue for $2.13m from discontinued operations) compared to $307.43m for the year ended 30 June 2012.

The group produced net profit after tax of $9.27m for the year ended 30 June 2013, up 0.42m (4.7%) on the prior year comparative.

A full review of the operations and results of the group are contained in the Operating and Financial Review on pages 4 to 6.

Significant changes in the state of affairs

On 23 July 2012 David McAdam was appointed as the Chief Executive Officer and on 1 February 2013 as Managing Director.

Options under the Employee Share Option Plan were granted to eligible employees including the Key Management Personnel during the financial year. Refer note 23 for further details.

There were no other significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year

At the date of signing this report the Directors are not aware of any other matters, which in the opinion of the Directors, has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Likely developments and expected results of operations

Likely developments and expected results of operations of the group have been discussed in the Operating and Financial Review on pages 4 to 6.

Environmental regulation

The group's operations are subject to a range of environmental regulations under the laws of the Commonwealth and States.

The group conducts its operations in accordance with the Seymour Whyte's Environmental Management System, which is designed to ensure the group complies with these environmental regulations. This system is certified to AS/NZS ISO 14001:2004 and is subject to regular external third party and internal audits.

The Directors are not aware of any material breaches or any prosecutions under the environmental regulations as a result of the group's operations during the financial year under review.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board Committee held during the year ended 30 June 2013, and the number of meetings attended by each Director were:

	FULL BOARD		AUDIT COMMITTEE		RISK COMMITTEE		REMUNERATION AND HR COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Mac Drysdale	12	12	5	5	n/a	n/a	2	2
Don Mackay	12	12	5	5	n/a	n/a	2	2
John Seymour	11	12	4	5	n/a	n/a	1	2
John Ready	10	12	n/a	n/a	4	4	n/a	n/a
Susan Johnston	11	12	n/a	n/a	4	4	n/a	n/a
David McAdam	5	5	n/a	n/a	2	2	n/a	n/a

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Directors' interests

As at the date of this report, the interests of each Director in shares of the company, and rights over the such shares are as follows:

ORDINARY SHARES	
Mac Drysdale	100,000
Don Mackay	30,000
John Seymour	18,291,279
John Ready	20,000
Susan Johnston	-
David McAdam	-

Indemnity and insurance of officers

The company has indemnified the Directors and executives of the company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the Directors and executives of the company against a liability 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.

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 proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Remuneration report (audited)

Introduction

This report provides details on the remuneration of Directors and Key Management Personnel (KMP) of the group. The executives discussed in this report are considered to be KMP because they have responsibility for planning, directing and controlling the activities of the entity by virtue of their membership in the Executive Leadership Team.

Governance

The Board recognises the importance of achieving fair and effective remuneration outcomes, and adopted the following remuneration principles during the year ended 30 June 2012 and 30 June 2013.

- The interests of shareholders, Directors and senior executives should be aligned,
- Competitive remuneration packages should be offered to attract and retain talented staff, and
- Effective incentives should be offered to motivate the achievement of outstanding performance.

Remuneration framework: Directors (other than the Managing Director)

The Board's policy is to:

- Provide a clear fee arrangement that avoids potential conflicts of interest associated with performance incentives.
- Remunerate Directors at market rates for their commitment and responsibilities.
- Obtain independent external remuneration advice when required.

The structure that applied to Directors fees for the year ended 30 June 2013 was:

	BOARD MEMBER	BOARD CHAIRMAN	AUDIT COMMITTEE CHAIRMAN	TOTAL
	$	$	$	$
Mac Drysdale	50,000	70,000	-	120,000
Don Mackay	50,000	-	20,000	70,000
John Seymour	50,000	-	-	50,000
John Ready	50,000	-	-	50,000
Susan Johnston	50,000	-	-	50,000
Total	250,000	70,000	20,000	340,000

Where applicable, these amounts are inclusive of superannuation contributions. Alternate Directors receive equivalent fees for the period(s) in which they act, and these fees are deducted from the remuneration of the Director they represent. The 2007 Annual General Meeting resolved that the total fees payable to all Non-Executive Directors is not to exceed $500,000 per annum (inclusive of on-costs).

In addition to this fee structure, from time-to-time Directors may engage in consultancy work with the prior consent of the Board. Consulting fees paid for these services are in addition to Directors fees and are included in the related party disclosures in Note 32.

Remuneration framework: Managing Director

The Board's policy for determining the nature and amount of remuneration for the Managing Director of the group is:

- Provide for both fixed and performance incentive remuneration.
- Provide a remuneration package based on an annual review of employment market conditions, the group's performance and individual executive performance.
- Obtain independent external remuneration advice when required.

For the sake of clarity, it should be noted that David McAdam was appointed Managing Director on 1 February 2013.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration report (continued)

a. Fixed remuneration

Fixed remuneration is a function of size and complexity of the role, individual responsibilities, experience, skills and market pay levels. This consists of base salary, statutory leave entitlements and superannuation contributions. The opportunity to salary sacrifice motor vehicle and superannuation benefits on a tax-compliant basis is available upon request.

b. At risk remuneration – Short term incentives

Performance incentives for the Managing Director are determined at the discretion of the Board after assessing the overall profitability of the group and considering the Managing Director's contribution to company performance in the following areas:

- Business strategy implementation
- Revenue growth and margin improvement
- Workplace health and safety performance
- Forward order book

Incentives may be granted in cash, by way of shares or a combination of these. This is at the discretion of the Board. Any incentive that is not achieved in a particular financial year lapses permanently.

Analysis of short-term incentives included in remuneration:

Year ended 30 June 2013

The Board resolved on 23 July 2013 that the short term incentives payable to the Managing Director in respect of the year ended 30 June 2013 performance would be $180,000. The short term incentives were incurred as at 30 June 2013 therefore included in Bonus payables in Note 15.

Year ended 30 June 2012

The Board resolved on 26 June 2012 that no short term incentives would be payable in respect of the year ended 30 June 2012 performance because the company's profitability targets were not achieved.

c. At risk remuneration – Long term incentives

A long term incentive framework was put in place during year ended 30 June 2012 when the members present at the Annual General Meeting held on 23 November 2011 resolved to put in place the company's inaugural Employee Share Option Plan. The plan allows the Board to grant options over Seymour Whyte Limited ordinary shares to staff, including the Managing Director of the group for nil consideration over a period based on long-term incentive measures. The Employee Share Option Plan is designed to focus staff on delivering long-term shareholder returns. Vesting of the options is subject to the group's Total Shareholder Return (TSR) relative to the TSR of constituents of the S&P/ ASX200, Net Profit After Tax relative to a target and Annual Earnings Per Share relative to a target. Vesting of options is also subject to continuing employment.

No options have been granted to the Managing Director during the year ended 30 June 2013. Options granted to the Managing Director require shareholder approval at the Annual General Meeting.

d. Contract duration and termination requirements

The company has an open-ended contract with the Managing Director which requires six month's notice of termination by either party. No termination payments are provided for under this contract, other than statutory entitlements such as unused annual leave.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration report (continued)

Remuneration framework: Senior executives

The Board's policy for determining the nature and amount of remuneration for the group's senior executives is:

- Provide for fixed and performance incentive remuneration.
- Provide a remuneration package based on an annual review of market conditions, the group's performance and individual executive performance.
- Obtain independent external remuneration advice when required.

a. Fixed remuneration

Fixed remuneration is a function of size and complexity of the role, individual responsibilities, experience, skills and market pay levels. This consists of base salary, statutory leave entitlements and superannuation contributions. Executives are provided with the opportunity to salary sacrifice motor vehicle and superannuation benefits on a tax-compliant basis upon request.

b. At risk remuneration – Short term incentives

Performance incentives for senior executives are determined at the discretion of the Board after assessing the overall profitability of the group and considering the Managing Director's recommendations concerning each individual's contribution to company performance in the following areas:

- Business strategy implementation
- Revenue growth and margin improvement
- Workplace health and safety performance
- Forward order book

Each executive will have a maximum potential that is a function of their role and total fixed remuneration for their role.

Year ended 30 June 2013

The Board resolved on 23 July 2013 that the short term incentives payable to senior executives in respect of the year ended 30 June 2013 performance would be $190,000. The short term incentives were incurred as at 30 June 2013 therefore included in Bonus payables in Note 15.

Year ended 30 June 2012

The board resolved on 26 June 2012 that no short term incentives would be payable in respect of the year ended 30 June 2012 performance because the company's profitability targets were not achieved.

c. At risk remuneration – Long term incentives

A long term incentive framework was put in place during the year ended 30 June 2012 when the members present at the Annual General Meeting held on 23 November 2011 resolved to put in place the company's inaugural Employee Share Option Plan. The plan allows the Board to grant options over Seymour Whyte Limited ordinary shares to staff, including the executives of the group for nil consideration over a period based on long-term incentive measures. The Employee Share Option Plan is designed to focus staff on delivering long-term shareholder returns. Vesting of the options is subject to the group's Total Shareholder Return (TSR) relative to the TSR of constituents of the S&P/ ASX200, Net Profit After Tax relative to a target and Annual Earnings Per Share relative to a target. Vesting of options is also subject to continuing employment.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration report (continued)

d. Contract duration and termination requirements

The company has open-ended contracts with all of its senior executives. No termination payments are provided for under these contracts, other than statutory entitlements such as unused annual leave. The applicable notice periods vary by position:

NAME	CURRENT TITLE	NOTICE PERIOD
Rob Leacock	Deputy CEO, Company Secretary and General Counsel	6 Months
Gary Georgiou	General Manager – Operations	3 Months
Steve Davies-Evans	Estimating Manager	3 Months
Kate Strack	Human Resources Manager	3 Months

The Chief Financial Officer, Craig Galvin resigned on 27 May 2013 and left the Company on 1 July 2013. A payment for his statutory entitlements was made. No other termination payments were made.

Remuneration: Relationship to shareholder wealth

The Board believes that the adoption of the remuneration principles and policies discussed in this report has generally resulted in good business performance over the last five years. The following table demonstrates that this performance, defined in terms of net profit after tax, has generated a consistent stream of dividends for shareholders over this period:

	2009 (unlisted)	2010 (listed)	2011 (listed)	2012 (listed)	2013 (listed)
Net profit after tax $	9,170,009	11,873,113	12,256,187	8,847,815	9,265,834
Full year dividend per share (cents) [1]	5.99	7.56	8.00	6.00	8.00
Share price @ 30 June (cents) [1, 2]	-	105	230	99	105

These remuneration principles and policies will also allow the company to appropriately attract and retain key individuals capable of delivering improved shareholder wealth in the future.

Notes: 1 The 'per share' calculations shown above have been retrospectively adjusted for share splits.
2 The share prices shown at 30 June 2010, 2011, 2012 and 2013 are based on the ASX closing price.

Remuneration advice

During the year the Board did not engage any Remuneration Consultants for advice in relation to the remuneration of Key Management Personnel.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration report (continued)

Remuneration details: Directors and senior executives

Details of the nature and amount of each major element of remuneration for Directors and Key Management Personnel are as follows:

		Short-term benefits			Post Employment Benefits	Termination benefits	Long-term benefits	Share based benefits	Total	Proportion of performance related remuneration
		Cash salary & fees	Cash bonus	Non-cash benefits	Super benefits		Long service leave	Options		
		$	$	$	$	$	$	$	$	%
DIRECTORS										
Mac Drysdale Chairman	2013	120,000	-	-	-	-	-	-	120,000	-
	2012	120,000	-	-	-	-	-	-	120,000	-
Don Mackay Director	2013	66,818	-	-	3,182	-	-	-	70,000	-
	2012	63,636	-	-	6,364	-	-	-	70,000	-
John Seymour Director	2013	45,455	-	-	4,545	-	-	-	50,000	-
	2012	45,455	-	-	4,545	-	-	-	50,000	-
John Ready Director	2013	45,455	-	-	4,545	-	-	-	50,000	-
	2012	222,455	-	-	4,545	-	-	-	227,000	-
Susan Johnston Director	2013	45,455	-	-	4,545	-	-	-	50,000	-
	2012	37,878	-	-	3,788	-	-	-	41,666	-
David McAdam[1] Managing Director & CEO	2013	561,202	180,000	7,655	17,119	-	2,142	-	768,118	23.4%
	2012	-	-	-	-	-	-	-	-	-
SENIOR EXECUTIVES										
Rob Leacock Deputy CEO, General Counsel & Company Secretary	2013	424,486	50,000	5,387	24,975	-	30,420	8,104	543,372	10.7%
	2012	395,812	-	37,033	36,632	-	4,289	-	473,766	-
Gary Georgiou General Manager - Operations	2013	378,510	80,000	6,234	24,989	-	7,704	6,992	504,429	17.2%
	2012	281,022	-	5,898	27,936	-	26,827	-	341,683	-
Steve Davies-Evans Estimating Manager	2013	358,410	50,000	-	24,995	-	4,465	6,523	444,393	12.7%
	2012	344,041	-	4,028	31,751	-	43,157	-	422,977	-
Kate Strack[3] Human Resources Manager	2013	65,895	10,000	-	6,119	-	893	388	83,295	12.5%
	2012	-	-	-	-	-	-	-	-	-
FORMER										
Craig Galvin[2] Chief Financial Officer	2013	324,243	-	-	24,996	-	5,914	-	355,153	-
	2012	318,541	-	-	25,843	-	23,033	-	367,417	-
Gerd Wimberger[4] Strategic Project Development Manager	2013	71,770	-	5,380	17,579	207,585	(119,432)	-	182,882	-
	2012	334,145	-	5,935	20,141	-	13,117	-	373,338	-
Brian Riggall[5] Managing Director & CEO	2013	-	-	-	-	-	-	-	-	-
	2012	368,229	-	9,722	35,245	255,591	(87,791)	-	580,996	-
Total	**2013**	**2,507,699**	**370,000**	**24,656**	**157,589**	**207,585**	**(67,894)**	**22,007**	**3,221,642**	**-**
	2012	**2,531,214**	**-**	**62,616**	**196,790**	**255,591**	**22,632**	**-**	**3,068,843**	**-**

1. Mr McAdam was appointed as Managing Director on 1 February 2013.
2. Mr Galvin resigned as the CFO on 27 May 2013 and left the company on 1 July 2013.
3. Ms Strack was appointed Human Resources Manager on 25 March 2013.
4. Mr Wimberger resigned as the Strategic Project Development Manager on 5 February 2013.
5. Mr Riggall resigned as Managing Director on 1 April 2012.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration report (continued)

Share-based compensation

Options over ordinary shares

Options over ordinary shares of Seymour Whyte Limited granted to all employees and Key Management Personnel (KMP) at the date of this report are as follows:

Employee Share Option Plan	Grant date	Vesting date	Expiry date	Exercise price	Number of options granted to all employees	Number of options granted to KMP	Fair value per option at grant date
Option Plan 1	17 April 2013	15 January 2016	14 July 2016	Nil	572,500	260,000	$1.092
Option Plan 2	21 May 2013	1 September 2015	1 March 2016	Nil	1,770,961	402,432	$0.939

Options granted carry no dividend or voting rights. No person entitled to exercise the options had or has any right by virtue of the option to participate in any other share issue of the company.

Vesting of the options is subject to the group's Total Shareholder Return (TSR) relative to the TSR of constituents of the S&P/ ASX200, Net Profit After Tax relative to a target and Annual Earnings Per Share relative to a target. Vesting of options is also subject to continuing employment.

Details of options over ordinary shares provided to each of the Directors and Key Management Personnel during the year ended 30 June 2013 are as follows:

Name	Number of options granted	Value of options at grant date	Number of options vested	Value of options exercised	Number of options forfeited	Value of options forfeited	Remuneration consisting of options for the year
	No.	$	No.	$	No.	$	%
Directors							
Mac Drysdale	-	-	-	-	-	-	-
Don Mackay	-	-	-	-	-	-	-
John Seymour	-	-	-	-	-	-	-
John Ready	-	-	-	-	-	-	-
Susan Johnston	-	-	-	-	-	-	-
David McAdam	-	-	-	-	-	-	-
Senior executives							
Rob Leacock	220,000	219,585	-	-	-	-	1.49%
Gary Georgiou	197,500	196,163	-	-	-	-	1.39%
Steve Davies-Evans	185,000	183,660	-	-	-	-	1.47%
Kate Strack	19,932	18,716	-	-	-	-	0.5%
Former							
Craig Galvin[1]	40,000	43,600	-	-	40,000	43,600	-

1. Mr Galvin resigned as the CFO on 27 May 2013 and left the Company on 1 July 2013.

No options over ordinary shares were granted to the Directors and Key Management Personnel during the year ended 30 June 2012.

This concludes the remuneration report, which has been audited.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Shares under option

Details of options over ordinary shares of Seymour Whyte Limited granted to all employees at the date of this report have been included in the Remuneration Report.

Included in these options were options granted as remuneration to the five most highly remunerated officers during the financial year. The following options were granted to officers who are among the five highest remunerated officers of the group but not Key Management Personnel.

Name	Number of options granted
Sydney Phillips	135,196
Alistair Pagan	135,196

No options were granted to the Directors, Key Management Personnel or any of the five most highly remunerated officers of the group since the end of the financial year.

Shares issued on the exercise of options

No ordinary shares were issued during the year ended 30 June 2013 and up to the date of the report on the exercise of options granted.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

SEYMOUR WHYTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) (a) of the Corporations Act 2001.

On behalf of the Directors

Mac Drysdale
Director

Don Mackay
Director

28 August 2013
Brisbane

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Seymour Whyte Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Seymour Whyte Limited for the year ended 30 June 2013, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 28 August 2013

SEYMOUR WHYTE LIMITED
STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

			Consolidated
	Note	2013	2012
		$	$
Revenue and other income			
Revenue	3	274,282,324	276,277,364
Other income	4	806	3,190
Expenses			
Raw materials and consumables used		(223,685,416)	(224,542,249)
Employee benefits expense	5	(35,489,424)	(32,937,326)
Depreciation and amortisation expense	5	(1,384,982)	(1,414,466)
Finance costs		(129,880)	(144,375)
Rental expense		(1,058,860)	(877,526)
Share of profit/(loss) of associates accounted for using the equity method	12	50,177	(46,023)
Other expenses		(1,333,245)	(3,055,238)
Profit from continuing operations before tax		11,251,500	13,263,351
Income tax expense	6	(2,018,408)	(4,006,180)
Profit from continuing operations		9,233,092	9,257,171
Profit/(loss) from discontinued operations	7	32,742	(409,356)
Profit for the year		9,265,834	8,847,815
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to owners of the parent		9,265,834	8,847,815
		Cents	Cents
Basic earnings per share			
Earnings from continuing operations		11.87	11.90
Earnings from discontinuing operations		0.04	(0.50)
Total	25	11.91	11.40
Diluted earnings per share			
Earnings from continuing operations		11.52	11.90
Earnings from discontinuing operations		0.04	(0.50)
Total	25	11.56	11.40

The above statement of profit & loss and other comprehensive income should be read in conjunction with the accompanying notes.

SEYMOUR WHYTE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	Consolidated 2012 $
ASSETS			
Current assets			
Cash and cash equivalents	8	47,712,292	31,126,270
Trade and other receivables	9	35,844,843	46,852,589
Other assets	10	823,384	701,049
Total current assets		84,380,519	78,679,908
Non-current assets			
Other receivables	11	1,048,001	1,096,376
Equity accounted investments	12	1,047,944	997,767
Property, plant and equipment	13	7,463,455	5,826,781
Intangibles	14	1,739,642	926,307
Deferred tax assets	20	5,254,449	6,128,919
Total non-current assets		16,553,491	14,976,150
TOTAL ASSETS		100,934,010	93,656,058
LIABILITIES			
Current liabilities			
Trade and other payables	15	42,706,344	39,619,794
Borrowings	16	627,169	701,451
Current tax liabilities	17	804,964	2,313,356
Provisions	18	2,876,306	3,137,346
Total current liabilities		47,014,783	45,771,947
Non-current liabilities			
Borrowings	19	863,883	1,135,866
Deferred tax liabilities	20	5,848,931	5,944,595
Provisions	21	1,058,741	1,071,552
Total non-current liabilities		7,771,555	8,152,013
TOTAL LIABILITIES		54,786,338	53,923,960
NET ASSETS		46,147,672	39,732,098
EQUITY			
Issued capital	22	7,215,712	7,215,712
Share options reserve		68,331	-
Retained earnings		38,863,629	32,516,386
TOTAL EQUITY		46,147,672	39,732,098

The above statement of financial position should be read in conjunction with the accompanying notes.

SEYMOUR WHYTE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated Issued capital $	Share options reserve $	Retained earnings $	Total equity $
Balance at 1 July 2011		7,215,712		30,284,044	37,499,756
Total comprehensive income for the year		-	-	8,847,815	8,847,815
Sub-total		7,215,712	-	39,131,859	46,347,571
Transactions with owners in their capacity as owners:					
Dividends paid or provided for	24	-	-	(6,615,473)	(6,615,473)
Balance at 30 June 2012		7,215,712	-	32,516,386	39,732,098
Balance at 1 July 2012		7,215,712	-	32,516,386	39,732,098
Total comprehensive income for the year		-	-	9,265,834	9,265,834
Sub-total		7,215,712	-	41,782,220	48,997,932
Transactions with owners in their capacity as owners:					
Share options		-	68,331	-	68,331
Dividends paid or provided for	24	-	-	(2,918,591)	(2,918,591)
Balance at 30 June 2013		7,215,712	68,331	38,863,629	46,147,672

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

SEYMOUR WHYTE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated 2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		289,509,126	279,423,079
Payments to suppliers and employees		(264,082,726)	(264,158,350)
Net receipts from trading		25,426,400	15,264,729
Interest received		1,211,834	861,050
Interest and other finance costs paid		(129,880)	(144,375)
Income taxes paid		(2,762,026)	(3,413,061)
Net cash from operating activities	36	23,746,328	12,568,343
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		75,058	197,544
Payments for equity accounted investments		-	(1,043,789)
Payments for property, plant and equipment		(4,018,883)	(3,543,939)
Net cash used in investing activities		(3,943,825)	(4,390,184)
Cash flows from financing activities			
Proceeds from borrowings		416,166	1,229,311
Repayment of borrowings		(762,431)	(729,794)
Proceeds from repayment of employee share loans		48,375	199,292
Dividends paid		(2,918,591)	(6,615,473)
Net cash used in financing activities		(3,216,481)	(5,916,664)
Net increase in cash and cash equivalents		16,586,022	2,261,495
Cash and cash equivalents at the beginning of the year		31,126,270	28,864,775
Cash and cash equivalents at the end of the year	8	47,712,292	31,126,270

The above statement of cash flows should be read in conjunction with the accompanying notes.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. None of the new standards and amendments to standards that are mandatory for the current reporting period affected any of the amounts recognised in the current period or any prior period and not likely to affect future periods.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, the measurement at fair value of selected non-current assets, financial assets and financial liabilities (where applicable).

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Seymour Whyte Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. Seymour Whyte Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which Seymour Whyte Limited has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the statement of comprehensive income.

Note 1. Significant accounting policies (continued)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Functional and presentation currency

The financial statement is presented in Australian dollars, which is Seymour Whyte Limited's functional and presentation currency.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Construction revenue

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations, claims and incentive payments allowable under the contract. Construction profits are recognised on a percentage of completion basis and measured using the percentage of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, 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 that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Seymour Whyte Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 1. Significant accounting policies (continued)

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables consist of all receivables from construction contracts, including construction work in progress.

Construction work in progress is valued at cost, plus profit recognised to date less progress claims and any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis. Where payments received exceed the revenue recognised, the difference is recorded as a liability in the statement of financial position.

Other receivables include loans offered to shareholders of partly paid shares (PPS) as part of an employee incentivisation program previously disclosed to the market. The loans were offered to facilitate the payment of all outstanding amounts on their PPS. These loan monies were off-set against the outstanding unpaid balance on the related PPS, resulting in no net outflow of funds from the group.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment are depreciated either on a diminishing value basis or straight line basis as applicable over the assets useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated on a straight-line basis over the shorter of either the unexpired period of lease or the estimated useful lives of improvements.

The useful lives for each class of depreciable assets are:

Leasehold improvements	Period of lease
Plant and equipment	3-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased 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 fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 1. Significant accounting policies (continued)

Financial Instruments

Recognition and initial measurement

Financial instruments incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. Trade date accounting is adopted for financial assets that are derived within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent classification

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being a finite life of 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 1. Significant accounting policies (continued)

Interests in joint ventures

The group's interests in unincorporated joint ventures are brought to account using the proportionate consolidation method of accounting in the financial statements, including full revenue recognition for work managed. The group's share of the assets, liabilities, revenue and expenses of joint venture operations have been included in the appropriate line items of the financial statements. The Accounting standard permits only limited revenue recognition for work managed on those jointly controlled operations. The group does not incur expenditure up to the percentage of participation in the joint operation. As such the group recognises the full amount of the fee component and only the amount reimbursed for expenses incurred as revenue.

Associates

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit & loss and the share of movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associates.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the financial year.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group 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 the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised as current liabilities 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 as both current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 1. Significant accounting policies (continued)

Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte Carlo simulation 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.

Market conditions are taken into consideration in determining fair value. Therefore the fair value of the equity instruments is not reassessed throughout the vesting period irrespective of whether the market condition is ultimately satisfied. Non-market based vested vesting conditions such as service conditions continue to be assessed.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

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.

Dividends

Dividends are recognised when they are declared during the financial year and provided they are not at the discretion of the company once declared.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Seymour Whyte Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

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 tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are stated inclusive of GST receivable.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2013. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The group will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 will not have a material impact on the group.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately. Based on a preliminary assessment carried out by the group, no material changes are expected in the underlying revenue & profit or result of the joint ventures by deviating to the recognition requirements of AASB 11 from 1 July 2013.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. These disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will not significantly increase the amount of disclosures required to be given by the group as there has been no critical judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity, including joint ventures.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the group from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the group.

Note 1. Significant accounting policies (continued)

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The latter will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The group has performed a preliminary assessment of the effects of the new standard and foresees no material changes to the employee benefit provisions (including taking into account the effects of discounting of long term provisions).

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the group.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will have no impact on the group as the group does not have any netting arrangements in place.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will have no impact on the group as this standard merely clarifies existing requirements of AASB 132.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the group.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the group.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the group.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, 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.

Revenue

Revenue is recognised based on the percentage of completion method for construction contracts. Assessment of projects on a percentage of completion basis, in particular with regard to accounting for contract variations and claims, the timing of profit recognition and the amount of profit recognised requires significant judgement. The assumptions used by management to measure percentage of completion are in accordance with the accounting policy stated in note 1.

Share-based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Monte Carlo simulation pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than those previously estimated, or where technically obsolete or non-strategic assets that have been abandoned or sold have to be written off or written down.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	Consolidated	
	2013	**2012**
	$	**$**
Sales revenue		
Civil and engineering construction services	272,911,819	275,409,618
Other revenue		
Interest	1,224,944	850,196
Sundry revenue	145,561	17,550
	1,370,505	867,746
Total revenue	274,282,324	276,277,364

Note 4. Other income

	Consolidated	
	2013	**2012**
	$	**$**
Gain on disposal of property, plant and equipment	806	3,190

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 5. Expenses

	Consolidated 2013 $	Consolidated 2012 $
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Depreciation of plant and equipment	1,323,778	1,350,644
Amortisation of software	61,204	63,822
	1,384,982	1,414,466
Employee benefit expense		
Share options	68,331	-
Bonuses	1,066,400	-
Other employee benefits	34,354,693	32,937,326
	35,489,424	32,937,326
Loss on disposal of property, plant and equipment	109,640	124,292

Note 6. Income tax expense

	Consolidated 2013 $	Consolidated 2012 $
The components of tax expense comprise:		
Current tax on continuing operations	3,277,650	2,820,676
Deferred tax on continuing operations	139,891	1,189,822
Adjustment recognised for prior periods	-	(4,318)
Research and development tax credit	(1,399,133)	-
Income tax expense for continuing operations	2,018,408	4,006,180
Current tax on discontinued operations	14,032	(175,439)
Income tax expense	2,032,440	3,830,741
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 30% (2012: 30%)	3,389,482	3,803,567
Add tax effect of other non-allowable items	42,091	31,492
Less tax effect of prior year over provision for income tax in prior year	-	(4,318)
Less research and development tax credit	(1,399,133)	-
Income tax expense	2,032,440	3,830,741
Income tax attributable to the company	2,032,440	3,830,741
The applicable weighted average effective tax rates are as follows:	18%	30%

The weighted average effective tax rate for 2013 is lower compared to 2012 due to research and development tax credit reducing the income tax expense.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 7. Operating activities of discontinued operations

During the year ended 30 June 2012, the Directors resolved to close down the building division. The decision was made to concentrate on the group's core competency, which is complex civil engineering construction. The two current building projects under construction at the time of making this decision have since achieved practical completion.

Revenue and expense relating to the discontinuation of this activity have been removed from the results of continuing operations and are shown in a single line item on the face of the statement of profit & loss and other comprehensive income (no assets were remeasured or impaired as a result of this discontinuation).

	Consolidated 2013 $	Consolidated 2012 $
Revenue	2,132,804	3,075,279
Raw materials and consumables used	(1,819,993)	(1,892,159)
Employee benefits expense	(266,037)	(802,954)
Rental expense	-	(99,178)
Other expense	-	(865,783)
Profit (loss) from discontinued operations before income tax	46,774	(584,795)
Income tax (expense) benefit	(14,032)	175,439
Profit (loss) from discontinued operations	32,742	(409,356)

The discontinued operation did not carry any non-current assets therefore no revaluation of assets was applicable. The assets of the discontinued operation are made up of $Nil (2012: $85,967) in cash, $Nil (2012: $755,363) in receivables and $Nil (2012: $356,833) in liabilities at the end of the financial year ended 30 June 2013.

	Consolidated 2013 $	Consolidated 2012 $
Cash flows from discontinued operations		
Net cash inflow (used) in operating activities	511,847	(825,523)
Net cash flows for the year	511,847	(825,523)

Note 8. Current assets - cash and cash equivalents

	Consolidated 2013 $	Consolidated 2012 $
Cash at bank	31,751,156	23,538,521
Cash on deposit or at call	15,961,136	7,587,749
	47,712,292	31,126,270
Reconciliation to cash and cash equivalents at the end of the year		
The above figures are reconciled to cash and cash equivalents at the end of the year as shown in the statement of cash flows as follows:		
Cash and cash equivalents	47,712,292	31,126,270

Restrictions on cash and cash equivalents

Bank guarantee facility provided by ANZ is secured by a right of set-off in relation to $3.5m in term deposits. Refer note 30.

SEYMOUR WHYTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2013

Note 9. Current assets - trade and other receivables

		Consolidated 2013	2012
	Note	$	$
Trade receivables		16,763,770	9,335,368
Allowance for impairment of receivables	9(a)	-	(51,826)
		16,763,770	9,283,542
Amounts due from customers for construction contracts	9(b)	19,018,207	37,510,509
Other receivables		62,866	58,538
		35,844,843	46,852,589

(a) Allowance for impairment of receivables

Management believes there is a low risk of non-collection of receivables based on the size, age and nature of outstanding receivables at year end. Prior year balance recoverability issue has since been resolved.

(b) Construction contracts

Contract costs incurred	249,272,913	250,331,544
Recognised profits	23,638,906	28,153,353
	272,911,819	278,484,897
Progress billings	(253,893,612)	(240,974,388)
	19,018,207	37,510,509
Retentions receivable on construction contracts in progress	-	68,172

Note 10. Current assets – other assets

	Consolidated 2013	2012
	$	$
Prepayments	729,996	604,643
Security deposits	93,388	96,406
	823,384	701,049

Note 11. Non-current assets – other receivables

	Consolidated 2013	2012
	$	$
Other receivables	1,048,001	1,096,376

As part of an employee incentivisation program previously disclosed to the market, the group offered non-interest bearing loans to shareholders of partly paid shares (PPS) to facilitate the payment of all outstanding amounts on their PPS. These loan monies were offset against the outstanding unpaid balance on the related PPS, resulting in no net outflow of funds from the group.

Key terms of the loan agreement are:

- The loans are secured by a holding lock over the shareholdings until they are fully repaid and also a guarantee.
- Repayments are to be made from dividends payable to the shareholder based on a pre-agreed formula.

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Note 12. Non-current assets – equity accounted investments

Seymour Whyte Constructions Pty Ltd established SWS Plant Pty Ltd, as a marine barge hire company, together with the joint venture partner of the Townsville Port Inner Harbour Expansion (TPIX) Project. The company was established for the purpose of providing equipment for dredging work required for the TPIX project. The contribution to establish the entity was $1,043,790 and resulted in Seymour Whyte Constructions Pty Ltd obtaining a 50% investment and joint control in SWS Plant Pty Ltd. The initial investment was used to fund a barge, and as a result there was no goodwill included in the initial amount invested. SWS Plant Pty Ltd is a private entity and not listed on any public exchange.

	Consolidated 2013	2012
	$	$
Ownership in SWS Plant Pty Ltd	50%	50%
Reporting date	30 June	30 June
Share of associates statement of financial position		
Current assets	754,258	1,009
Non-current assets	300,458	996,758
Current liabilities	(6,772)	-
Non-current liabilities	-	-
Equity	1,047,944	997,767
Share of associates income and expenses		
Income	729,824	-
Expenses	(658,141)	(65,747)
Share of equity accounted profit (loss) before income tax	71,683	(65,747)
Income tax (expense) benefit	(21,506)	19,724
Share of equity accounted net profit (loss)	50,177	(46,023)

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

	Consolidated 2013	2012
	$	$
Plant and equipment – at cost	12,816,409	10,129,287
Accumulated depreciation	(5,352,954)	(4,302,506)
	7,463,455	5,826,781

a) Movements in carrying amounts

Balance at start of the year	5,826,781	4,942,262
Additions	3,144,344	2,553,809
Disposals	(183,892)	(318,646)
Depreciation expense	(1,323,778)	(1,350,644)
Balance at end of the year	7,463,455	5,826,781

(b) Assets in the course of construction

Amounts included in plant and equipment at cost which relate to assets in the course of construction as at year end.	-	6,000

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Note 14. Non-current assets - intangibles

	Consolidated	
	2013	**2012**
	$	**$**
Software - at cost	1,864,668	990,129
Accumulated amortisation	(125,026)	(63,822)
	1,739,642	926,307

a) Movements in carrying amounts

Balance at the start of the year	926,307	-
Additions	874,539	990,129
Amortisation	(61,204)	(63,822)
Balance at end of the year	1,739,642	926,307

(b) Assets in the course of development

Amounts included in intangibles which relate to assets in the course of development as at year end	1,558,647	684,108

Software consists of capitalised development costs of the construction accounting software and other internally developed software used in the engineering operations of the business. The construction accounting software was in the course of development at year end therefore not amortised. Other software costs are amortised over the useful life of 5 years on a straight-line basis.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2013	**2012**
	$	**$**
Trade payables	9,471,313	16,100,746
Construction accruals	17,243,590	9,531,931
Amounts due to customers under construction contracts	11,296,103	11,105,871
Sundry payables and accrued expenses	3,628,938	2,650,796
Redundancy payables	-	230,450
Bonus payables	1,066,400	-
	42,706,344	39,619,794

Note 16. Current liabilities - borrowings

	Consolidated	
	2013	2012
	$	$
Lease liability, hire purchase and chattel mortgages	627,169	701,451

Financiers have either ownership of or a fixed and floating charge secured over the funded asset.

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Note 17. Current liabilities - income tax

	Consolidated	
	2013	**2012**
	$	**$**
Income tax payable	804,964	2,313,356

Note 18. Current liabilities - provisions

	Consolidated	
	2013	**2012**
	$	**$**
Employee benefits	2,876,306	3,137,346

Provision has been recognised for employee entitlements relating to annual and long service leave. The measurement and recognition criteria relating to employee benefits has been included in note 1 to the financial statements.

Note 19. Non-current liabilities - borrowings

	Consolidated	
	2013	**2012**
	$	**$**
Lease liability, hire purchase and chattel mortgages	863,883	1,135,866

Financiers have either ownership of or a fixed and floating charge secured over the funded asset.

Note 20. Non-current - deferred tax assets and deferred tax liabilities

	Opening balance	**Charge to Statement of Comprehensive Income**	**Under provision from prior year**	**Closing balance**
	$	**$**	**$**	**$**
Deferred tax assets				
Provision and accruals	2,688,459	3,350,126	90,334	6,128,919
Balance at 30 June 2012	2,688,459	3,350,126	90,334	6,128,919
Provision and accruals	6,128,919	(936,957)	62,487	5,254,449
Balance at 30 June 2013	6,128,919	(936,957)	62,487	5,254,449
Deferred tax liabilities				
Accrued interest	14,992	(3,256)	-	11,736
Uncertified debtors	3,769,299	2,163,560	-	5,932,859
Balance at 30 June 2012	3,784,291	2,160,304	-	5,944,595
Accrued interest	11,736	7,189	-	18,925
Fringe benefits accrual	-	72,354	-	72,354
Uncertified debtors	5,932,859	(175,207)	-	5,757,652
Balance at 30 June 2013	5,944,595	(95,664)	-	5,848,931

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Note 21. Non-current liabilities - provisions

	Consolidated 2013 $	Consolidated 2012 $
Employee benefits	1,058,741	1,071,552

Provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in note 1 to the financial statements.

Note 22. Equity - issued capital

	Consolidated		Consolidated	
	2013 Shares	2012 Shares	2013 $	2012 $
Ordinary shares - fully paid	77,829,092	77,829,092	7,312,518	7,312,518

Movements in ordinary share capital

Details	Date	No of shares	Issue Price $	$
Balance	1 July 2011	77,829,092		7,312,518
Share issue transaction costs, net of tax				(96,806)
Balance	30 June 2012	77,829,092		7,215,712
Issue of shares		-	-	-
Balance	30 June 2013	77,829,092		7,215,712

Shareholder rights

Participation in dividends for all shares is in proportion to the amount paid up in respect of those shares. In the event of winding up, shares have the right to participate in the proceeds from the sale of surplus assets in proportion to the number of and amount paid up on the shares held. At a meeting, each shareholder present has one vote on a show of hands, and if a poll is called each shareholder present votes in proportion to the number of and amount paid up on their shares.

Compulsory restriction

All holders of shares issued under the employee share plan are subject to a compulsory restriction. ATO requires restriction of shares until the earlier of a period of three years from issue or the date of cessation of their employment with the group. The number of restricted shares recorded on the company share register at year end was 10,832 (2012: 11,264).

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Note 23. Share-based payments

Set out below are summaries of options granted to employees of the group during the year under the Employee Share Option Plan:

Employee Share Option Plan	Grant date	Vesting date	Expiry date	Exercise price	Balance 1 July 2012	Granted	Forfeited	Balance 30 June 2013
Option Plan 1	17 April 2013	14 January 2016	14 July 2016	$-	-	572,500	(40,000)	532,500
Option Plan 2	21 May 2013	1 September 2015	1 March 2016	$-	-	1,770,961	-	1,770,961

Options granted carry no dividend or voting rights. No person entitled to exercise the options had or has any right by virtue of the option to participate in any other share issue of the company.

Vesting of the options is subject to the group's Total Shareholder Return (TSR) relative to the TSR of constituents of the S&P/ ASX200, Net Profit After Tax relative to a target and Annual Earnings Per Share relative to a target. Vesting of options is also subject to continuing employment.

No options were granted under the Employee Share Option Plan during the year ended 30 June 2012.

The weighted average remaining contractual life of options outstanding at the end of the financial year is 2.9 years.

For the options granted during the year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Employee Share Option Plan	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
Option Plan 1	$1.19	-	3.15%	-	$1.092
Option Plan 2	$1.02	71.60%	3.68%	3.15%	$0.939

Note 24. Equity - dividends

	Consolidated 2013 $	Consolidated 2012 $
Final dividend for the year ended 30 June 2012 (2012: 30 June 2011) of 2.00 cents (2012: 4.50 cents) per ordinary share fully franked at the tax rate of 30%	1,556,582	3,502,309
Interim dividend for the year ended 30 June 2013 (2012: 30 June 2012) of 1.75 cents (2012: 4.00 cents) per ordinary share fully franked at the tax rate of 30%	1,362,009	3,113,164
	2,918,591	6,615,473

In addition to the above dividends, since year end the Directors declared a final dividend for the year ended 30 June 2013 of 6.25 cents per ordinary share to be paid on 18 October 2013. The total aggregate amount of proposed dividend expected to be paid but not recognised as liability at year end is $4,864,318. As the dividend was fully franked, there are no income tax consequences for the owners of Seymour Whyte Limited relating to this dividend.

Franking credits

	Consolidated 2013 $	Consolidated 2012 $
The balance of franking account at reporting date, adjusted for franking credits which arise from the payment of income tax provided for in the financial statement is:	14,634,955	15,355,569

The impact of the final dividend, determined after reporting date, on the dividend franking account will be a reduction of $2,084,208 (2012: $667,107).

Note 25. Earnings per share

	Consolidated 2013 $	2012 $
Profit after income tax attributable to the owners of Seymour Whyte Limited	9,265,834	8,847,815
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	77,829,092	77,829,092
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	2,303,461	-
	80,132,553	77,829,092

	Consolidated 2013 Cents	2012 Cents
Basic earnings per share		
Earnings from continuing operations	11.87	11.90
Earnings from discontinuing operations	0.04	(0.50)
Total	11.91	11.40
Diluted earnings per share		
Earnings from continuing operations	11.52	11.90
Earnings from discontinuing operations	0.04	(0.50)
Total	11.56	11.40

Note 26: Capital risk management

The group's capital includes ordinary shares and financial liabilities, which are supported by financial assets. The group maintains high levels of working capital to ensure sufficient liquidity exists to fund its construction operations, and to meet the financial prequalification targets set by customers. These targets are typically defined in terms of a minimum percentage of working capital to revenue or net assets to revenue which must be achieved in order for the company to be eligible to bid larger construction projects.

The group also maintains low level of debts in order to ensure sufficient capacity exists for bank guarantee and bonding facilities. These facilities provide head contract securities that are required by traditional contracts. The group retains approximately 50% of its net profit after tax to fund further growth and pays out the balance of funds to its shareholders, in order to provide them with a fair return on their investment. There have been no significant changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group's leverage remains between 0% and 25%.

The leverage for the year ended 30 June 2013 and 30 June 2012 are as follows:

	Consolidated 2013 $	2012 $
Trade and other payables	42,706,344	39,619,794
Total borrowings	1,491,052	1,837,317
Less cash and cash equivalents	(47,712,292)	(31,126,270)
Net (cash)/ debt	(3,514,896)	10,330,841
Total equity	46,147,672	39,732,098
Total capital	42,632,776	50,062,939
Leverage	(8)%	21%

The leverage percentage indicates that the group had net cash rather than net debt as at 30 June 2013.

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Note 27. Financial instruments

(a) *Financial risk management policies*

The group's financial instruments mainly consist of cash, trade receivables and trade payables. Their main function is to fund construction operations. The group does not hold any derivatives.

Treasury risk management

A number of senior company executives meet periodically to monitor the group's approach to financial risk management. The group adopts conservative risk management practices that are aimed at ensuring adequate cash flow and minimising capital risks. These practices are subject to oversight from the Audit Committee and the Risk Management Committee.

Financial risks

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk, interest rate risk and commodity price risk (the group is not exposed to any significant foreign exchange risks).

Credit risk

Credit risk represents the possibility that a counter-party to a transaction may default on payment. The maximum exposure to credit risk is the carrying amount of the asset, as disclosed in the financial statements (net of any provision for impairment). Credit risk is managed by ensuring banks and financial institutions holding the group's cash have an 'A' grade credit rating & involve terms of no more than three months, ensuring all major customers are assessed for credit worthiness, working closely with customers to avoid misunderstandings and monitoring the ageing of receivables. Customers that fall outside the group's strict credit guidelines may face legal action.

Liquidity risk

Liquidity risk represents the possibility that the group might encounter difficulty in paying its debts or other financial obligations as and when they fall due. The likely exposure to liquidity risk is evaluated by making assessments based on inputs such as financial ratios (e.g. current ratio and debt to equity ratio). Liquidity risk is managed by maintaining high levels of working capital, monitoring forecast cash flows on a rolling weekly, monthly and annual basis and monitoring the ageing of receivables and payables.

Interest rate risk

Interest rate risk represents the possibility that unfavourable interest rate movements may adversely affect the company's financial performance. The company's exposure to interest rate risk is evaluated by comparing cash and borrowing levels to indicative interest rate movements. Interest rate risk on deposits is managed by negotiating optimal deposit rates (subject to the 'A' rating and three month terms noted above). Interest rate risk on borrowings is managed by ensuring the company only borrows for purchases of self-securing capital items such as site vehicles, thereby minimising the overall quantum of borrowings and the cost of funds.

Commodity price risk

Commodity price risk represents the possibility that unfavourable commodity price movements may adversely affect the company's financial performance. The likely exposure to commodity price risk is evaluated by observing procurement trends in the market place and by monitoring movements in price indexes produced by the Australian Bureau of Statistics. Commodity price risk is managed by negotiating rise & fall clauses in construction contracts (where possible) and otherwise providing for pricing risks when tendering contracts.

(b) Financial instrument composition and maturity analysis

	Within 1 year 2013 $	2012 $	1 to 5 years 2013 $	2012 $	Over 5 years 2013 $	2012 $	Total 2013 $	2012 $
Financial Assets								
Cash and cash equivalents	47,712,292	31,126,270	-	-	-	-	47,712,292	31,126,270
Trade and other receivables	35,844,843	46,852,589	-	-	-	-	35,844,843	46,852,589
Total Financial Assets	83,557,135	77,978,859	-	-	-	-	83,557,135	77,978,859
Financial liabilities								
Trade and other payables	42,706,344	39,619,794	-	-	-	-	42,706,344	39,619,794
Borrowings plus interest	759,130	819,589	951,511	1,362,473	-	-	1,710,641	2,182,062
Total financial liabilities	43,465,474	40,439,383	951,511	1,362,473	-	-	44,416,985	41,801,856

Trade payables and receivables are non-interest bearing assets and liabilities. The group also has significant interest bearing assets. Refer to note 27 (d) for an interest rate sensitivity analysis.

Note 27. Financial instruments (continued)

(c) Net fair values

No financial assets and liabilities are readily traded on organised markets in standardised form. Consequently, the Directors have ensured that the carrying amount of financial assets and liabilities equals their net fair value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to the financial statements. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are shown below:

	2013		2012	
	Carrying Amount	**Net fair value**	**Carrying Amount**	**Net fair value**
	$	**$**	**$**	**$**
Financial Assets				
Cash and cash equivalents	47,712,292	47,712,292	31,126,270	31,126,270
Trade and other receivables	35,844,843	35,844,843	46,852,589	46,852,589
Total financial assets	83,557,135	83,557,135	77,978,859	77,978,859
Financial liabilities				
Trade and other payables	42,706,344	42,706,344	39,619,794	39,619,794
Borrowings	1,491,052	1,491,052	1,837,317	1,837,317
Total financial liabilities	44,197,396	44,197,396	41,457,111	41,457,111

(d) Sensitivity analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk that management considers to be reasonably possible. The analysis has been performed on the assumption of all other variables remaining constant.

		Consolidated
	2013	**2012**
	$	**$**
Change in profit		
Increase in interest rate by 1.0% (2012:1.0%)	275,935	209,969
Decrease in interest rate by 0.5% (2012:1.0%)	(137,967)	(104,985)
Change in equity		
Increase in interest rate by 1.0% (2012:1.0%)	275,935	209,969
Decrease in interest rate by 0.5% (2012:1.0%)	(137,967)	(104,985)

Note 28. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the group is set out below:

		Consolidated
	2013	**2012**
	$	**$**
Short-term employee benefits	2,902,355	2,593,830
Post-employment benefits	157,589	196,790
Long-term benefits	(67,894)	22,632
Termination benefits	207,585	255,591
Share-based payments	22,007	-
	3,221,642	3,068,843

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Note 28. Key management personnel disclosures (continued)

The Directors' report provides further details of the remuneration paid or payable to each member of the group's Key Management Personnel for the years ended 30 June 2013 and 30 June 2012.

The number of shares in the parent entity held during the financial year by each Director and other members of Key Management Personnel of the group, including their personally related parties, is set out below:

	Balance at beginning of year	Shares acquired during the year	Shares sold during the year	Balance at year end
30 June 2013				
Directors				
Mac Drysdale	50,000	50,000	-	100,000
Don Mackay	30,000	-	-	30,000
John Seymour	18,260,396	30,883	-	18,291,279
John Ready	20,000	-	-	20,000
Susan Johnston	-	-	-	-
David McAdam	-	53,000	(53,000)	-
Senior executives				
Rob Leacock	-	-	-	-
Gary Georgiou	259,972	-	-	259,972
Steve Davies-Evans	945,000	-	-	945,000
Kate Strack	-	-	-	-
Former				
Gerd Wimberger[2]	1,271,948	-	-	1,271,948
Craig Galvin[1]	860,972	-	(120,972)	740,000

1. Mr Galvin resigned as the CFO on 27 May 2013 and left the company on 1 July 2013.
2. Mr Wimberger resigned as the Strategic Project Development Manager on 5 February 2013.

	Balance at beginning of year	Shares acquired during the year	Shares sold during the year	Balance at year end
30 June 2012				
Directors				
Mac Drysdale	50,000	-	-	50,000
Don Mackay	20,000	10,000	-	30,000
John Seymour	19,061,396	200,000	(1,001,000)	18,260,396
John Ready	20,000	-	-	20,000
Senior executives				
Rob Leacock	500,000	-	(500,000)	-
Craig Galvin	860,972	-	-	860,972
Gerd Wimberger	1,521,948	-	(250,000)	1,271,948
Steve Davies-Evans	1,045,000	-	(100,000)	945,000
Gary Georgiou	380,972	-	(121,000)	259,972
Former				
Garry Whyte	21,061,396	386,200	(56,200)	21,391,396
Brian Riggall	4,500,000	-	(1,612,000)	2,888,000

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Note 28. Key management personnel disclosures (continued)

Option over ordinary shares

The number of options over ordinary shares in the parent entity held during the financial year by each Director and other members of Key Management Personnel of the group is set out below:

	Balance at start of the year	Granted as remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year
2013					
Directors					
Mac Drysdale	-	-	-	-	-
Don Mackay	-	-	-	-	-
John Seymour	-	-	-	-	-
John Ready	-	-	-	-	-
Susan Johnston	-	-	-	-	-
David McAdam	-	-	-	-	-
Senior executives					
Rob Leacock	-	220,000	-	-	220,000
Gary Georgiou	-	197,500	-	-	197,500
Steve Davies-Evans	-	185,000	-	-	185,000
Kate Strack	-	19,932	-	-	19,932
Former					
Gerd Wimberger[2]	-	-	-	-	-
Craig Galvin[1]	-	40,000	-	(40,000)	-

1. Mr Galvin resigned as the CFO on 27 May 2013 and left the company on 1 July 2013.
2. Mr Wimberger resigned as the Strategic Project Development Manager on 5 February 2013.

The Directors and other members of the Key Management Personnel had no options over ordinary shares in the parent entity during the financial year ended 30 June 2012.

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd.

	Consolidated 2013 $	2012 $
Audit services		
Audit or review of the financial statements	90,500	85,000
Other services		
Systems review and advisory services	26,025	6,063

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Note 30. Contingent liabilities

	Consolidated 2013 $	2012 $
Claims		
At the date of signing this report the Directors are not aware of any material contingent claims against the group.		
Bank guarantee and insurance bonds		
Bank guarantees and insurance bonds are issued in the normal course of business to guarantee performance under traditional contracts		
A bank guarantee facility is provided by ANZ Bank. It is secured by a Mortgage Debenture and Corporate Guarantee and Indemnity over all assets of the group, and a right of set-off in relation to $3.5m in term deposits. At reporting date the group was in compliance with all terms and conditions of the facilities.	18,250,000	18,000,000
The total facility used was:	16,257,795	5,212,893
Insurance bond facilities are provided by Vero and Swiss Re International which are secured by Deeds of Indemnity and Guarantee. At reporting date the group was in compliance with all terms and conditions of the facilities.	30,000,000	10,000,000
The total facility used was:	12,112,094	9,185,499
Other facilities		
Other facilities are used to fund the acquisition of generic plant and equipment such as motor vehicles and light trucks.		
The group has an asset finance facility in place with ANZ which is secured by providing ownership of or mortgages over assets purchased through the facility.	4,000,000	2,000,000
The total facility used was:	1,491,052	1,837,317

Note 31. Commitments

	Consolidated 2013 $	2012 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities:		
Within one year	1,013,406	777,246
One to five years	4,081,082	3,101,176
Greater than five years	619,096	1,009,707
	5,713,584	4,888,129

All operating leases are for a period of 60 months in relation to office machines. The lease of the premises are mainly for the periods of three to seven years.

Note 31. Commitments (continued)

Lease commitments - finance

	Consolidated 2013 $	2012 $
Committed at the reporting date and recognised as liabilities:		
Within one year	759,130	865,487
One to five years	951,511	1,316,575
Greater than five years	-	-
Total commitment	1,710,641	2,182,062
Less: Future finance charges	(219,589)	(344,745)
Net commitment recognised as liabilities	1,491,052	1,837,317
Representing:		
Lease liability - current (note 16)	627,169	701,451
Lease liability - non-current (note 19)	863,883	1,135,866
	1,491,052	1,837,317

The finance leases, chattel mortgages and hire purchase agreements on plant, equipment and motor vehicles have durations between 36 to 60 months.

Note 32. Related party transactions

	Consolidated 2013 $	2012 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties		
Rent paid (GST exclusive) to a Director (John Seymour) related entity for premises at Garden City Office Park, 14/2404 Logan Road, Eight Mile Plains, Queensland. The current term expired on 30 June 2012 and ran on a month to month agreement until April 2013.	232,500	279,004
Media publicity fees paid (GST exclusive) to an entity related to a Director (John Ready) of Seymour Whyte Limited. These services are provided as required and are subject to independent review and scrutiny by the Board of Directors.	40,353	-
IT consulting fees paid (GST exclusive) to an entity related to the Managing Director (David McAdam). These services are provided as required and are subject to independent review and scrutiny by the Board of Directors.	136,561	-
Balances with related parties		
As part of an employee incentivisation program previously disclosed to the market, the group offered loans to shareholders of partly paid shares (PPS) to facilitate the payment of all outstanding amounts on their PPS. Further details in respect of this transaction are disclosed at Note 11. The loan amount at balance date was:	1,048,001	1,096,376

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent 2013 $	2012 $
Profit after income tax	2,756,829	6,838,726
Current assets	1,877,667	3,319,843
Non current assets	6,779,315	6,938,249
Total assets	8,656,982	10,258,092
Current liabilities	1,057,320	2,500,202
Current liabilities	-	64,797
Total liabilities	1,057,320	2,564,999
Net assets	7,599,662	7,693,093
Issued capital	7,215,712	7,215,712
Share options reserve	68,331	-
Retained earnings	315,619	477,381
Total equity	7,599,662	7,693,093

Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2013.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2013.

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:

	Country of Incorporation	Equity Interest 2013 %	2012 %
Seymour Whyte Constructions Pty Ltd	Australia	100	100

Note 35: Interests in joint ventures

(a) Interests in joint venture entities

Seymour Whyte Constructions Pty Ltd, a subsidiary, has the following investments in joint venture entities:

	Principal Activities	Equity Interest 2013 %	2012 %
Hale Street Link Joint Venture	Civil Construction	33.3	33.3
Abigroup Seymour Whyte Joint Venture	Civil Construction	50.0	50.0
D2G Joint Venture	Civil Construction	14.0	14.0
BMD Seymour Whyte Joint Venture	Civil Construction	50.0	50.0
Seymour Whyte Smithbridge Joint Venture	Civil Construction	50.0	50.0
Bouygues Seymour Whyte Joint Venture	Civil Construction	50.0	50.0

The Group's interest in joint venture entities is brought to account using the proportionate consolidation method of accounting.

The group's share of their results, assets and liabilities is as follows:

	Consolidated 2013 $	2012 $
Revenue	143,701,283	187,405,480
Expenses	(128,055,696)	(165,560,615)
Profit before income tax	15,645,587	21,844,865
Current assets		
Cash and cash equivalents	12,174,259	20,536,763
Trade and other receivables	12,806,959	33,350,857
	24,981,218	53,887,620
Current liabilities		
Trade and other payables	12,177,588	34,011,204
	12,177,588	34,011,204

(b) Interest in joint venture operations

Seymour Whyte Constructions Pty Ltd, a subsidiary, has the following investments in joint venture operations.

	Principal Activities	Profit Entitlement 2013 %	2012 %
Banora Point Upgrade Alliance	Civil Construction	30	30
Seymour Whyte Boral Joint Venture	Civil Construction	50	-

Note 36. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2013 $	2012 $
Profit after income tax expense for the year	9,265,834	8,847,815
Adjustments for:		
Depreciation and amortisation	1,384,982	1,414,466
Net loss on disposal of non-current assets	108,834	121,102
Share of (profit)/ loss – equity accounted investments	(50,177)	46,023
Employee benefit expense – share options	68,331	-
Change in operating assets and liabilities:		
Decrease/ (increase) in trade and other receivables	11,007,746	(8,779,043)
Increase in other assets	(122,335)	(382,793)
Decrease/ (increase) in deferred tax assets	874,470	(3,440,460)
Increase in trade and other payables	3,086,550	10,777,866
(Decrease)/ increase in current tax liabilities	(1,508,392)	1,697,837
(Decrease)/ increase in provisions	(273,851)	105,226
(Decrease)/ increase in deferred tax liabilities	(95,664)	2,160,304
Cash flow from operations	23,746,328	12,568,343

Note 37. Operating segments

Identification of reportable operating segments

The group identifies its operating segments based on the internal reports that reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining allocation of resources.

Due to a change in internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in the period following the disposal of a discontinued operation (building segment) in the year ended 30 June 2012 (Refer note 7), one operating segment (civil) was identified. This segment is reported in the primary financial reports, therefore no separate disclosures have been made.

Major customers

The group generates all its revenues from its external customers through its core business activity of civil engineering works. External customers include several state government departments subject to common control that represents more than 10% of revenue. In 2013, the group's largest customer accounted for 85% of external revenue, the next largest customers accounted for 9% and 6% respectively. In 2012, the group's largest external customer accounted for 72% of external revenue, the next largest customers accounted for 18%, 6% and 4% respectively.

Revenues and non-current assets by geographical areas

All revenues from external customers during the year are attributed in Australia. No revenues are attributed to foreign countries. All non-current assets are attributed in Australia. No non-current assets are attributed to foreign countries.

Note 38. Events after the reporting period

At the date of signing this report the Directors are not aware of any other matters, which in the opinion of the Directors, has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Seymour Whyte Limited
Directors' Declaration

In the opinion of the Directors of Seymour Whyte Limited:

1. The financial statements and notes, as set out on pages 22 to 52, and the additional disclosures included in the Directors Report designated as audited are in accordance with the Corporations Act 2001, including:
    a) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
    b) Complying with International Financial Reporting Standards as disclosed in note 1; and
    c) Giving a true and fair view of the group's financial position as at 30 June 2013 and of the performance for the year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from by the Chief Executive Officer and Interim Chief Financial Officer for the year ended 30 June 2013.

The declaration is made in accordance with a resolution of Directors.

K.M. Drysdale.

Mac Drysdale
Director

Don Mackay
Director

28 August 2013
Brisbane

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Independent Auditor's Report
To the Members of Seymour Whyte Limited

Report on the financial report

We have audited the accompanying financial report of Seymour Whyte Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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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 Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Auditor's opinion
In our opinion:

a the financial report of Seymour Whyte Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 13 to 18 of the directors' report for the year ended 30 June 2013. 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.

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Auditor's opinion on the remuneration report
In our opinion, the remuneration report of Seymour Whyte Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 28 August 2013

SEYMOUR WHYTE LIMITED
SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 27 August 2013.

Distribution of ordinary shareholders

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

Holding Range	Number of holders	Number of shares
1 to 1,000	251	140,585
1,001 to 5,000	641	2,142,453
5,001 to 10,000	499	4,030,026
10,001 to 100,000	584	14,663,935
100,001 and over	33	56,852,093
Total		77,829,092

There were 75 shareholders who held less than a marketable parcel of $500 worth of shares.

Largest ordinary shareholders

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

Name	Number held	Percentage Held
Racelid Pty Ltd	21,005,196	26.99%
Rabtuvi Pty Ltd	18,091,279	23.24%
RBC Investor Services Australia Nominees Pty Ltd	2,525,611	3.25%
HCBC Custody Nominees Australia Limited	1,950,769	2.51%
Moreton Bay Dreaming Pty Ltd	1,800,000	2.31%
Bennyco Pty Ltd	1,271,948	1.63%
Hindmarsh Island Pty Ltd	1,111,201	1.43%
Asia Union Investments Pty Ltd	1,111,843	1.43%
Chandler Constructions Pty Ltd	900,000	1.16%
Racelid Pty Ltd (The G J Whyte Family a/c)	833,200	1.07%
National Nominees Limited	830,206	1.07%
Otchi Investments Pty Ltd	740,000	0.95%
Kyriacou Equities Pty Ltd	638,732	0.82%
Washington H Soul Pattinson & Company Limited	415,000	0.53%
Pineview Enterprises	400,000	0.51%
Netwealth Investments Pty Ltd	282,742	0.36%
AAM Superannuation Fund	265,270	0.34%
Xavier Equities Pty Ltd	259,972	0.33%
J P Morgan Nominees Australia Limited	243,829	0.31%
D G Chilcott Constructions Pty Ltd	200,000	0.26%

Unquoted equity securities

Name	Number on issue	Number of holders
Options over ordinary shares issued	2,343,461	152

Substantial shareholders

Substantial shareholders who have notified the company in accordance with section 671B of the Corporation Act 2001 are:

Name	Number held	Percentage Held
Racelid Pty Ltd & The G J Whyte Family a/c (entities associated with Garry Whyte)	21,838,396	28.06%
Rabtuvi Pty Ltd & Peta Seymour Foundation a/c (entities associated with John Seymour)	18,291,279	23.50%

Voting rights

Each shareholder present at a meeting has one vote on a show of hands, and if a poll is called each shareholder present votes in proportion to the number of and amount paid up on their shares.

Voluntary escrowed shares

There are no shares subject to voluntary escrow.

SEYMOUR WHYTE LIMITED
CORPORATE DIRECTORY

Directors	Mac Drysdale Don Mackay John Seymour John Ready Susan Johnston David McAdam
Company secretary	Rob Leacock
Registered office and principal place of business	Brisbane Technology Park 12 Electronics Street Eight Mile Plains Qld 4113 Phone: (07) 3340 4800 Fax: (07) 3340 4811
Share register	Computershare Investor Services Pty Ltd 117 Victoria Street West End Qld 401 Phone: 1300 55 22 70 www.investorcentre.com/contact
Auditor	Grant Thornton Audit Pty Ltd Kings George Central Level 18, 145 Ann Street Brisbane Qld 4000 www.grantthornton.com.au
Solicitors	McCullough Robertson Level 11, Central Plaza Two 66 Eagle Street Brisbane Qld 4000 www.mccullough.com.au
Bankers	Australia and New Zealand Banking Group Limited (ANZ) www.anz.com
Stock exchange listing	Seymour Whyte Limited shares are listed on the Australian Securities Exchange (ASX code: SWL)
Website	www.seymourwhyte.com.au

SEYMOUR WHYTE

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