



Infrastructure



Energy



Resources



Building on our performance through diversification

RCR is a leading provider of integrated engineering solutions in the infrastructure, energy and resources sectors.

As one of Australia's oldest and most diversified engineering and infrastructure companies, RCR uses in-house expertise to provide a comprehensive range of engineering and construction solutions from design and manufacture, to construction, installation, maintenance and off-site repair.

RCR's three business streams, RCR Infrastructure, RCR Energy and RCR Resources, employ 3,817 people supporting major infrastructure, energy and resource projects across our extensive network of operations in Australia, New Zealand and SE Asia.

RCR has a long and proud history reaching back over 119 years.

RCR is a constituent member of the S&P/ASX All-Australian 200 Index.

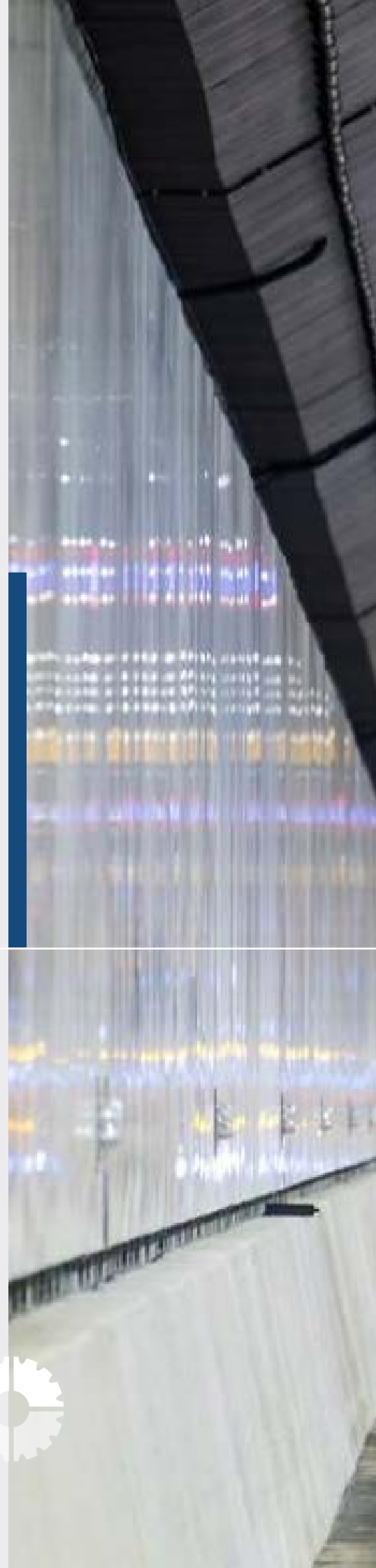
Integrated engineering solutions

Additional information is available at

www.rcrtom.com.au



RCR Mechanical and Electrical fit-out
Transcity JV's Legacy Way Tunnel,
Brisbane, QLD





LEGACY WP

80

80

LEGACY WP

80

80

LEGACY WP

LEGACY WP

Infrastructure

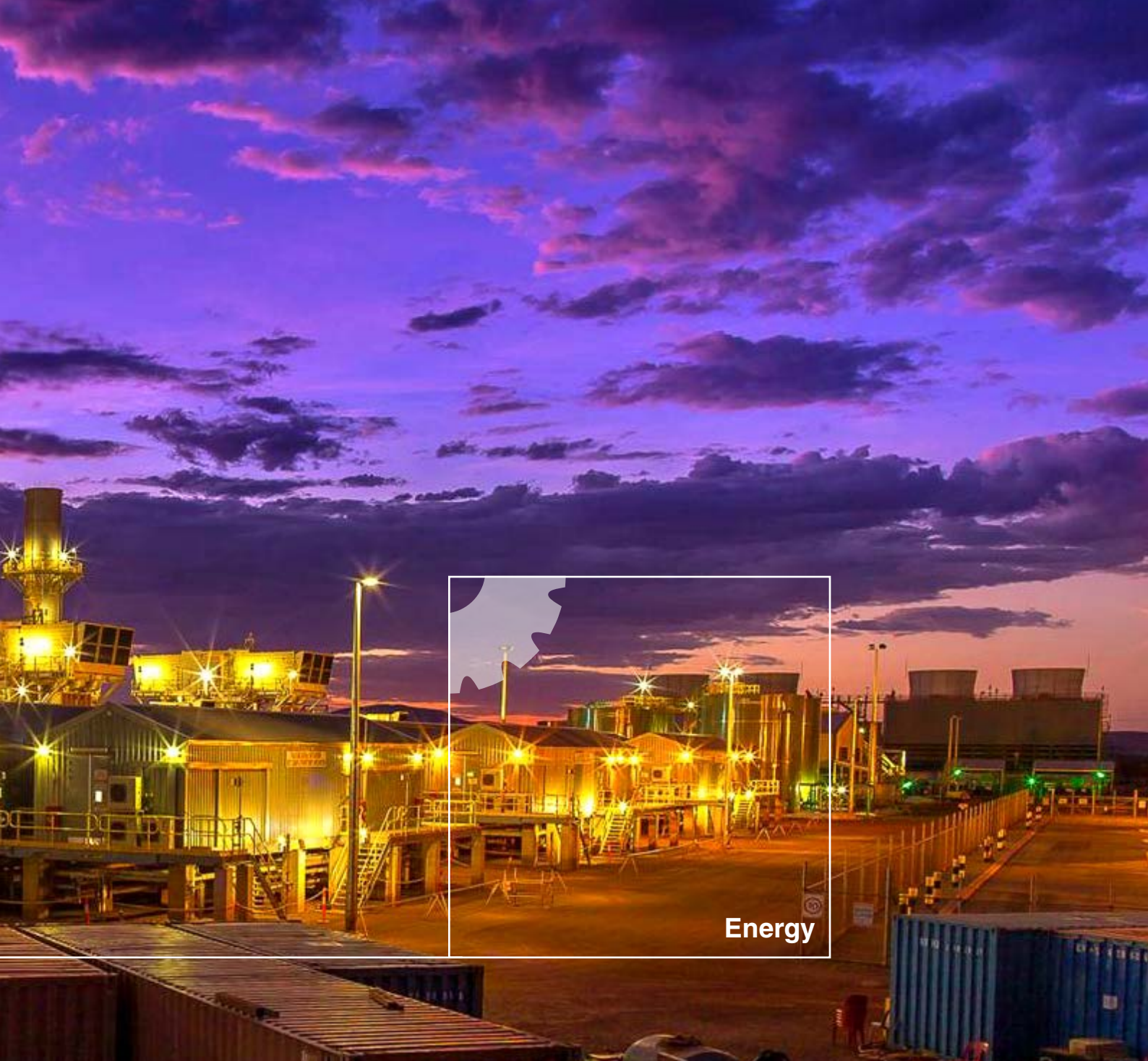


Our capabilities

RCR Proprietary Heat Recovery Steam Generators
at BHP Billiton's Yarnima Power Station, WA

Our businesses

RCR is one of the leading diversified engineering and infrastructure companies in Australia. RCR provides integrated engineering solutions to the infrastructure, energy and resources sectors.



Infrastructure



Leading provider of rail, transport, telecommunication, water, electrical and instrumentation, HVAC, property services and facilities management.

Energy



Technology leader in power generation and energy plants.

Resources



Engineering, procurement, construction and maintenance expertise for mining and oil & gas projects. Technology leader for surface mining and bulk materials handling.



Resources

Building on
our strengths



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Chief Financial Officer

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Chief Operating Officer

Graham Salter

Securities Exchange Listing

Australian Securities Exchange
ASX code: RCR
Index: Member of the S&P/ASX
All-Australian 200 Index

Share Registrar

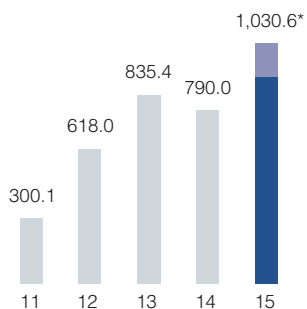
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About this Annual Report

This 2015 Annual Report provides a summary of RCR's activities and financial position as at 30 June 2015.

Highlights

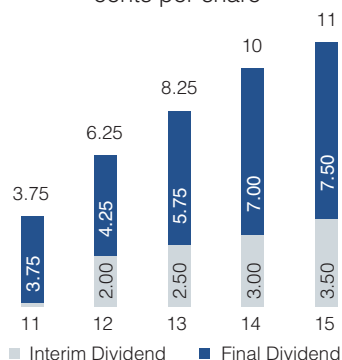
Order Book - \$M



Order Book increased **30%**

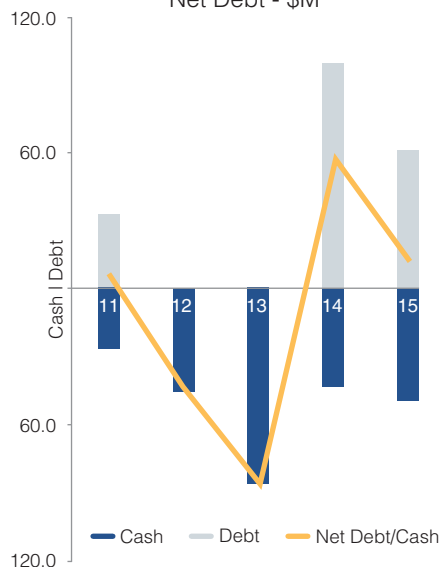
* Includes Water Corporation ECS

Dividends
cents per share



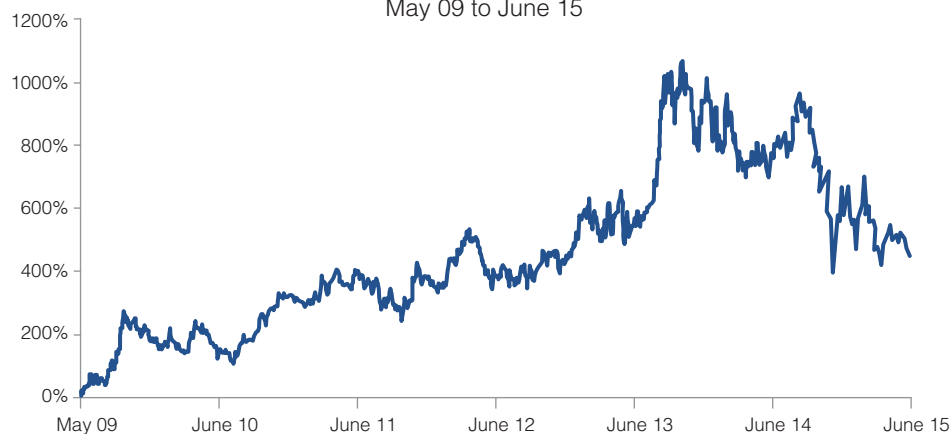
Dividends increased **10%**

Net Debt - \$M



Net Debt decreased **79%**

RCR Total Shareholder Returns (TSR) -
May 09 to June 15



Building on
our results





LTIFR 1.1

16% improvement in
Lost Time Injuries

reflecting our continued focus on safety



3,817

Strong employee base

including 208 apprentices



\$1.1B

Revenue of \$1.1 billion

with more than two thirds generated from
our Infrastructure and Energy businesses



5 countries

Strategically located

across 5 countries



3 divisions

Diverse operations


through 3 divisions

HV Cable installation at Penrith substation by Novo
Rail Alliance, Sydney, NSW

Chairman's Report



Building on
our performance



RCR produced a strong financial result delivering an increase in shareholder dividends. Our **diversification and growth strategy** is on track and with a record order book we are well established for future growth.

STRONG FINANCIAL PERFORMANCE

RCR produced a strong profit for the financial year ended 30 June 2015, with Net Profit after Tax ("NPAT") of \$39.1 million. This result reflects solid performances across all of our businesses and was underpinned by a record order intake of \$1.3 billion for the year.

Pleasingly we also achieved growth in our market presence in the rail, water and oil & gas sectors domestically and in the power sector in South East Asia, reflecting the achievement of a number of our key strategic goals that we had established for 2015.

As a consequence of this strong financial performance shareholders will receive a final dividend of 7.5 cents per share, franked to 20%. This will bring RCR's full year dividend to 11.0 cents per share, an increase of 10% on the prior year.

Solid cash flow and resulting low levels of net debt see the payout ratio rise to 39%. This is at the top end of the Board's current target range of 30% to 40% of earnings.

I am also pleased to report that RCR, as a constituent member of the S&P/ASX All-Australian 200 Index, delivered five year Total Shareholder Returns ("TSR") of 143%, significantly outperformed both RCR's peers and the index.

FINANCIAL STRENGTH

RCR ended the year in a strong financial position with Net Debt of just \$12.2 million, gearing of less than 4%, and undrawn capacity of over \$200 million.

The continued strength of our balance sheet finds us well positioned to continue to evaluate acquisition opportunities and invest in longer term growth opportunities to increase our existing scale or expand into new markets or geographies.

SAFETY

We continue with our commitment to safety and our goal of zero harm. As we strive to achieve this critical objective, we are actively promoting and encouraging all of our employees to take individual responsibility for their safety, as well as the safety of those around them, as they carry out their daily activities. In 2015, we celebrate the tenth year of operation of RCR's Safety Mates Program.

RCR's focus on safety and the conduct of safety-awareness initiatives throughout the year have continued to strengthen our safety culture and deliver improvements in our safety performance. This is demonstrated by our Lost Time Injury Frequency Rate ("LTIFR"), which improved by 16% to 1.10 per million man hours.

OUR BOARD

Over the past two years there have been a number changes to the Board as we have worked diligently to ensure that we have built a Board that is well balanced in composition with the commensurate skills and experience required to ensure the effective stewardship of our strategic ambitions and support of our growth aspirations.

The most recent change to the Board was made in August 2014, with the appointment of Ms Sue Palmer as a Non-Executive Director. Sue's skills and knowledge of the infrastructure, energy and construction markets in Australia and abroad enable her to make a significant contribution to RCR.

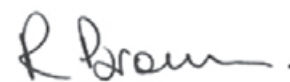
CONCLUSION

Under the stewardship of Dr Dalglish, our diversification and growth strategy is on track and we are continuing to deliver strong long term returns for our shareholders.

We are confident that our diversification and growth strategy positions us to capitalise on a growing infrastructure pipeline in Australia's eastern states and the demand for energy in Asia.

My thanks to all of our talented people, whose commitment and dedication forms the foundation of our business and to our executive leadership who ensure we deliver on our vision.

Finally, I would like to thank you, our shareholders, for continuing to be an integral part of RCR and I trust you will continue to share in our future.



Roderick Brown
Chairman

Managing Director's Report



Building on
our performance





RCR's growth strategy is on track and we are well placed to capitalise on emerging opportunities. RCR's growth aspirations are supported by a **record order book and strong balance sheet.**

DELIVERING ON STRATEGY

For RCR FY15 has been a solid year. Our ability to meet the challenge of prevailing economic conditions and deliver another strong financial performance demonstrates that RCR is on track strategically and well positioned to capitalise on emerging opportunities in Australian and overseas markets.

RCR's evolution to a more diversified services model by the introduction of significant infrastructure capacity, supplementing our existing resources and energy capabilities, has seen RCR deliver another strong performance while booking a record \$1.3 billion of new work.

Our diversification and now our significant size underpin the benefits we are able to deliver to both our clients and our shareholders, predominantly through our greater capacity and our financial strength and security.

This expanded capability and access to a greater forward pipeline of work has generated a record order book, which when supplemented with the recently announced acquisition of the WA Water Corporation's Engineering and Construction Services business, brings the order book to \$1.03 billion; a 45% increase over the first half of FY15.

Our robust financial management has further strengthened our balance sheet, delivering a significant reduction in Net Debt, which is just \$12.2 million at year end.

In line with our strategic objectives, we have significantly increased our activity in oil & gas, rail, transport and power generation sectors in Australia, New Zealand and South East Asia. This activity has rewarded us with a record order intake of \$1.3 billion, of which over 78% has been generated from the infrastructure and energy markets. Our order intake was again supported by the traditionally strong recurring revenue base that we enjoy across the business.

We are confident that RCR's strategic positioning will deliver significant benefits in coming years as we continue to work hard to convert the major pipeline of opportunities generated from increases in transport and general infrastructure spending in Australia and New Zealand and new power projects in South East Asia.

SAFETY

RCR's safety performance for FY15 demonstrates that our ongoing focus on a strong safety culture and robust safety management systems continues to deliver results. The commitment of the 3,817 RCR personnel who work across Australia, New Zealand and Asia has again seen our LTIFR improve by 16% to 1.10 per million man hours.

Our focus for the coming year will again target our key objectives of reducing our lagging indicators while continuing to focus on proactive leading behaviours that develop a strong safety culture that ultimately will keep our people safe in our workplaces.

EARNINGS DIVERSIFICATION

The strong FY15 financial result reflects the benefits of our businesses' sector and geographical diversification, our recurring revenue base and resulted in a strong order intake.

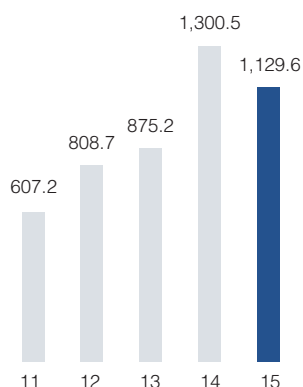
Revenue for the year was \$1.13 billion, of which 70% of our revenues and earnings has been generated from our Infrastructure and Energy businesses.

Earnings Before Interest and Tax ("EBIT") were \$51.9 million from improved EBIT margins of 4.6%.

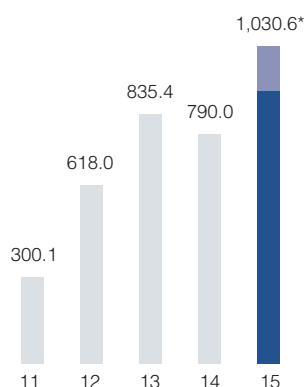
RCR's delivery of a strong NPAT of \$39.1 million reflects the solid performances across our business.

The result has seen RCR return total dividends of 11.0 cents per share to shareholders; an increase of 10% on the prior year.

Revenue - \$M

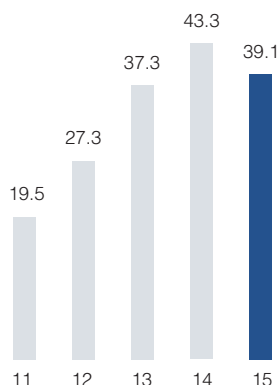


Order Book - \$M



* Includes Water Corporation ECS

NPAT - \$M



FINANCIAL STRENGTH FOR GROWTH

Throughout the year we maintained our strong financial position. RCR ended the year with a significant reduction in Net Debt from \$90.5 million post the acquisition of our Infrastructure business in HY14, to just \$12.2 million.

Our financial capacity was also strengthened by the early refinancing of the Company's banking facilities, which sees RCR with no material debt maturities until FY18 and sale of properties.

The strength of our balance sheet provides us with the financial capacity and resilience to invest in our growth strategies and pursue acquisition opportunities.

In FY15 we also initiated a share buy-back program and, subject to corporate activity, we envisage our share buy-back will continue into the new financial period.

OPERATIONAL PERFORMANCE

Infrastructure – delivered Revenues of \$688.6 million with improved margins of 4.5%.

Highlights for the year saw the completion of extensive mechanical & electrical work for Transcity JV at Brisbane's Legacy Way Tunnel which opened in June 2015. We also completed a number of major rail projects for Transport for NSW, and started work on the \$81.0 million Wynyard Station redevelopment with our Novo Rail Alliance partners.

The Infrastructure business focused on targeting larger projects in the rail, road and transport, telecommunications, water and oil & gas sectors. The business also has a solid recurring revenue base for HVAC, electrical maintenance and facilities management services.

During the year our drive to extend our capabilities into the oil & gas sector was rewarded with a contract for works at the Chevron-operated Barrow Island / Gorgon LNG Project and piping and E&I work on the Curtis Island Project.

Subsequent to year-end we also signed a 2 year maintenance services agreement with Woodside Energy.

Our emerging pipeline of opportunities include Westconnex to M5 Airport Link Project, Toowoomba Second Rail Crossing project where our consortium was successful, Melbourne Level Crossings and Metro Rail projects, BHP Billiton Rail Projects, Sydney Water and Auckland City Rail Link.

We continued our focus of increased financial discipline across the business throughout the year. At the end of our second year of ownership of the Infrastructure business the benefits from cost saving, consolidation and continuing overhead reduction strategies are being fully realised.

Energy – delivered Revenues of \$161.8 million and ended the year with a record backlog of revenue that positions it well for the coming year.

With a focus on increasing our global reach in Asian markets the business was awarded a contract for the Thai Oil Refinery in Sriracha, Thailand and is currently in negotiations to finalise the contract for the Senipah Power Project in Indonesia. To support our ongoing drive into Asia, we have expanded our engineering capabilities and capacity at our South East Asian central hub in Kuala Lumpur.

The Energy business also has a solid recurring revenue base providing maintenance services to major utility power stations as well as process industries, which are covered under long-term agreements. During the year RCR became the largest provider of power station maintenance and shutdown services with the addition of three-year maintenance contracts for NRG in Gladstone and AGL's Torrens Island plant; and negotiation in progress to deliver services to Origin's Eraring Power Station

Resources – generated Revenue of \$315.3 million with improved margins of 6.8%.

Financial	Measure	FY15	FY14
Key Metrics			
Revenue	\$M	1,129.6	1,300.5
EBITDA	\$M	72.8	79.6
EBIT	\$M	51.9	57.8
EBIT Margin	%	4.6	4.4
Profit after Tax	\$M	39.1	43.3
Order Book	\$M	1,030.6*	790.0
Operating Cash Flow (adjusted)	\$M	70.8	75.1
Total Assets	\$M	586.5	637.6
Net Debt	\$M	12.2	57.2
Total Cash / Funding Facilities Available	\$M	288.2	234.9
Key Ratios			
Cash conversion of EBITDA	%	97.3	94.3
Effective Tax Rate	%	18.0	15.3
Gearing	%	3.7	16.5
Key Returns			
Total Shareholder Returns – 5 years	%	143.1	413.2
Earnings per Share	cents	28.2	31.9
Total Dividends	cents	11.0	10.0
Dividend Pay Out Ratio	%	39.0	31.4

* Includes Water Corporation ECS

Major work activity included underground SMPE&I work at both the Ernest Henry Mine and Newcrest's Cadia East Mine (Panel Cave 2 Project), SMP installation works at Rio Tinto's West Angelas Mine and delivery of a turnkey in-pit ore sizing plant for Mesa J. The work completed at Cadia represents our fifth year of service to Newcrest.

During the second half of the year the business commenced work on the Roy Hill Iron Ore Project under direction from the EPC contractor, Samsung C&T. The work, won on the back of our strong capability and contracting models developed for Fortescue's Solomon Project, has RCR constructing ore processing facilities to high quality and a rigorous schedule.

Since year-end, RCR has been awarded additional packages to support construction of the ore processing facility and associated mine infrastructure.

Our entry into oil & gas at Curtis and Barrow Islands has positioned us for growth in this key expanding sector, particularly for recurring maintenance revenues.

Throughout the year, off-site repair, heat treatment and maintenance activities in our Welshpool, Wacol and regional workshops continued to generate good recurring incomes.

Our market advantage remains our ability to deliver large scale, turnkey SMP packages and to bring innovative and low cost materials handling solutions for existing and new projects globally in the iron ore, mineral sands, coal, copper and gold markets.

OUR PEOPLE

As always, our success is dependent on the effort, capability and commitment of our people. Their commitment and support enables us to continue to deliver smart, innovative solutions across our diverse sectors, which underpins our strong financial results.

Our successful apprenticeship program has expanded as we continue to invest in the growth, development, education and training for young graduates, apprentices and trainees. We currently support the career ambitions of 208 apprentices and trainees, which is building a strong foundation of future skilled tradespeople.

BUILDING OUR FUTURE VISION

RCR is well-positioned for growth with a pipeline of large scale infrastructure, energy and resources projects and a strong forward order book of revenue.

Our balance sheet remains strong with very low levels of debt and strong investor and finance support. We are constantly reviewing opportunities for growth and are well placed for further accretive acquisitional growth.

As one of Australia's largest and most diversified engineering and infrastructure companies we are well positioned to deliver sustainable earnings growth through existing business and by acquisition.



Dr Paul Dalgleish
Managing Director & CEO

Review of Operations



RCR Hopper Cars Supplied to BHP Billiton, WA

RCR provides integrated solutions to the infrastructure, energy and resources sectors. With a long and proud heritage reaching back 119 years, RCR is today one of Australia's oldest and most diversified engineering and infrastructure companies.



Infrastructure



Energy

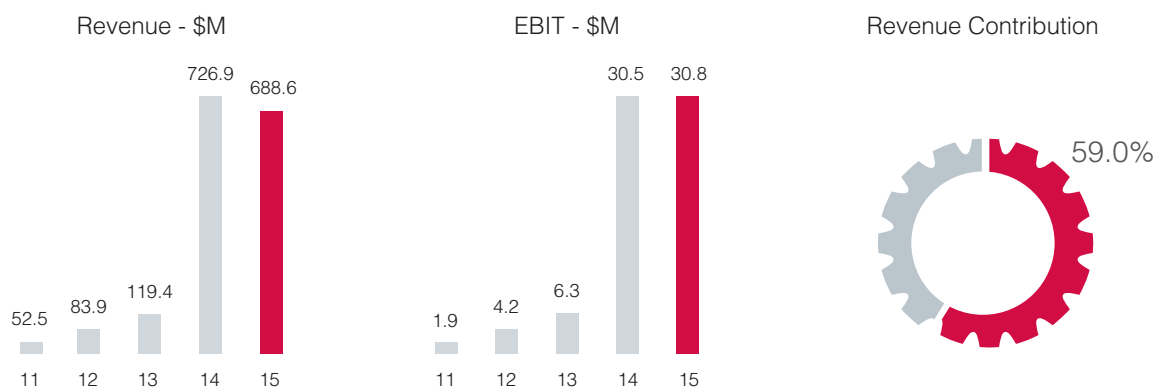


Resources



Infrastructure

Ventilation System installation by RCR at Legacy Way Tunnel, Brisbane, QLD



RCR Infrastructure is a leading provider of engineering and infrastructure services to the **rail and transport, power, telecommunications, resources, industrial, water, oil & gas and property sectors.**

OVERVIEW

RCR Infrastructure, through its key brands of O'Donnell Griffin, Haden and Resolve FM, provides engineering and infrastructure services throughout Australia, New Zealand and South East Asia.

The business capabilities include:

- Rail and Transport - signalling design and installation, overhead wiring, traction power and substations, rail platforms and automatic train protection, mechanical, electrical, lighting, communications and fire services for rail networks and road tunnels.
- Power - substations, underground and overhead high voltage cabling, electrical and instrumentation ("E&I") and maintenance services.
- Telecommunication - electrical, data and fire systems services.
- Water - design, construction and maintenance of water and wastewater treatment solutions.

- Oil & Gas - fully integrated mechanical and E&I services for construction, brownfield modification and asset lifecycle support services to both onshore and offshore facilities.
- HVAC & Facilities Management - design, construction and maintenance of mechanical, HVAC systems and provision of hard and soft facilities and property management services.

THE YEAR IN BRIEF

The Infrastructure business, with exposure to diverse markets and major rail, road and transport, water and power projects, continues to contribute significantly to RCR's earnings and future growth prospects.

The business delivered Revenues of \$688.6 million and an improved EBIT margins of 4.5% for FY15.

Since the acquisition of O'Donnell Griffin, Haden and Resolve FM in July 2013, RCR has focused on quality revenues, significantly improved safety performance, and secured key contract awards and renewals across all businesses.

Major project activity during the year:

- Design and installation of rail infrastructure for the Lidcombe to Granville - Auburn Junction for Transport for NSW. (Refer to Case Study - Novo Rail).
- Design and construction of traction power substation and installation of Supervisory Control and Data Acquisition Control ("SCADA") systems for the Perth Transport Authority's rail system.
- Completion of mechanical, electrical, and fire services for Transcity JV's Legacy Way Road Tunnel Project in QLD.



- E&I and commissioning works at First Solar's 53MW solar farm in Broken Hill and on Ore Processing Facilities at Fortescue's Iron Bridge Joint Venture - North Star Magnetite Mine.
- Mechanical and E&I services for Sydney Water's Bondi plant.
- National provision of HVAC services to telecommunication exchanges across Australia for two major telecommunication carriers.
- HVAC, electrical and fire detection services for the Commonwealth Government's Defence Facility in the Northern Territory.

OUTLOOK

The business continues to demonstrate a track record of delivering critical infrastructure projects and providing the responsiveness and performance that clients demand.

The business is well placed to capitalise on emerging opportunities in the infrastructure sector, which include opportunities for rail, road and transport, telecommunications, power transmission and distribution, water, defence, commercial property and oil & gas.

Case Study

Project: Novo Rail Alliance

Client: Transport for New South Wales

Location: Sydney Metro area, NSW

As a Novo Rail Alliance Member, RCR is actively engaged in the delivery of safe, timely and affordable solutions for some of Sydney's most complex rail and infrastructure projects.

The Novo Rail Alliance was established in 2008 by Transport for NSW ("TfNSW") and renewed for a further 5 years in 2013. The Alliance draws on RCR's specialist and industry leading rail and electrical expertise, which is delivered by RCR's O'Donnell Griffin business.

Novo Rail's seventh year of operation saw it awarded the \$81.0 million Wynyard Station Upgrade and the successful delivery of the following key projects:

- fast-tracked Wickham Transport Interchange Project;
- upgrade program for Lidcombe to Granville - Auburn Junction; and
- installation of substations and commissioning as part of the Toongabbie to Blacktown Rail Electricity Supply Project.

Specialist services delivered by RCR for these projects included the construction and installation of new junctions, substations, signalling systems, automatic train protection, overhead wiring and support structures and station upgrades.

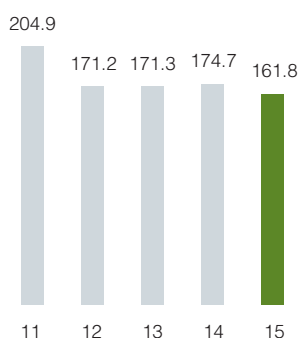
In May 2015, Novo Rail delivered the final commissioning milestone (Stage 11) for the Auburn Junction Project. The five-year project resulted in a newly built junction to facilitate improved access to the new Auburn Maintenance Facility and to improve headway to increase train speeds and frequency of passenger services. Major works included the construction of new track turnouts and crossovers, installation of a sophisticated signalling system and the erection of new overhead wiring, poles and gantries.

These works were required to replace assets that had approached the limit of their operational life.

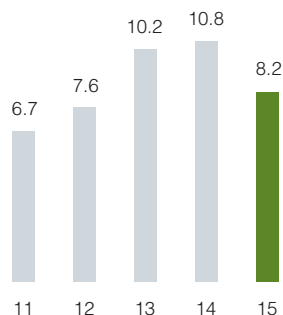
Energy

RCR Proprietary HRSG technology at BHP Billiton's Yarnima Power Station, WA

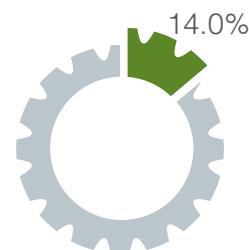
Revenue - \$M



EBIT - \$M



Revenue Contribution



OVERVIEW

RCR Energy provides turnkey power generation plants and maintenance services.

Power Generation - provides integrated solutions for power generation and thermal energy plants, components and systems. Utilising advanced technologies for a range of conventional and renewable fuels, RCR delivers power stations and steam generation plants through turnkey engineering, procurement and construction for energy projects across a diverse range of industries.

Service and Maintenance - provision of shut downs, planned maintenance and plant refurbishment services to major utility power stations, process industries and oil & gas producers. These services are supported by a network of service centres and facilities across Australia, Asia and New Zealand.

Laser Cutting - these activities are also supplemented by advanced high-precision laser cutting technologies and a network of workshops for works such as specialised welding and valve refurbishment.

THE YEAR IN BRIEF

The business delivered Revenues of \$161.8 million and an EBIT margins of 5.1% for the year. The business is positioned well for the year ahead, ending the year with a record order book.

In the first half of the year the business signed a MOU with Adani Mining to commence the Early Contractor Involvement for the design and construction of the Moray Power Station, to service Adani's Carmichael Project in QLD. The MOU has been extended to March 2016.

During the year, RCR Energy completed the design and supply of Heat Recovery Steam Generators ("HRSGs") at Thai Oil's combined cycle power plant (Block 1 Sriracha Refinery) in Thailand.

This project showcases RCR's significant capability and intellectual property in energy generation; including the design, supply and installation of combined cycle power plants which incorporate the HRSGs.

This project followed the successful completion of the design and supply of HRSGs to BHP Billiton's Yarnima combined cycle power station in WA.

Other key activities included:

- Design and construction of a 20MW coal-fired boiler for Synlait Milk's facility in Dunsadel New Zealand (refer to Case Study).
- Design and supply of a biomass-fired boiler for Nestlé's coffee plant in the UK. The project was also the recipient of Most Compelling Strategy Award from Exports New Zealand - Hawke's Bay.
- Provision of planned and breakdown maintenance services under 3 year contracts for NRG Gladstone Power Station (6 x 280MWe) in QLD and for AGL's Torrens Island Power Station in SA (8x160MWe).



Case Study

OUTLOOK

The Energy business has an emerging pipeline of opportunities in Australia, New Zealand and South East Asia with a range of turnkey power projects, opportunities to close the steam cycle on existing power plants, and upgrade and maintenance works.

The business is targeting projects where our in-house technology provides a significant advantage in our core markets of Australia, New Zealand and SE Asia. Significantly, we continue to increase the capacity and diversity of capability at our SE Asian engineering office for power generation and water solutions. The business is also in negotiations to finalise the contract for the Senipah Power Plant, Indonesia to close the cycle on two existing gas turbines, making the plant combined cycle; and the maintenance services for Origin's Eraring Power Station.

Project: Design, manufacture, supply, install and commissioning of 20MW Coal Fired Boiler

Client: Synlait Milk

Location: Dunsandel, New Zealand

RCR was awarded a turnkey design and construct project for a 20MW coal fired boiler by Synlait Milk as part of their \$240 million growth initiative programme at Dunsandel, New Zealand. Synlait Milk processes more than 600 million litres of milk each year and is capable of producing up to 140,000 metric tonnes of milk powder annually.

RCR was contracted to provide the saturated steam boiler complete with ancillary equipment including fuel and ash handling systems, emission control and a full electrical and automation package.

RCR's highly efficient steam boiler optimised overall total cost of ownership giving the client confidence they have the most up to date and reliable equipment for this critical application.

The project builds on RCR's long-standing relationship with Synlait Milk and is the third boiler RCR has supplied since manufacturing commenced in 2008.

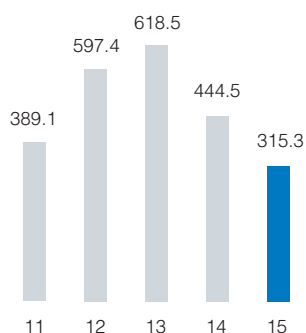
RCR has strong record of performance in the dairy sector in New Zealand where we have supplied a number of energy to steam boiler solutions.

RCR Energy is uniquely placed in Australia, New Zealand and Asia as a leading provider of power generation projects and integrated services to the oil & gas market.

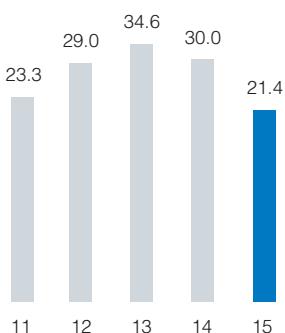
Resources

RCR SMP/E&I Works at Roy Hill Project, WA

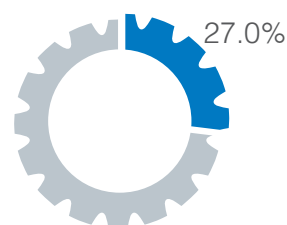
Revenue - \$M



EBIT - \$M



Revenue Contribution



OVERVIEW

RCR Resources is a leading provider of turnkey Engineering, Procurement, Construction ("EPC") services. RCR's integrated EPC model allows us to deliver full lifecycle services supported by in-house construction for Structural, Mechanical and Piping, Electrical and Instrumentation ("SMP/E&I"), fabrication, and commissioning capabilities. RCR has a strong track record of delivering projects on time and within budget.

RCR has its own surface mining and bulk materials handling technologies. RCR's extensive range of technology solutions includes Apron and Belt Feeders, Conveyors, Bucket Wheel Excavators, Stackers, Reclaimers, Spreaders, Sizers, Scrubbers, Screens, Mobile In-Pit Crushing and Conveying ("IPC2") and other Continuous Mobile Mining Solutions.

The Resources business capabilities are complemented by a comprehensive range of specialist off-site repair services in heavy machinery repairs, heat treatment services, fabrication, shutdown, refurbishment and maintenance services. These specialist services are provided through an extensive network of regional workshops strategically positioned to service the Pilbara region in WA, the Bowen Basin in QLD, SA and NSW. Additional key engineering facilities are located in Welshpool and Bunbury in WA and Wacol in QLD.

THE YEAR IN BRIEF

The Resources business generated Revenue of \$315.3 million and achieved an EBIT margins of 6.8% for FY15.

Key activities included:

- SMP/E&I services for multiple work packages and the equipment supply for 35 apron/belt feeders to the Roy Hill Iron Ore Project.
- Provision of specialist underground SMP/E&I services at the Ernest Henry Mine and at Newcrest's Cadia East mine – Panel Cave 2.
- SMP installation works at Rio Tinto's West Angelas – Deposit B.
- Design and supply of an iron ore sizing plant for Rio Tinto's Mesa J Operation.
- Heat treatment works (off shore) for Wheatstone's offshore floating platform.

After more than 30 years, RCR's Mining Technologies operation in Bunbury, WA, relocated to new facilities in Bunbury, where all RCR businesses share a purpose-built multi use facility. The new engineering facility brings an integrated business approach and houses engineering, fabrication, machining, hydraulics, product support, construction and maintenance, remedial maintenance, rubber lining and splicing and surface treatment groups.



Case Study

OUTLOOK

The resources business has a healthy forward pipeline of opportunities and continues to have a solid recurring revenue base for engineering, off site repairs and heat-treatment services.

The business continues to focus on new and emerging natural resources projects in Australia and overseas and is using its intellectual property to develop innovative surface mining and materials handling solutions to drive down production costs.

RCR's network of strategically positioned heavy engineering and service workshops will provide growth from sustaining capital projects and recurring operations and maintenance spend.

RCR Resources is a leader in turnkey engineering, procurement and construction expertise and a provider of innovative market - leading materials handling solutions.

Project: Mesa J Sizing Plant

Client: Rio Tinto Iron Ore

Location: Cape Lambert Port B Project, WA

RCR was awarded a full design and construct contract to deliver an In-Pit Iron Ore Sizing Plant to Rio Tinto's MESA J mining operations at Pannawonica in WA.

This project reflected RCR's investment in mining technologies, and its expertise in the manufacture of innovative materials handling and process solutions.

The project scope included design, supply, manufacture, delivery to site, installation and commissioning of the sizing plant with a capacity of 2,200 tonnes per hour, with a minimum reclaimable radial stockpile capacity of 33,000 tonnes.

The scope of work for the In-Pit Iron Ore Sizing Plant comprised of:

- ROM Pad and ROM Wall including civil works, concrete and drainage.
- ROM bin, apron feeder, sizing machine and associated support structures, walkways and access platforms, safety guarding, feed and discharge chutes and skirts.
- Transfer conveyor with steel support structures, walkways and access platforms, safety guarding, feed and discharge chutes and skirts.
- Radial stacker including support structures, walkways and access platforms, safety guarding, feed and discharge chutes and skirts.
- Motor control centre control room.
- All services including electrical, lubrication, hydraulic, water, fire, programmable logic controller programming, dust suppression and wash down system.



Sustainability

We will continue to implement health and safety initiatives which provide the foundation for sustainable safety culture.

SAFETY

With 3,817 people working across Australia, New Zealand and SE Asia, it is essential for RCR to have a robust approach with our workforce to health, safety and environment.

RCR's goal of zero harm requires continuous improvement to target reductions in work-related injuries. Our focus is to achieve this by expecting all our employees to take individual and company-wide responsibility for safety as they carry out their daily activities.

Focusing on improving the safety performance and culture throughout all operations, RCR's strategies have resulted in a 16% improvement to our LTIFR from 1.31 to 1.10.

In the years ahead we will continue to maintain AS/NZS4801 certification and will work to streamline and integrate RCR's safety management systems throughout each of our businesses.

We will also continue to implement health and safety initiatives that will provide the foundation for sustainable safety performance across RCR.

Leading Indicators

- 574,632 Take 5 actions completed
- 26,993 Tool Box & Pre-start meetings conducted
- 28,041 Safe Acts Observations conducted
- 27,110 Job Safety Hazard Analyses completed

ENVIRONMENT

RCR's operations are subject to various Commonwealth and State laws governing the protection of the environment. As far as the Directors are aware, there have been no material breaches of the Company's licenses and all activities have been undertaken in compliance with the relevant environmental regulations.

Carbon and Energy Emissions

The Company is registered under the National Environment Protection (National Pollutant Inventory) Measure 1998 ("NPI") and National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The Company reports its energy consumption and carbon emissions under the NPI and NGER. The Company is below the threshold for reporting on carbon emission.

QUALITY AND MANAGEMENT SYSTEM

RCR's management system is designed to support the sustainable development of our business, to increase transparency of key risk indicators, enhance corporate governance and strengthen primary management control strategies.

We continued to improve risk management by managing workflows associated with RCR policies and procedures.

The improved RCR Management System provides staff with a more controlled and efficient environment for cost management through submission, tracking, approval and audit of forms and requests in line with policies and procedures.

Our priorities in the coming year will be to continue to promote, and monitor compliance to, RCR's policies and procedures, and to maintain AS/NZS ISO 9001:2008 certifications across the RCR group by conducting regular internal and external audits of our operational sites. RCR will continue to focus on extending the functionality of the RCR Management System and to integrate the management system across the expanded Group.

Federal Safety Commission ("FSC") Accreditation

3rd Party accreditation audit compliance was validated by FSC and accreditation was successfully granted for a further three years.

Oil & Gas certifications

RCR has successfully maintained certification to ISO 29001:2010 for Oil & Gas services and certification to API Spec 7-1.

NABERS 5 & 6 star accreditations

Haden has continued to develop and execute a number of leading edge commercial building solutions maintaining a reputation of achieving 5 and 6 star NABERS ratings, demonstrating a deep knowledge of energy reduction strategies and targets.



Building on
our capabilities

Cross - passage electrical works by RCR at Transcity JV's Legacy Way Tunnel, Brisbane, QLD

Highlights

17 years

LTI free
RCR Mining Heat
Treatment,
Welshpool, WA

11 years

LTI free
RCR Energy
Service,
Notting Hill, VIC

10 years

LTI free
RCR Laser,
Welshpool, WA

10 years

LTI free
RCR Mining
Technologies,
Bunbury, WA

9 years

LTI free
RCR Energy,
Gladstone, QLD

6 years

LTI free
RCR Mining,
Wacol, QLD

Rail accreditation - Authorised
Engineering Organisation

The Novo Rail Alliance, of which RCR is a key member, continues to meet the requirements of the rail industry's Authorised Engineering Organisation status.

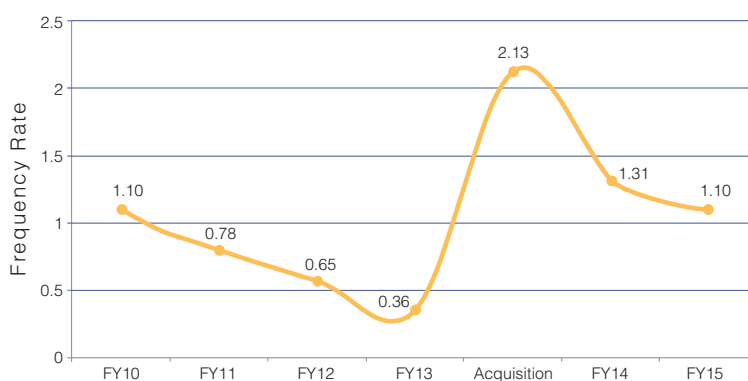
This independent accreditation demonstrates that RCR and the Novo Rail Alliance have in place critical systems and procedures across a number of asset lifecycle stages.

Awards

Our reputation for project excellence continued during the year. Awards included:

- National Electrical and Communications Association ("NECA") awards – O'Donnell Griffin was the recipient of awards across a number of categories including Large Industrial, Medium Commercial and Data Systems projects.
- Export New Zealand Hawke's Bay – RCR's Energy was the winner of the *Most Compelling Strategy Award* and a finalist in the *Innovation in Export* category.

FY10 to FY15 Safety Performance - LTIFR





People

The foundation of RCR's success is underpinned by the effort, capability and commitment of our employees. RCR recognises that support and development enables us to continue to deliver smart, innovative solutions across our diverse sectors.

RCR's human resources strategy and function will continue to play a leading role to develop and strengthen our core functions and systems and to support our diversified and expanding business.

Apprentices and Traineeships

Investing in the future generation of employees is integral to RCR's continued success. RCR believes in realising and developing talent with a structured and supported Apprenticeship Program. RCR currently supports the career ambitions of 208 apprentices and trainees across the business who will form the foundation of our future skilled tradespeople.

Learning and Development

RCR is committed to investing in our employees through generating opportunities to grow on personal and professional levels, through varied learning and development programmes for apprentices, trades, operational, professional and managerial employees. This creates a significant pipeline of talent throughout the Company.

Diversity

RCR is committed to employing and developing a workforce that reflects the diverse community in which we operate. Our success is embedded in the broad spectrum of people we attract from a range of cultures, backgrounds and skills. This diversity assists RCR in enriching our knowledge, capability and experience.

Our policies promote respect and fair treatment for all employees, and we seek to create an all-inclusive workplace where our people are encouraged regardless of age, gender, ethnicity, disability, sexual orientation or religion.

Our commitment to building a diverse workforce is evident in all aspects of employee engagement including recruitment, selection development, promotion and remuneration.

We are focused on building our Indigenous workforce and on attracting and retaining women in the infrastructure, energy and resources industries.

RCR received notice of full compliance with the Workplace Gender Equality Act (2012) during 2015. A copy of the report is available on RCR's website. Further details of RCR's Diversity Program are set out in the Corporate Governance Statement of this Report.



Building on our capabilities

RCR Remedial maintenance works, Fremantle Harbour, WA

Community

RCR continues to recognise the importance of building relationships and supporting the communities in which we operate.

RCR's support for communities is focused on children's charities. During the year RCR continued to be a major contributor to the Ronald McDonald House 'Stronger Together' campaign, paving the way for a much-needed new facility to assist families in need. Since opening in November 1990, Ronald McDonald House has provided 'a home away from home' to more than 3,500 rural families with a child undergoing treatment for cancer or other serious illnesses.

RCR also continued to support a variety of local charities, education and sporting programmes. Many of these programmes allow our employees to participate and raise money for worthwhile organisations, including the Royal Flying Doctors Service, Police and Community Youth Centres and the Activ Foundation.

Internationally, RCR is a major sponsor of WaterAid, a global charity whose activities are focused on improving access to safe water, hygiene and sanitation for communities, offering the chance to support a tangible, life-changing initiative for those in need.

Employing our own people and trades improves safety, quality and productivity, and helps to maintain a stable industrial relations environment.

Board of Directors and Executive Management



Mr Roderick Brown,
AWASM, AICD, AusIMM

Independent Non-Executive
Director and Chairman

SKILLS AND EXPERIENCE

Mr Brown is an engineer by profession and has extensive experience in marketing and general management.

He has held various senior management positions, including Managing Director, with companies involved in the engineering, mining, and industrial service sectors in Australia, USA and Europe and has over 20 years' experience as a Company Director.



Dr Paul Dalglish,
DBA, MA, BE (Hons), FIEAust, AICD

Managing Director and
Chief Executive Officer

SKILLS AND EXPERIENCE

Dr Dalglish is a professional engineer, holding a Doctorate in Business and an Honours Degree in Engineering.

Dr Dalglish has over 20 years' experience in Executive Management roles, including service as Chief Executive of United Group Ltd, Infrastructure, Managing Director, Montgomery Watson Constructors – Asia, and Executive roles with Thames Water International and Thames Water Asia Pacific Pty Ltd.



Ms Eva Skira,
BA (Hons), MBA, SF Fin, Life Member Fin, FAICD, FAIM, FGIA

Independent Non-
Executive Director

SKILLS AND EXPERIENCE

Ms Skira has a background in banking, capital markets, stock broking and financial markets, previously holding Executive positions at Commonwealth Bank in the Corporate Banking/Capital Markets divisions, and later with stockbroker Barclays de Zoete Wedd.

Ms Skira is a professional director, having served on a number of Boards across a range of industries. Ms Skira is currently Chairman of the Water Corporation of WA, a Non-Executive Director of MacMahon Holdings Limited and Chairman of Trustees of St John of God Healthcare Inc.



Mr Paul Dippie,
NZCE, MAICD

Independent Non-
Executive Director

SKILLS AND EXPERIENCE

Mr Dippie is an engineer by profession. During his career, Mr Dippie has served on the Board of Scanpower, an electricity utility, during its restructuring into a private company. He was also a former principal and Managing Director of Easteel Industries Ltd prior to its acquisition by RCR in 2005.

Mr Dippie has extensive experience in international marketing and procurement and a wide understanding of the markets and customers in the energy and resources industries.



Mr Lloyd Jones,
BEng, MBA, MAICD

Independent Non-Executive Director

SKILLS AND EXPERIENCE

Mr Jones is an engineer with significant experience in mining, energy, construction, heavy industrial operations and mergers & acquisitions.

During his 25 year career at Alcoa, Mr Jones held senior management roles in Australia, the USA, Japan and China. Most recently, he served as President of Cerberus Capital Management's Asia Advisory Unit and as Deputy Chairman of Doric Group. Mr Jones is presently a Director of the Myer Family Investments and BlueScope Steel Limited and an advisory Director at Deutsche Bank of Australia.



Mr Bruce James,
BEng (Civil), MAICD

Independent Non-Executive Director

SKILLS AND EXPERIENCE

Mr James is an engineer with experience in infrastructure, resources, oil & gas, defence and energy operations in Australia and New Zealand.

During a 35 year career at Transfield Construction Pty Ltd and Transfield Services Limited, Mr James held a number of Executive Management roles including Chief Executive Officer Transfield Services, Australia and New Zealand and Chief Executive Resources and Energy, until his retirement in 2013.



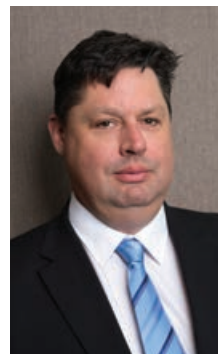
Ms Sue Palmer,
BCom, CA, FAICD

Independent Non-Executive Director

SKILLS AND EXPERIENCE

Ms Palmer is a chartered accountant by profession and has over 30 years of experience in Senior Executive financial roles with a diverse range of organisations.

Ms Palmer has extensive financial and commercial experience across a range of industry sectors in Australia and Asia, including construction, mining, energy, infrastructure and agriculture. Prior to becoming a professional director, Ms Palmer was Chief Financial Officer and Executive Director Finance at Thiess.



Andrew Phipps,
CPA, AICD

Chief Financial Officer

SKILLS AND EXPERIENCE

Mr Phipps has over 15 years' experience in large contracting and engineering companies with complex infrastructure, resources and energy portfolios.

Mr Phipps has a strong financial and operational background. Recent roles have included Executive General Manager Finance at UGL's Engineering business, prior to that he held the position of Executive General Manager Finance with UGL's Infrastructure and Rail business.



Graham Salter,
MBA

Chief Operating Officer

SKILLS AND EXPERIENCE

Mr Salter has over 30 years' experience in the Energy, Environmental and Power Generation industries.

Prior to joining RCR he worked with major international companies including Babcock Wilcox Australia, ABB Power Generation, Alstom Power and AE&E Australia where he was CEO/Vice President.

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Directors' Report

The Directors of RCR Tomlinson Ltd ("RCR" or "the Company") present their Director's Report (including the Remuneration Report) together with the Financial Report of the Company for the year ended 30 June 2015 ("FY15").

The Company is an entity limited by shares that is incorporated and domiciled in Australia.

Board of Directors

Director	Term of Office	Interest in Ordinary Shares	Interest in Performance Rights	Australian Listed Company Directorships	Former Australian Listed Company Directorships over the Past Three Years
Independent Non-Executive Director and Chairman					
Mr Roderick Brown AWASM, AICD, AusIMM	Director since 18 October 2005 Chairman since January 2008	136,500	Nil	No Directorships held in other listed companies	No Directorships held in other listed companies
Managing Director and Chief Executive Officer					
Dr Paul Dalglish DBA, BEng (Hons), FIEAust, AICD	Chief Executive Officer since 25 May 2009 Managing Director since 20 October 2011	6,977,048	2,302,400	No Directorships held in other listed companies	No Directorships held in other listed companies
Independent Non-Executive Directors					
Ms Eva Skira BA (Hons), MBA, SF Fin, Life Member Fin, FAICD, FAIM, FGIA	Director since 26 May 2008	Nil	Nil	MacMahon Holdings Limited Non-Executive Director since 26 September 2011	No Directorships held in other listed companies
Mr Paul Dippie NZCE, MAICD	Director since 23 March 2007	600,000	Nil	No Directorships held in other listed companies	No Directorships held in other listed companies
Mr Lloyd Jones BEng, MBA, MAICD	Director since 20 November 2013	20,000	Nil	BlueScope Steel Limited Non-Executive Director since 29 September 2013	No Directorships held in other listed companies
Mr Bruce James BEng (Civil), MAICD	Director since 28 January 2014	10,000	Nil	No Directorships held in other listed companies	No Directorships held in other listed companies
Ms Sue Palmer BCom, CA, FAICD	Director since 21 August 2014	Nil	Nil	New Hope Corporation Limited Non-Executive Director since 1 November 2011	No Directorships held in other listed companies

The qualifications of the Directors are set out on pages 26 and 27.

Details of Director and Senior Executive remuneration are set out in the Remuneration Report.

Board Meeting Attendance

Particulars of the number of meetings of the Board of Directors of the Company and each Board committee of Directors held and attended by each Director during the financial year are set out below.

Directors in Office and Attendance at Board and Board Committee Meetings During the Year

Director	Board Meetings		Special Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend
Roderick Brown	10	10	6	6	*2	-	9	9
Paul Dagleish	10	10	5	5	*4	-	*4	-
Eva Skira	10	10	6	6	4	4	9	9
Paul Dippie	10	10	5	6	4	4	-	-
Lloyd Jones	10	10	6	6	*3	-	9	9
Bruce James	10	10	5	6	4	4	*2	-
Sue Palmer	8	8	5	6	*4	1	-	-

* Indicates that a Director attended some meetings by invitation whilst not being a member of a specific committee.

Directors' Interests in RCR Shares and Performance Rights

As at the date of this report, the relevant interests of each Director in RCR shares and performance rights, as notified by the Directors to the Australian Securities Exchange ("ASX") in accordance with s.205G(1) of the *Corporations Act 2001*, are as follows:

Director	Number of Shares	Number of Rights
Roderick Brown	136,500	-
Paul Dagleish*	6,977,048	2,302,400
Eva Skira	-	-
Paul Dippie	600,000	-
Lloyd Jones	20,000	-
Bruce James	10,000	-
Sue Palmer	-	-

* Paul Dagleish's relevant interests include 236,004 ordinary shares which are classified under the Company's Short-Term Incentive ("STI") Plan as STI Deferred Shares (as set out in Table 8 in the Remuneration Report) and are held by CPU Share Plans Pty Ltd on trust for Paul Dagleish. These STI Deferred shares are subject to trading restrictions.

Operating and Financial Review ("OFR")

The information reported in this OFR should be read in conjunction with the Review of Operations on pages 14 to 21.

The review sets out, in the opinion of Directors and at the date of this Report, the information that shareholders would reasonably require to assess the Company's operations, financial position, business strategies and prospects for future financial years.

The information reported in this OFR contains non-IFRS financial indicators to assist in understanding the Company's performance.

Principal Activities

RCR is one of the leading diversified engineering and infrastructure companies in Australia, providing turnkey integrated solutions to clients in the infrastructure, resources and energy sectors. RCR's operations are strategically located in key markets across Australia, New Zealand and Asia.

RCR operated through three business units during FY15 – Infrastructure, Energy and Resources. Commentary on the financial performance of the business units is provided below.

Infrastructure – RCR Infrastructure is a leading provider of rail and transport, water, electrical, HVAC, oil & gas and technical facilities management services. The business operates through the key brands of RCR, O'Donnell Griffin, Haden and Resolve FM.

The businesses core capabilities encompass; electrical and instrumentation services; railway signalling and overhead wiring systems; power generation, transmission and distribution systems and generator maintenance; high voltage cabling, switchboards and process control instrumentation; fire and data communications systems; installation and maintenance of mechanical engineering and HVAC; facilities management services; and water treatment systems and technologies. The business operates in Australia, New Zealand and Vietnam.

Energy – RCR Energy is a technology leader in power generation and energy plants. Utilising advanced technologies for a range of conventional and renewable fuels, RCR Energy delivers power stations and steam generation plants through turnkey engineering, procurement and construction projects across a diverse range of industries including infrastructure, oil & gas and mining. The business operates with key offices in Australia, SE Asia and New Zealand.

Resources – RCR Resources is a leading provider of engineering, construction, maintenance and shutdown services (above and below ground) to the mining, resources, oil & gas and LNG sectors. The business also provides turnkey material handling solutions from design and manufacture, specialist shutdown and heat treatment services to off-site repairs and maintenance of heavy engineering equipment. The business in Australia operates a number of regional workshops across WA (including the Pilbara region), SA, QLD and NSW.

Review of Group Performance

In FY15 the Company delivered strong Revenues and Earnings after a record first half. The business generated Revenues of over \$1.1 billion from infrastructure, energy and resources sectors. The Company remains well placed with approximately 70% of its Revenues and Earnings generated from the Infrastructure and Energy businesses, a strong recurring Revenue base and a record order book of \$1.03 billion (includes purchase of Water Corporations ECS business, announced on 14 August 2015).

Highlights of the Company's operating and financial performance are:

- LTIFR improved by 16% to 1.10.
- Record Order Book up to \$1,030.6 million (June 2014: \$790.0 million).
- Order intake for the financial period of \$1,256.3 million (FY14 \$1,280.8 million).
- Revenues of \$1,129.6 million (FY14: \$1,300.5 million).
- Net Debt down to \$12.2 million (June 2014: \$57.2 million), representing a gearing ratio (Net Debt/(Net Debt + Equity)) of 3.7% (June 2014: 16.5%).
- Early renewal of Banking Facilities completed to provide greater liquidity, operating flexibility and longer debt maturity.
- EBIT of \$51.9 million (FY14: \$57.8 million) on EBIT margins of 4.6% (FY14: 4.4%). EBIT was lower than the previous year reflecting increased competition and challenging markets.
- NPAT of \$39.1 million (FY14: \$43.3 million).
- EPS of 28.24 cents per share (FY14: 31.89 cents per share).
- The effective tax rate for the full year was 18.0% (FY14: 15.3%) reflecting, amongst other things, credits for R&D activities. RCR's future effective tax rate is likely to be closer to 30.0%.
- Appointment of Mr Graham Salter to the position of Chief Operating Officer ("COO") to oversee the operations of the three core business units. This position replaces the three Chief Executive roles in each of the Infrastructure, Energy and Resources businesses. Mr Salter is supported by a team of Operational Executives in commercial, legal, human resources and finance.
- Completed the sale and lease back of four properties in the first half of the year.
- Increased TSR over the five years to 143.1%.
- Total dividends for FY15 of 11.0 cents per share, up 10% on prior year.

Areas of focus for the coming year include:

- Continued focus on safety improvement to drive year on year improvements.
- Convert contract opportunities in the pipeline into contracted Revenue to cover FY16 and beyond.
- Target larger opportunities across core businesses.
- Target further growth into South East Asia through energy projects.
- Focus on rail, transport, water and power projects.
- Develop strategic long-term partnerships.
- Target growth through acquisition opportunities that provide value for our shareholders.

Summary of Results

	FY15 \$M	FY14 \$M	Movement \$M
Revenue	1,129.6	1,300.5	(170.9)
EBITDA	72.8	79.6	(6.8)
Depreciation	(13.3)	(14.7)	1.4
Amortisation	(7.6)	(7.1)	(0.5)
EBIT	51.9	57.8	(5.9)
EBIT Margin	4.6%	4.4%	
Net Finance Costs	(4.2)	(6.7)	2.5
Profit Before Income Tax	47.7	51.1	(3.4)
Income Tax Expense	(8.6)	(7.8)	(0.8)
Profit Attributable to Members of RCR Tomlinson Ltd*	39.1	43.3	(4.2)

(Non IFRS information, unaudited)

* As per the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Business Units Performance

During the year, RCR operated its business in three core units, namely Infrastructure, Energy and Resources. The Infrastructure business includes Power business together O'Donnell Griffin, Haden and Resolve FM.

The results of each business for the year are summarised below and in the Review of Operations on pages 14 to 21.

Business Unit	Revenue		Earnings		EBIT Margin	
	FY15 \$M	FY14 \$M	FY15 \$M	FY14 \$M	FY15 %	FY14 %
Infrastructure	688.6	726.9	30.8	30.5	4.5%	4.2%
Energy	161.8	174.7	8.2	10.8	5.1%	6.2%
Resources	315.3	444.5	21.4	30.0	6.8%	6.7%
Inter Business Sales	(36.1)	(45.6)	-	-	-	-
Corporate	-	-	(8.5)	(13.5)	-	-
Revenue and EBIT	1,129.6	1,300.5	51.9	57.8	4.6%	4.4%
Net Finance Costs	-	-	(4.2)	(6.7)	-	-
Income Tax Expense	-	-	(8.6)	(7.8)	-	-
Revenue and NPAT	1,129.6	1,300.5	39.1	43.3	-	-

Infrastructure

The Company's transition into the infrastructure sectors was completed in the previous financial year through the acquisition of the Norfolk Group Limited ("Norfolk") on 31 July 2013, which comprised the businesses of O'Donnell Griffin, Haden and Resolve FM.

At the end of the Company's second year of ownership of the Norfolk businesses, management has delivered on a number of initiatives which have resulted in significant cost savings (including consolidation of operations and sites with the Company's existing sites) and overhead reductions.

The Infrastructure business delivered Revenues of \$688.6 million (FY14: \$726.9 million) and an EBIT margin of 4.5% (FY14: 4.2%) on Earnings of \$30.8 million for FY15 (FY14: \$30.5 million).

Revenue and Earnings for the prior comparative period reflect eleven months of operation for the Norfolk businesses acquired and a full twelve months for the Company's existing power business, which now forms part of the Infrastructure business.

Integration activity in the Infrastructure business continues to ensure that the Company fully realises its potential. Since acquisition, the business has delivered improved operating margins, focused on quality Revenues and dramatically improved the safety culture of the underlying businesses.

Infrastructure has a pipeline of opportunities in rail (through both its Novo Rail Alliance and O'Donnell Griffin Rail division), transport, facilities management and water. The business also has a solid recurring Revenue base for HVAC, water, electrical maintenance works and facilities management.

Energy

Energy delivered Revenues in FY15 of \$161.8 million, which were marginally lower than last year (FY14: \$174.7 million), with Earnings of \$8.2 million (FY14: \$10.8 million).

Key activity during the year included work on:

- design and construction of 20MW Steam Boiler Plant at Synlait Milk facility, New Zealand; and
- NRG Power Station and Torrens Island Power Station, base, breakdown and planned maintenance works.

The Energy business is bidding on a number of prospects in its core Australian, New Zealand and South East Asia markets for energy projects, oil & gas projects and equipment supply. The Energy Service, Laser, and Upgrades and Maintenance divisions continue to make positive contributions to performance and generate solid recurring Revenues.

Resources

Resources generated Revenue of \$315.3 million (FY14: \$444.5 million), with Earnings of \$21.4 million (FY14: \$30.0 million).

During the second half of the year the Resources business commenced work on the Roy Hill Iron Ore Project under the direction of Samsung C&T. The Company brought its strong capability and contracting models developed on the Solomon Project in constructing ore processing facilities of high quality to schedule. This has resulted in the business being awarded multiple packages of work to supply SMP/E&I resources to support construction of the ore processing facility and associated mine infrastructure.

Activity levels for materials handling solutions benefited from the supply of equipment to the Roy Hill Project, Fortescue and Rio Tinto. In response to the lower commodity prices and a decline in new project opportunities, the business resized its operations and focused on overseas markets, spare parts and maintenance activities. The business is tendering on new medium term projects in Australia and overseas in the iron ore, mineral sands, coal, copper and gold markets.

OSR, heat treatment and maintenance activities in our Welshpool, Wacol and regional workshops continued to generate recurring Revenues during FY15.

People and Safety

The Company's business is built on the efforts and capability of its employees. Their support and development remain a priority to ensure the business can deliver on its services and strategy.

The Company and its subsidiaries employed 3,817 employees as at 30 June 2015 (June 2014: 3,943). Under RCR supervision, there are 208 apprentices and trainees.

The health and safety of the Company's workforce is its first priority. The Company's goal of zero harm requires continuous improvement to achieve reductions in work-related injuries.

The Company has continued to improve the safety culture with LTIFR improving from 1.31 to 1.10 over a rolling 12 month period ending 30 June 2015.

Net Assets

Net assets improved to \$316.1 million on the back of increased Earnings and after the payment of \$14.6 million in dividends to shareholders.

Operating Cash Flow

The adjusted operating cash flow reflects an EBITDA conversion of 97.3% and demonstrates RCR's rigorous focus on cash and working capital management.

	FY15 \$M	FY14 \$M
EBIT	51.9	57.8
Add: Depreciation and Amortisation	20.9	21.8
EBITDA	72.8	79.6
Operating Cash Flow	32.8	14.4
Add: Interest paid	5.2	5.7
(Less)/Add: Tax paid	(1.9)	19.9
Add: Norfolk creditors alignment	-	39.9
Add: Restructure costs	15.4	8.9
Add: Resources prepayment movement	3.0	14.6
Add/(Less): Infrastructure prepayment movement	14.4	(14.6)
Add/(Less): Other working capital movements	1.9	(13.7)
Adjusted Operating Cash Flow	70.8	75.1
EBITDA conversion	97.3%	94.3%

(Non IFRS information, unaudited)

In FY14 RCR concluded acquisition of Norfolk through a scheme of arrangement. As part of the acquisition the Company paid \$39.9 million to align pre-acquisition creditors to normal terms of trade.

During FY15 the Company undertook restructuring activities to adapt the business to the significant changes occurring across the Australian economy which is being influenced by lower commodity prices for natural resources and a reduction in mining capital expenditure. The restructuring activities include establishing the COO operational structure, continuing realisation of synergies associated with the Norfolk acquisition and rationalisation of properties where duplicate offices were located.

Capital Management Initiatives

In the first half of the year, the Company recognised profit on the sale of properties of \$15.0 million less obligations under the leaseback contracts which resulted in a profit of \$11.8 million. Further, there were non-recurring capital management initiatives and business rationalisation costs totalling \$10.5 million. These costs do not include expenses for redundancies incurred in the Consolidated Profit or Loss.

During the second half of the year, the Company sold its properties in Bunbury WA, following the move to new premises, realising a profit of \$1.3 million.

At 30 June 2015, there were 138,745,453 fully paid ordinary shares and 5,429,720 performance rights on issue.

During FY15, ordinary fully paid shares were issued for no consideration on the vesting of performance rights and exercise of options.

On 5 December 2014, the Company announced its intention to undertake an on-market share buy-back ("buy-back") to acquire up to 2.0 million RCR shares. The buy-back is part of the Company's capital management strategy. The buy-back began on 22 December 2014 and was in accordance with the ASX Listing Rules. The prices paid for shares purchased under the buy-back will be no more than 5% above the volume weighted average price of RCR shares over the 5 trading days prior to purchase.

At the date of this report the Company had acquired 817,651 RCR shares at a cost of \$1.5 million, of which 255,353 were acquired during FY15 at a cost of \$0.6 million.

Net Debt and Liquidity

At 30 June 2015 Net Debt reduced to \$12.2 million (30 June 2014: \$57.2 million) from \$90.5 million as at 31 December 2013, following the acquisition of Norfolk. Reducing debt was a short-term priority and now positions the Company for further acquisition opportunities.

The Company's gearing ratio at 30 June 2015 was 3.7% (30 June 2014: 16.5%).

Net Debt at 30 June 2015 comprised \$49.2 million cash in hand and \$61.4 million in borrowings (comprising of bank borrowing and finance lease liabilities).

Key Ratios	Measure	FY15	FY14
Net Debt	\$M	12.2	57.2
Available Cash	\$M	49.2	42.6
Gearing	%	3.7	16.5
Leverage Ratio (Net Debt/EBITDA)	Ratio	0.17	0.72
Interest Cover (EBIT/Interest Expense)	Ratio	10.6	8.1

Banking and Insurance Bonding Facilities

On 4 December 2014, the Company announced it had entered into an agreement with the Commonwealth Bank of Australia for a new three year term for its Banking Facility. The Banking Facility, together with existing Insurance Bonding Facilities, provides RCR with access to ongoing working capital for RCR's operations.

The three year Banking Facility comprises:

- a cash advance facility of \$61.3 million. This facility is subject to repayments of \$5.0 million per quarter and is fully repayable by November 2017;
- a multicurrency contingent instrument facility of \$95 million, which includes trade finance and bank guarantee facilities; and
- a multi option facility of \$75 million, for working capital, which includes overdraft, cash advance and business card facilities.

Since the renewal of the Banking Facility, RCR has repaid \$28.7 million of its cash advance facility. This comprises the quarterly repayments of \$10.0 million and an additional \$18.7 million as a result of the property sales which occurred in the first half of the year.

The Company has insurance bonding facilities totalling \$150.0 million. At 30 June 2015, \$20.4 million of the facilities were utilised.

At 30 June 2015 the Company has access to \$288.2 million of cash and funding facilities.

	FY15 \$M	FY14 \$M
Funding Summary		
Senior Debt and Working Capital	231.3	270.0
Insurance Bonding Facilities	150.0	150.0
Total Facilities	381.3	420.0
Less: Senior Debt Utilised	(61.3)	(100.0)
Less: Non-cash Facilities Utilised	(81.0)	(127.7)
Available Facilities	239.0	192.3
Add Cash	49.2	42.6
Total Cash/Funding Facilities Available	288.2	234.9
Facility Utilisation	37.3%	54.2%

Dividends

In respect of FY15, the Directors declared the payment of a Final Dividend of 7.5 cents per share (FY14: 7.0 cents per share) franked to 20% at 30% corporate income tax rate to the holders of fully paid ordinary shares on the Company's register at 18 September 2015 ("Record Date") with payment to be made on 8 October 2015 ("Payment Date").

The amount of the Final Dividend is \$10.5 million. No provision has been made for the Final Dividend in the Financial Statements as the final dividend was not declared or determined by the Directors on or before the end of the financial year.

The aggregate of both the Interim Dividend and Final Dividend totals 11.0 cents per share (FY14: 10.0 cents per share), which represents a payout ratio of approximately 39% of profit.

Details on dividends paid in FY15 and FY14 are as follows:

	FY15 \$M	FY14 \$M
Interim Dividend for 2015 of 3.50 cents per share fully franked and paid on 7 April 2015	4.9	-
Final Dividend for 2014 of 7.00 cents per share fully franked and paid on 3 October 2014	9.7	-
Interim Dividend for 2014 of 3.00 cents per share fully franked and paid on 4 April 2014	-	4.1
Final Dividend for 2013 of 5.75 cents per share fully franked and paid on 4 October 2013	-	7.8
	14.6	11.9

Business Strategies and Prospects for Future Financial Years

In line with previous years, the Company has developed a five year strategy at an overall group level and for each of its three core businesses. The strategic plan is reviewed annually by the Board. It is continuously updated and adjusted, taking into account changes in the competitive landscape and for significant changes in the business.

The fundamental objective of the strategic plan is to deliver value to customers and returns to shareholders.

The Company's overall strategy is to increase its position as a leading engineering and infrastructure services company, focusing on providing turnkey engineering solutions and self-perform end-to-end services in infrastructure, energy and resources in Australia, New Zealand and Asia.

The Company's strategy is focused on both organic and acquisition growth opportunities. The Board regularly reviews potential acquisition targets, which have the ability to create value for shareholders.

The specific strategic objectives, the prospect of achieving them and the risks that could adversely affect their achievement are set out below.

The Company sees opportunities in the large infrastructure markets, particularly in rail, water and transport, which includes services in engineering, procurement and construction across new capital projects, maintenance, and operational support services.

The Company's strategy includes building capability and leveraging technologies to enable it to deliver larger projects in its core markets and move into new market sectors and services and geographical markets such as South East Asia.

Equally, the Company will continue to develop its energy and resources service offerings, which include engineering, procurement and construction, maintenance, and operational support services. Core to RCR's business is its capability to deliver large scale projects both on a reimbursable and lump sum basis, the provision of front-end engineering design and detailed engineering for its own proprietary equipment and technologies. A core strategy includes growing the Company's capabilities and service offering into the oil & gas sector in Australia and overseas.

RCR's strategic objectives are also focused on delivery of engineering led, high intellectual property ("IP") generated products and services which provide opportunities for the Company and its customers.

Prospects

While recognising the specific challenges in the markets in which the Company operates, the Company expects its diversification across sectors (infrastructure, energy and resources) and geographic regions (Australia, New Zealand and South East Asia) will enable it to capitalise on any future emerging opportunities.

The Company's growth strategy also includes targeting growth through acquisition opportunities that provide value for shareholders.

Subject to the risks inherent in the Company's core businesses (outlined below), prospects remain the same based on its competitive position, diversified operations and financial capacity.

The Company's short-term focus is on securing Revenue for the future periods and continuing to drive down costs through improved project execution.

Material Risks

The Company has a risk management policy and internal controls to enable the identification, assessment and mitigation of material business risks. Key processes include tender, contracting and project management, treasury and credit risks. For further information in relation to the Company's risk management framework, refer to the Corporate Governance Statement.

Achievement of our short-term, medium and long-term prospects may be impacted by a number of risks, many of which are beyond the Company's control.

The risks could, individually or together, have an adverse effect on achievement of our annual operating plan and long-term strategic objectives. The risks are not set out in any particular order and do not comprise every risk that RCR businesses face in conducting their affairs. The risks may affect the achievement of RCR's short-term, medium and long-term business plans. They are the more significant risks that, in the opinion of the Board, should be monitored and managed and considered by investors before investing in RCR. Set out below is an overview of a number of material risks that the Company's businesses face:

- **Health, Safety and Environment ("HSE") Risk:** RCR's businesses are subject to OH&S and Environmental regulations, which establish certain responsibilities on RCR and its Officers and standards in the workplace. RCR's industry involves a high degree of operational risk and whilst RCR believes it takes reasonable precautions to manage the safety and environmental risks, there can be no assurance that the Company will avoid significant costs, liability and penalties or criminal prosecution.
- **Project Delivery Risk:** The execution and delivery of projects and supply of RCR proprietary equipment involves professional judgment regarding the design, planning, development, construction, and operation of complex operating facilities and equipment. Some parts of RCR's business are involved in large-scale, complex projects that may occur over extended time periods. As a result, operations, cash flows and liquidity could be affected if RCR miscalculates the resources or time needed to complete a project, fails to meet contractual obligations, or encounters delays due to varying conditions. In addition, some projects require payment of liquidated damages if RCR does not meet project deadlines. Furthermore, any defects or errors, or failures to meet the customer's expectations could result in large claims against RCR.

Material Risks (continued)

- **Competition Risks:** The markets in which RCR operates are highly competitive, which may result in downward pressure on prices and margins. If RCR is unable to compete effectively in its markets, it runs the risk of losing market share.
- **Demand Risk:** RCR derives Revenues from the infrastructure, energy and resources markets. In these markets the timing of or failure to obtain contracts, delays in awards of contracts, cancellations, delays in completion, changes in economic conditions, volatile cyclical nature of commodity prices and demand for its customers' goods and services means that the demand for RCR's goods and services can be cyclical and may sometimes vary markedly over relatively short periods. Accordingly, any change to these markets or key customers could impact RCR's financial performance.
- **Contract Pricing:** RCR has mixed exposure to fixed price contracts (lump sum) and reimbursable contracts. However, if RCR materially underestimates the cost of providing services, equipment, or plant, there is a risk of a negative impact on RCR's financial performance. For lump sum contracts, RCR completes executive reviews for tenders above \$25 million and Board reviews for tenders above \$50 million.
- **Revenue Recognition:** RCR recognises Revenue on fixed price contracts using the percentage of completion method, measured by the percentage of costs incurred to date to total estimated cost for each contract. This relies on estimates of total expected contract costs and periodic review by management as the work progresses. Variations of actual results from estimates on large projects or a number of small projects could impact RCR's financial performance.
- **Contractual Risk:** RCR, from time to time, may bring contractual claims for additional costs or time, or for variations. If RCR fails to provide the necessary documentation to substantiate claims, or are otherwise unsuccessful in negotiating a reasonable settlement, RCR's financial performance could be affected.
- **Legal Claims and Proceedings:** RCR may be subject to various claims or legal proceedings which arise in the ordinary course of business. These claims may seek, amongst others things, compensation for alleged personal injury, workers compensation, breach of workplace practices, breach of contract or statutory duty, property damage, liquidated damages and contractual claims. The outcomes of these disputes can be difficult to predict. An adverse determination on such claims or proceedings may harm the Company's reputation and in certain instances where its insurance coverage is inadequate, may cause a material negative impact on any one year's financial performance.
- **Business Acquisitions:** When RCR acquires a business there is a risk of not being able to realise or sustain expected benefits of the acquisition. The goodwill represents the amounts paid for the business, less the fair value of the net assets acquired. RCR, at least annually, reviews the carrying value of goodwill and may incur impairment charges related to goodwill if the businesses or markets they serve deteriorate. In addition, businesses that RCR acquires may have liabilities that RCR were unaware of in the course of performing due diligence investigations. Any such liabilities may have a material adverse impact on RCR's business and financial position.
- **Order Book and Backlog:** RCR's order book and backlog comprise certain estimates, are unaudited, vary from time to time and may be impacted by project delays or cancellations. The order book also includes amounts expected or anticipated under contracts, current work programs, maintenance arrangements, or framework arrangements. The Order Book includes amounts which cover multiple financial periods. Accordingly, RCR's order book at any particular date will vary and is therefore an uncertain indicator of future Earnings.
- **Liquidity Risk:** RCR uses credit facilities in order to conduct its activities, which may be terminated under certain circumstances, including breach of financial covenants (which may result from poor financial performance) or from other material adverse events. RCR seeks to ensure that it has effective cash management processes and carries sufficient cash and credit lines to meet expected operational expenses, including obligations to its lenders. In addition, RCR, under certain contracts, is required to provide its customers security in the form of a bank guarantee or insurance bond. Under certain conditions, RCR's customers may call upon these financial instruments. The termination of credit facilities by RCR's credit provider or the draw down on bank guarantees or insurance bonds by clients may have a materially adverse impact on RCR's financial position.
- **Partner Risk:** RCR, in some cases, may undertake services through and participate in joint ventures or partnering/alliance arrangements. The success of these partnering activities depends on the satisfactory performance by RCR's partners. The failure of partners to meet performance obligations could impose additional financial and performance obligations that could cause significant impact on RCR's reputation and financial results, including loss or termination of the contract and loss of profits.

Other material risks that could affect RCR include:

- a major operational failure or disruption at key facilities or to communication systems which interrupt RCR's business;
- changing government regulation including tax, occupational health and safety, and changes in policy and spending;
- operating in international markets, potentially exposing RCR to economic conditions, civil unrest, conflicts, and bribery and corrupt practices;
- loss of reputation through poor project outcomes, unsafe work practices, unethical business practices, and not meeting the market's expectation of its financial performance;
- foreign exchange rates and interest rates in the ordinary course of business; and
- loss of key Board, management or operational personnel.

Disclosure Notices

Unreasonable Prejudice

As permitted by sections 299(3) and 299A(3) of the *Corporations Act 2001*, the Company has omitted certain information from this Operating and Financial Review in relation to the Company's business strategy, future prospects and likely developments in its operations and the expected results of those operations in future financial years. The Company and Board have done this on the basis that such information, if disclosed, would be likely to result in unreasonable prejudice to the Company (for example, because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage). The omitted information relates to Company's internal budgets, forecasts and estimates, details of Company's Strategic Plan and any growth initiatives under consideration.

Forward Looking Statements

This Operating and Financial Review and the Review of Operations may contain forward looking statements, including statements of current intention, statements of opinion and expectations regarding Company's present and future operations, possible future events and future financial prospects. Such statements are not statements of fact and may be affected by a variety of known and unknown risks, variables and changes in underlying assumptions or strategy which could cause the Company's actual results or performance to differ materially from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of the Company.

Further information on some important factors that could cause actual results or performance to differ materially from those projected in such statements is contained in the "Material Risks" Section. The Company makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statement. The forward looking statements in this Annual Report reflect expectations held at the date of this Report. Except as required by applicable law or the ASX Listing Rules, the Company disclaims any obligation or undertaking to publicly update any forward looking statements, or discussion of future financial prospects, whether as a result of new information or of future events.

Significant Changes in the State of Affairs

During the year the Company sold land and buildings. Other than this there were no significant changes during FY15.

Matters Subsequent to the End of the Financial Year

Since the end of the financial year, the Directors have resolved to pay a final dividend of 7.5 cents per share. In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the aggregate amount of the final dividend of \$10.5 million is not recognised as a liability as at 30 June 2015.

On 14 August 2015, RCR announced that it had acquired the Engineering and Construction Services ("ECS") business from Water Corporation of Western Australia for a purchase price of \$10.4 million. The acquisition of ECS will further expand RCR's Infrastructure business in WA and capability to deliver national and international turnkey water and waste water projects. As part of the acquisition, RCR will be awarded a minimum of \$130 million in new capital works over the next three years by the Water Corporation and will be invited on a select bidder basis to tender for additional works over a two year period, with the prospect for this term to be extended.

The Company has acquired 562,298 RCR shares at a cost of \$0.9 million under its on-market buy-back program.

No other matter or circumstance has arisen, since 30 June 2015 that, in the opinion of the Directors, has or may, significantly affect the operations or financial position of the Company, the results of those operations, or the state of affairs of the Company, in future periods.

Likely Developments

Other than as disclosed above, information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Disclosure

The Company's operations are subject to various Commonwealth and State laws governing the protection of the environment. As far as the Directors are aware, there have been no material breaches of the Company's licenses and all activities have been undertaken in compliance with the relevant environmental regulations.

Carbon and Energy Emissions

The Company is registered under the National Environment Protection (National Pollutant Inventory) Measure 1998 ("NPI") and National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The Company reports its energy consumption and carbon emissions under the NPI and NGER. The Company is below the threshold for reporting on carbon emission.

Performance Rights Over Unissued Shares

Performance Rights on Issue

As at the date of this Report, there are 5,279,720 performance rights on issue (FY14: 6,163,018). During FY15, 1,277,220 performance rights were granted (FY14: 2,693,018) to eligible employees in accordance with the terms of the Company's Long-Term Incentive Plan ("LTIP") as approved by shareholders. Since the end of FY15, 150,000 performance rights have vested and no performance rights have been granted, forfeited or cancelled. Performance rights have no exercise price on vesting.

Details of performance rights granted to Executives as part of their remuneration are set out in the Remuneration Report.

Details of performance rights as at the date of this report are set out below:

Class of Securities	Number	Expiry Date
Unlisted Performance Rights	2,260,000	31 August 2015
Unlisted Performance Rights	1,342,500	31 August 2016
Unlisted Performance Rights	1,427,220	31 August 2017
Unlisted Performance Rights	50,000	28 February 2016
Unlisted Performance Rights	25,000	28 February 2017
Unlisted Performance Rights	25,000	28 February 2018
Unlisted Performance Rights	50,000	6 January 2016
Unlisted Performance Rights	50,000	6 January 2017
Unlisted Performance Rights	50,000	6 January 2018
	5,279,720	

Performance Rights, Vested, Forfeited or Lapsed

During FY15, 1,160,518 performance rights were forfeited or cancelled in accordance with the terms of the LTIP.

Company Secretary

Mr Darryl Edwards is the Company Secretary and was appointed on 9 November 2009. Mr Edwards has over 15 years' experience in mining, media, manufacturing, corporate advisory, corporate governance, capital raising, mergers and acquisitions and commercial and legal matters.

Mr Edwards is a qualified Company Secretary, a fellow of the Governance Institute of Australia (formerly, Institute of Chartered Secretaries in Australia) and State Council Member for the WA Branch of the Governance Institute of Australia.

Indemnification and Insurance of Directors and Officers

During the financial year the Company insured the Directors and Officers, including former Directors and Officers of the Company and of any related bodies corporate, against liabilities incurred by a Director or Officer to the extent permitted by the *Corporations Act 2001*.

The Officers of the Company covered by the insurance policy include any person acting in the course of duties for the Company who is, or was, a Director, Executive Officer, Company Secretary or a Senior Manager within the Company.

The liabilities insured relate to:

- legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers, in their capacity as Officers of entities in the Company; and
- any other liability that may arise from their position, with the exception of conduct involving a wilful breach of duty or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Company has paid a premium under a contract insuring each Director, Officer, Secretary and employee who is concerned with the management of the Company or its subsidiaries against liability incurred in that capacity. Disclosure of the nature of the liability covered by and the amount of the premium payable for such insurance is subject to a confidentiality clause under the contract of insurance.

Non-Audit Services

In accordance with the Company's External Audit Policy and Guidelines, the Company may decide to engage the external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

During FY15, the Company's external auditor, Deloitte Touche Tohmatsu, performed certain other services in addition to its statutory audit duties. The total remuneration for audit and non-audit services provided during FY15 is set out in Section 3.5 of the Financial Report.

The Board has adopted a policy outlining the provision of non-audit services by the external auditor, Deloitte Touche Tohmatsu. The Board has considered the position and, in accordance with advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services detailed in Section 3.5 of the Financial Report was compatible with the general standards of independence for auditors imposed by the *Corporations Act 2001*.

The Board is also satisfied that the provision of these non-audit services did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

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

Auditors' Independence Declaration

Deloitte Touche Tohmatsu continues as external auditor in accordance with s.327A of the *Corporations Act 2001*. The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is set out on page 78 and forms part of this report.

Deed of Cross Guarantee

The Company and a number of its wholly owned subsidiaries, which are classified as large proprietary companies under the *Corporations Act 2001*, continue to be parties to a Deed of Cross Guarantee ("DCG"). The effect of the DCG is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the Company's subsidiaries who are a party to the DCG, under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full.

Further details on the DCG are set out in Section 6.3 in the Financial Report.

Remuneration Report

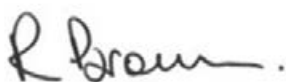
The Remuneration Report is set out on pages 41 to 62 and forms part of this report.

Rounding of Amounts

The Company is a company of the kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission ("ASIC") and dated 10 July 1998. In accordance with that Class Order, amounts in the Directors' Report (excluding certain remuneration tables in the Remuneration Report) and Financial Statements have been "rounded off" to the nearest \$1,000, unless otherwise indicated.

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

On behalf of the Directors,



Roderick J M Brown
Chairman
19th day of August 2015

Remuneration Report (Audited)

Introduction from the Chair of the Remuneration and Nomination Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present our 2015 Remuneration Report, for which we seek your support at our forthcoming Annual General Meeting.

The Remuneration Report provides you with the necessary information to clearly establish the demonstrated link between RCR's strategy, its performance over the short and long-term, and the remuneration outcomes for our Executives and Directors.

One of the key elements of our strategy is a competitive Executive reward framework that provides a suitable mechanism to reward excellence in performance. RCR's Executive remuneration framework includes a remuneration mix that places great emphasis on LTI's that are linked to performance outcomes. The Executive remuneration framework is designed to deliver value to our shareholders, primarily through dividend and capital growth.

FY15 Remuneration Review and Outcomes

In review, 2015 was another year of strong performance. We benefited from our diversity of operations across Infrastructure, Energy and Resources and ended the year with Revenue at \$1,129.6 million and NPAT at \$39.1 million. We have also delivered an increase of 10% in total dividends. Pleasingly, we are also well placed with an Order Book of \$1,030.6 million and Net Debt down from \$57.2 million to \$12.2 million at year-end.

These outcomes, together with our performance over the past five years, have enabled RCR to achieve TSR of 143.1% and EPS growth of 112.3%. This equates to an EPS growth rate of 16.3% p.a. The use of these two performance hurdles is intended to provide a balanced representation of the Company's performance and delivery against strategic objectives and ensure alignment with shareholder interests.

Whilst the Company's performance will always be influenced by market conditions, RCR's individual performance in 2015, and over the past five years, has allowed us to once again recognise and reward our Executives for performance and delivery against our short-term and long-term strategic objectives.

During the year the Remuneration and Nomination Committee commenced a review of the Executive long-term incentives to ensure that it continues to align remuneration with RCR's Long-Term Strategic Plan, which was refreshed during the year. Whilst this is a complex area, involving a significant body of work, we expect to complete our review in FY16. To prepare for any change that may come from the review we intend to seek shareholder approval for a new and more versatile equity plan that also contain strict limitations on dilution and provisions for clawback.

In order to maintain remuneration alignment with peers, and to take into account a role change for the newly appointed Chief Operating Officer and to recognise the Company's relative size and strategic growth plan the Board approved modest increases in the fixed remuneration of the Managing Director and other Executives during the past year. The increases were fixed for a period of two years.

There has been no change to Non-Executive Directors' base remuneration fees, however, total Board remuneration has increased in order to reflect the appointment of an additional Non-Executive Director, Ms Sue Palmer, who was appointed to the Board in August 2014. Ms Palmer is highly experienced in financial management of large engineering and construction companies and during the coming financial year will assume the Chair of the Board's Audit and Risk Committee. Total Board remuneration also included an increase in the amount paid to Non-Executive Directors who serve on the Board's Remuneration and Nomination Committee, in order to reflect increases in work being undertaken by this subcommittee.

We trust this introduction assists RCR Shareholders in understanding our remuneration practices and decisions and we welcome your feedback.

Yours sincerely,



Eva Skira
Chair of the Remuneration and Nomination Committee
19th day of August 2015

Remuneration Report

The Company's Directors present the FY15 Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001*, for the Company for FY15. The information provided in this Remuneration Report has been audited by Deloitte Touche Tohmatsu as required by section 308(3C) of the *Corporations Act 2001*. The Remuneration Report forms part of the Directors' Report.

This Remuneration Report outlines the remuneration strategies and arrangements for RCR's Key Management Personnel ("KMP") who have the authority and responsibility for planning, directing and controlling the activities of RCR. The names and position of RCR's KMPs are set out in Table 1.

The FY15 Remuneration Report is presented in five Sections:

Section	What is Covered	Page
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2.0 Remuneration Policy and Link to Company Performance	2.1 Non-Executive Director Remuneration Policy	47
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1.0 Remuneration Snapshot

1.1 Key Management Personnel

The Company's Directors present the FY15 Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001, for the Company for FY15. The information provided in this Remuneration Report has been audited by Deloitte Touche Tohmatsu as required by section 308(3C) of the Corporations Act 2001. The Remuneration Report forms part of the Directors' Report.

Set out below is a list of the Directors and Executives of the Company whose remuneration details are outlined in this Remuneration Report. Except where noted, these Directors and Executives were employed for all of FY15 in the positions noted below. These Directors and Executives comprise the KMPs of the Company for FY15, as defined under the accounting standards.

Table 1 - Key Management Personnel

Name	Position	Year Joined	Period Covered Under this Report
Non-Executive Directors			
Roderick Brown	Non-Executive Chairman	2005	Full financial year
Eva Skira	Non-Executive Director	2008	Full financial year
Paul Dippie	Non-Executive Director	2007	Full financial year
Lloyd Jones	Non-Executive Director	2013	Full financial year
Bruce James	Non-Executive Director	2014	Full financial year
Sue Palmer	Non-Executive Director	2014	21 August 2014 to 30 June 2015
Executives			
Paul Dalgleish	Managing Director and Chief Executive Officer	2009	Full financial year
Andrew Phipps	Chief Financial Officer	2013	Full financial year
Graham Salter	Chief Operating Officer (26 January 2015 to Present) Chief Executive, Energy (1 July 2014 to 25 January 2015)	2011	Full financial year

Following a leadership restructure, on 26 January 2015, Mr Graham Salter was appointed to the role of COO. This role has direct responsibility for RCR's three core businesses and replaced the previous three Chief Executive positions in each of the Infrastructure, Energy and Resources businesses. Prior to this role, Mr Salter was the Chief Executive of the Energy business.

Former Executives

Mr Simon Pankhurst's role of Chief Executive of the Infrastructure business was absorbed by the new COO appointment, which then allowed Mr Pankhurst (who was no longer considered to be a KMP) to focus on new rail and transport opportunities until he ceased employment on 30 June 2015.

For the prior period, additional Executives classified as KMPs included Mr David Cairns, the Chief Executive of the Resources business, who resigned his position on 30 June 2014 and Mr Andrew Walsh, the former CFO, who resigned his position on 29 November 2013.

1.2 Remuneration Overview

This Section provides an overview of RCR's remuneration arrangements during FY15.

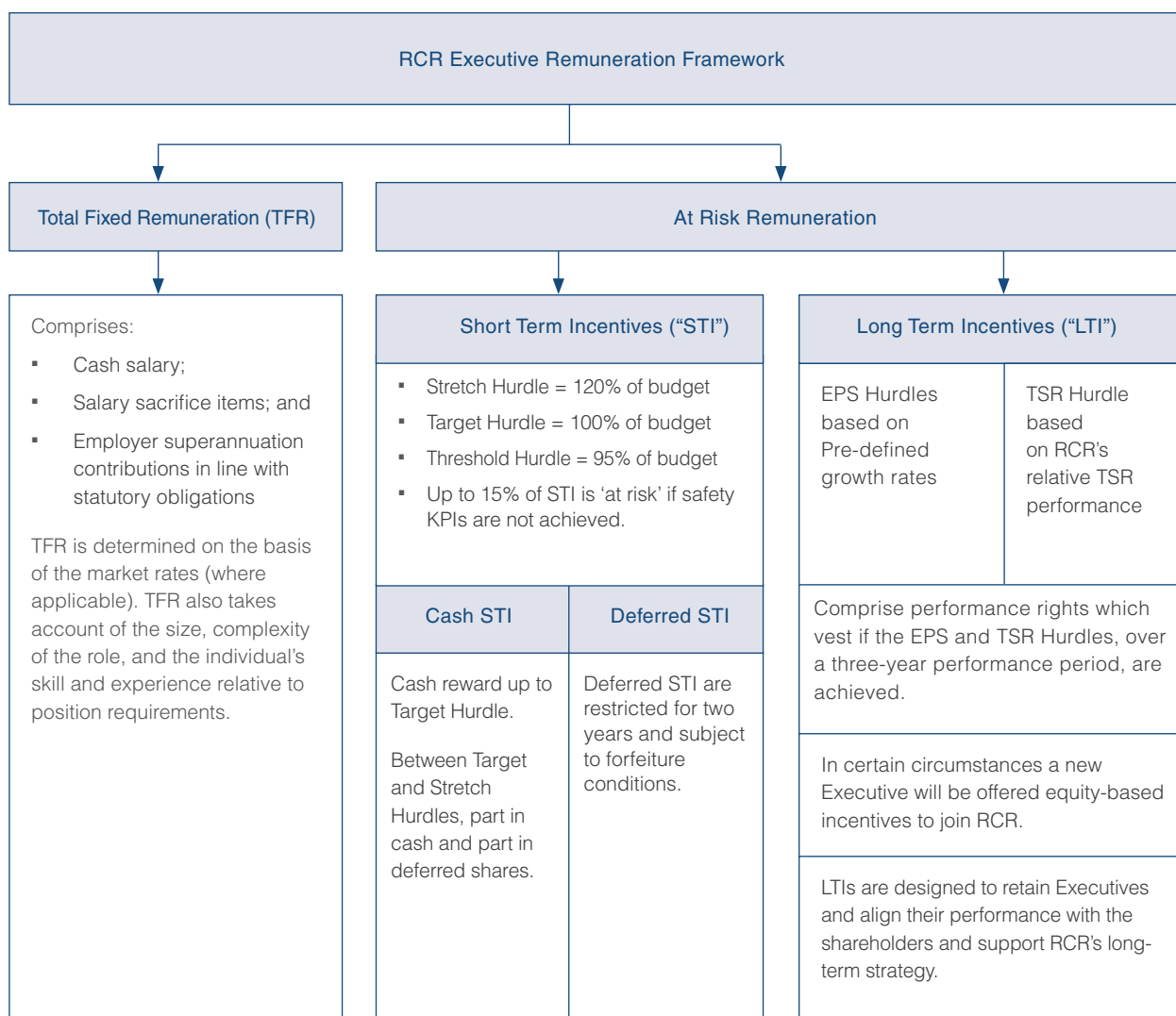
Executive Remuneration FY15

RCR's remuneration framework for FY15 for the Managing Director and other KMP Executives has three components, two of which vary with performance. The remuneration structure is designed so that there is an appropriate mix of fixed and variable rewards commensurate with the level of accountability for each role within the Company. Executives who have a greater ability to influence outcomes have a greater proportion of overall remuneration 'at risk'.

Executive remuneration framework rewards performance that exceeds peers and expectation, with a greater emphasis on LTIs. This ensures that there is a link to performance outcomes that are designed to deliver value to shareholders, through dividends and capital growth.

Executive remuneration, including 'at risk' incentives are benchmarked and reviewed against market data provided by the Company's independent external advisor.

Diagram 1 – Executive Remuneration Overview



Director Remuneration

RCR's remuneration structure for Non-Executive Directors consists of a base Director Fee and Committee Fee for participation on nominated Board subcommittees. All fees are inclusive of statutory superannuation.

Director and Committee Fees are benchmarked and reviewed against market data provided by the Company's independent external advisor.

1.3 Remuneration Summary

The remuneration outcomes for FY15 for the KMPs are summarised below.

Details on the link between remuneration principles and Company performance are contained in Section 2.0 of this Remuneration Report.

The actual remuneration received for FY15 by the Managing Director and other Executive KMPs is provided in Section 3.0 of this Remuneration Report. The cash cost of remuneration paid in FY15 to the Executive KMPs (who remained in office at year end), was \$3,289,176 which represented 6.9% of pre-tax profits.

Details on the actual remuneration received for FY15 by Non-Executive Directors is provided in Section 4.0 of this Remuneration Report.

Table 2 – Remuneration Summary

Executive	Component	Commentary
Non-Executive Directors	Non-Executive Director's Base Fee and Subcommittee Fees	<p>There was no increase in the base fee payable to Non-Executive Directors.</p> <p>During the year fees payable to the three Non-Executive Directors on the Board's Remuneration and Nomination Committee were increased to reflect the increase in activity. This increase was subject to market data provided from Guerdon Associates.</p> <p>In August 2014, the Board appointed Ms Sue Palmer as a Non-Executive Director to the Board. Accordingly, the aggregate amount of fees paid to Non-Executive Directors increased. On 19 November 2014, shareholders approved the election of Ms Palmer to the Board for a three year term.</p>
Managing Director	Fixed Remuneration	The Managing Director's Fixed Remuneration increased by 5.3% to \$1,000,000 p.a. (effective 1 September 2014), to maintain alignment with peer's in companies of comparable size and/or scope. This increase was made after consideration of market data provided by Guerdon Associates.
	Short-Term Incentives	For FY15, NPAT was \$39.1 million. After adjustment to exclude gains/losses on disposal of assets and other adjustable items at Board discretion, NPAT performance exceeded the minimum internal target for NPAT set by the Board at the beginning of the year. As a result, the overall STI award for the Managing Director was \$897,540 (comprising cash of \$748,770 and \$148,770 in deferred shares) out of a maximum opportunity of \$1,500,000.
	Long-Term Incentives - Performance Rights Plan	<p>Since joining the Company in May 2009, the Managing Director has been instrumental in the strategic growth of the Company. During this time, the Company has achieved a TSR of 442.0% for shareholders and delivered Earnings growth of 154.4% which equates to a compound annual growth rate ("CAGR") of 16.9% p.a. This strong performance has enabled the Company to reward the Managing Director accordingly.</p> <p>In 2012 shareholders approved the grant of 1,400,000 performance rights to Dr Dalgleish. The performance rights are subject to two separate performance measures over a three year performance period (1 July 2012 to 30 June 2015). Half of the performance rights are subject to EPS CAGR hurdles of between 8% and 16% p.a. and half of the performance rights are subject to RCR's relative TSR performance measured against a peer group of similar companies, many who were larger in size than RCR. For this three year performance period the following outcomes were achieved:</p> <ul style="list-style-type: none"> (i) RCR's EPS CAGR, after certain adjustable items at Board discretion, was 13.6%. This achievement was above the threshold EPS CAGR of 8% CAGR but below the stretch hurdle for EPS CAGR of 16%; and (ii) RCR's relative TSR was 6.1%, which placed RCR in the top four performers of a peer group of 25 companies. <p>Accordingly, 1,262,163 performance rights will vest to the Managing Director on or about 31 August 2015 under the terms of the LTIP.</p>
CFO and COO	Fixed Remuneration	<p>During the year Mr Salter was promoted to the new role of COO resulting in Mr Salter receiving an increase in his fixed remuneration. The CFO also received an increase in fixed remuneration to align his remuneration with industry peers and to recognise the expertise he acquired in meeting CFO requirements, which he only commenced in November 2013.</p> <p>The increase in fixed remuneration for the CFO and COO were fixed for a period of two years.</p>
	Short-Term Incentives	The STI performance hurdles exceeded the minimum internal target set by the Board at the beginning of the year. Accordingly, the CFO will receive 67% and the COO will receive 33% of their maximum STI opportunity.
	Long-Term Incentives - Performance Rights Plan	LTI performance hurdles for EPS growth and TSR (as detailed above for the Managing Director) both exceed the relevant performance hurdles. Accordingly, a total of 225,387 performance rights in the aggregate, will vest on or about 31 August 2015, to the CFO and COO under the terms of the LTIP.

1.4 Factors Affecting Remuneration Outcomes

Particular events and actions that impacted the Company's remuneration structure and outcomes for FY15 were:

- The Company completed FY15 with Revenue at \$1,129.6 million, and NPAT of \$39.1 million. These results, in the Board's opinion, are a solid outcome in what have been challenging market conditions, which saw a number of projects in the resources sector delayed or cancelled.
- RCR has delivered on its growth strategy and successfully transitioned into the infrastructure sector. This is evidenced from Revenues and Earnings which are around 70% generated from the infrastructure and energy sectors.
- The Company's performance, over the short-term and long-term, continues to be linked with Executive Remuneration. During the year Executives have been rewarded for meeting or exceeding challenging performance targets, whilst at the same time delivering improvement in safety outcomes and the creation of shareholder wealth over the long-term.
- Over the past five years EPS has grown by 112.3% translating into a compound annual growth in Earnings of over 16.3% p.a. and TSR (growth in share price plus dividends) has grown by 143.1%. RCR's five year TSR performance exceeded those companies in its peer group (see Chart 1).
- RCR has maintained its membership of the S&P/ASX All-Australian 200 Index, placing it in the top 200 of Australian domiciled ASX Listed companies.

Details on RCR's financial performance over the past five years are provided in Table 3 in Section 2.3 of this Remuneration Report.

1.5 Remuneration Governance

The Board oversees, and is responsible for, remuneration decisions. To assist the Board, governance and oversight of remuneration is delegated to the Remuneration and Nomination Committee.

Members of the Remuneration and Nomination Committee include Ms Eva Skira (Chair of the Committee), Mr Lloyd Jones and Mr Roderick Brown, who is also Chairman of the Board.

The Remuneration and Nomination Committee has responsibility for reviewing the Remuneration Policy and practices applicable to Non-Executive Directors, the Managing Director, CFO, COO and other Senior Managers reporting directly to the Managing Director or the COO. The Remuneration and Nomination Committee makes recommendations to the Board on the level and form of remuneration. To assist this process the Remuneration and Nomination Committee involves the Managing Director in deliberations (excluding his own employment and remuneration matters).

From time to time the Remuneration and Nomination Committee seeks independent external advice on the appropriateness of the remuneration framework and remuneration arrangements for Directors and Executives.

The role and responsibilities of the Remuneration and Nomination Committee are set out in the Remuneration and Nomination Committee Charter, which is available on the Company's website at www.rcrtom.com.au/about-us/corporate-governance. The Charter is reviewed annually and was last reviewed in June 2015. Further information on the Remuneration and Nomination Committee is provided in the Corporate Governance Statement in this Annual Report.

1.6 Remuneration Consultant

During the year, the Board engaged Guerdon Associates as its independent consultant to provide information on remuneration matters. The Chair of the Remuneration and Nomination Committee oversees the engagement of remuneration services for, and payment of, the independent consultant.

The Board was satisfied that advice received from Guerdon Associates was free from any undue influence by KMPs to whom the advice related, because strict protocols were observed and complied with regarding any interaction between Guerdon Associates and management. All remuneration advice was provided directly to the Chair of the Remuneration and Nomination Committee. No remuneration recommendations as defined under Division 1, Part 1.2.98 (1) of the *Corporations Act 2001*, were made by Guerdon Associates.

2.0 Remuneration Policy and Link to Company Performance

2.1 Non-Executive Director Remuneration Policy

RCR's Non-Executive Director Remuneration Policy is to provide for remuneration that is sufficient to attract and retain Directors with the experience, knowledge and judgement to oversee the Company's success. Fees are not linked to the financial performance of the Company in order for Non-Executive Directors to be classified as independent.

Further details on Non-Executive Remuneration are contained in Section 4.0 of this Remuneration Report.

2.2 Executive Remuneration Policy

RCR's Remuneration Policy complements its business strategy by aiming to reward Executives fairly and responsibly in accordance with the market and ensures that RCR:

- provides competitive rewards that attract, retain and motivate Executives of the highest calibre;
- structures fixed remuneration at a level that reflects the Executives' duties and accountabilities;
- aligns Executive incentive rewards with the creation of value for shareholders;
- sets demanding levels of performance and stretch targets which are clearly linked to an Executive's remuneration;
- manages risk by measuring performance over different time periods, ensuring reward is contingent on a diversity of hurdles aligned with shareholder value, deferring a proportion of reward, and ensuring a significant component is received as equity;
- benchmarks remuneration against appropriate comparator groups; and
- complies with applicable legal requirements and appropriate standards of governance.

Executive remuneration is reviewed annually, having regard to individual and business performance and relative comparative information.

2.3 Link to Company Performance

A key principle of the Company's approach to Executive remuneration is that 'at risk' rewards should demonstrate strong links to the Company's performance, safety and shareholder returns. Furthermore, the relevant performance measures for 'at risk' rewards ensure that the Managing Director and other Executives are focused on strategic business objectives that enhance shareholder value and grow the business organically and by acquisition.

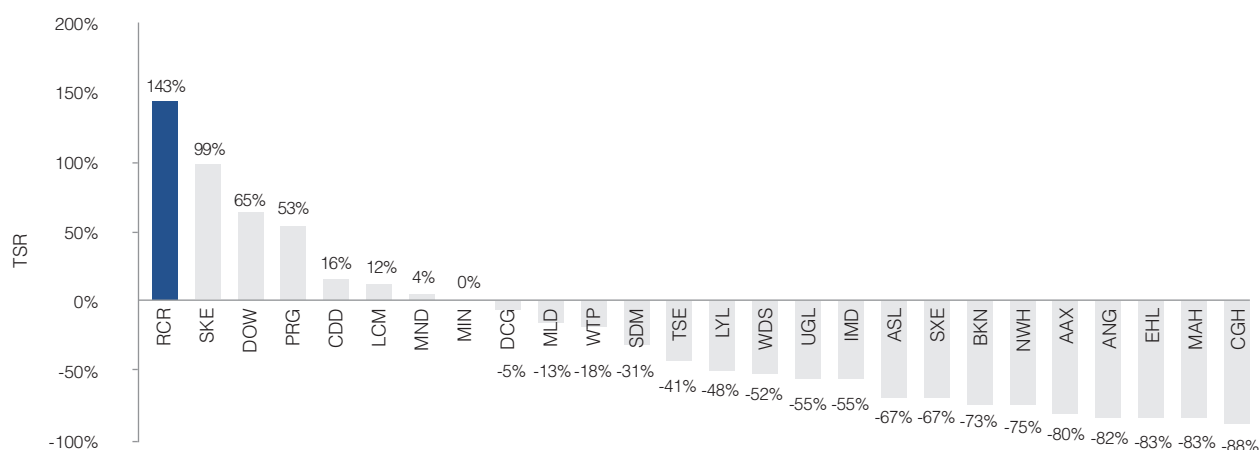
The key financial and non-financial measures for the FY15 are all considered to be appropriate measures of performance over the long-term as they provide a link to shareholder value creation. They include safety performance measured as LTIFR, NPAT, Divisional EBIT, EPS growth and TSR.

EPS is a measure of profitability, a direct determinant of dividends and a measure of the Company's long-term success as it represents a clear link to shareholder wealth creation.

TSR can be benchmarked against market performance and RCR's peers and provides a common comparator to measure shareholder returns against other investment opportunities.

Chart 1 demonstrates RCR's relative TSR performance has outperformed a group of peer companies.

Chart 1 – RCR TSR compared with RCR's peer group of 25 ASX listed companies – 5 years



30 June 2010 to 30 June 2015, Source: NASDAQ

Table 3 – RCR Financial Performance for the Past Five Years

	Measure	FY15	FY14	FY13	FY12	FY11
Revenue	\$M	1,129.6	1,300.5	875.2	808.7	607.2
EBITDA	\$M	72.8	79.6	58.6	50.5	39.9
EBIT	\$M	51.9	57.8	43.8	35.3	25.6
NPAT	\$M	39.1	43.3	37.3	27.3	19.5
Growth in NPAT	%	(9.7)	16.1	36.6	40.0	11.4
Long-Term Performance Outcomes						
Safety	LTIFR	1.10	1.31	0.36	0.65	0.78
EPS	cents	28.2	31.9	28.3	20.5	14.8
Interim Dividend ¹	cents per share	3.50	3.00	2.50	2.00	-
Final Dividend ^{1,2}	cents per share	7.50	7.00	5.75	4.25	3.75
Market capitalisation	\$M	238.6	383.6	305.9	235.3	215.8
Closing share price	\$	1.72	2.80	2.31	1.79	1.63
TSR – 1 year	%	(36.3)	26.0	32.8	13.3	102.4
TSR – 3 year rolling	%	6.1	84.3	197.0	217.0	129.8
TSR – 5 year rolling	%	143.1	413.2	232.0	(5.7)	(22.1)

¹ Fully franked at 30% corporate tax rate.

² FY15 Final Dividend franked to 20% and is declared after the end of the reporting period and is not reflected in the Financial Statements.

3.0 Executive Remuneration

3.1 Executives Remuneration Structure

Executive Remuneration has a fixed component and an 'at risk' component that varies with performance. The 'at risk' component comprises an STI and an LTI which vary with performance. STI and LTI incentives are set as a percentage of TFR and performance is assessed annually.

3.1.1 Total Fixed Remuneration

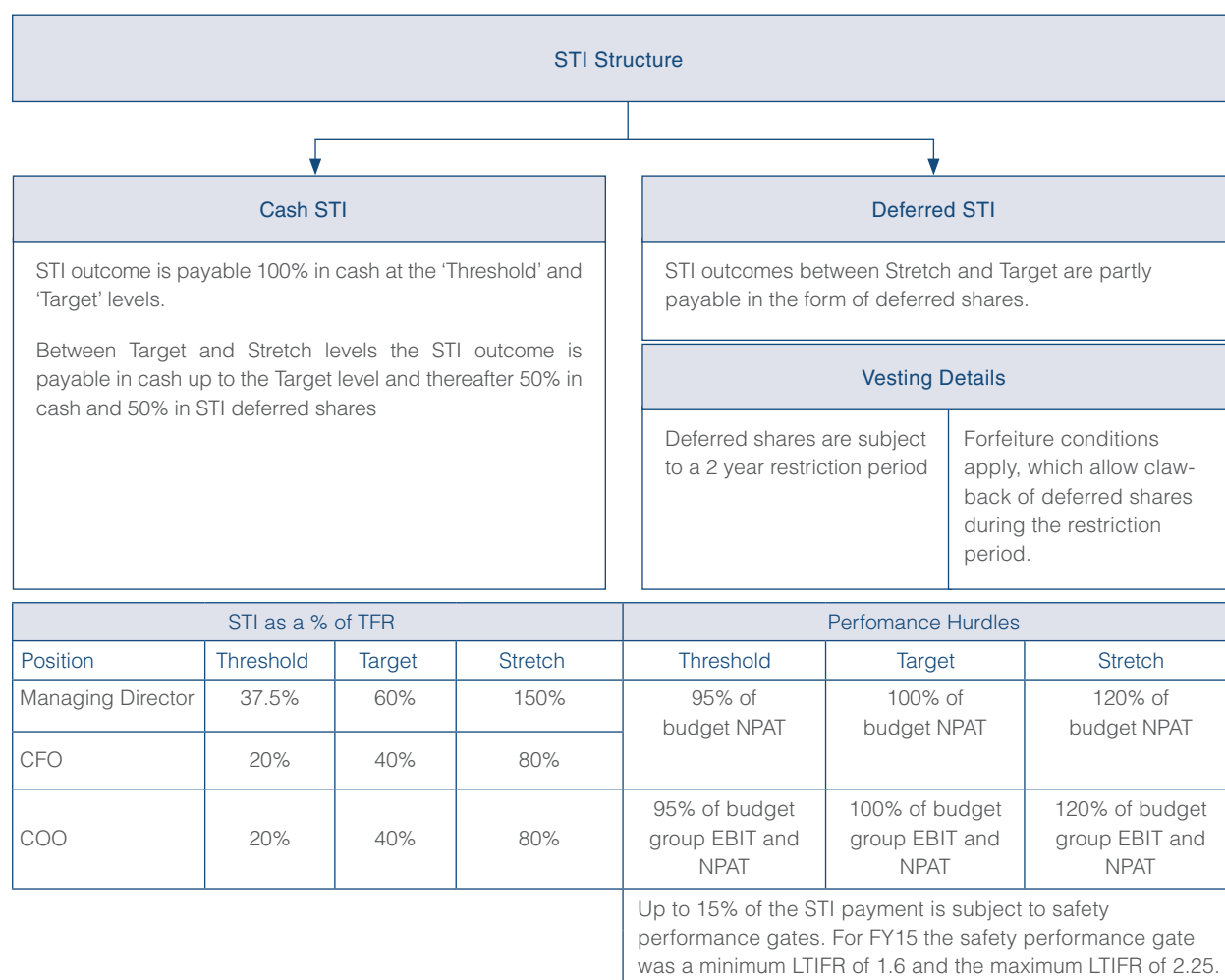
Executives receive TFR which is determined by the scope of the Executive's role and the individual's level of knowledge, skill and experience.

The Company reviews the TFR annually and benchmarks this against appropriate market comparisons using information and advice from external consultants. There is no guarantee of any base pay increases included in any Executive's contract.

TFR is the sum of salary, salary sacrifice arrangements and the direct cost of benefits, including superannuation, motor vehicles, car parking and fringe benefits tax.

3.1.2 Short-Term Incentives

Diagram 2 – STI Plan Overview



The Company's STI Plan aims to reward Executives and other participants for meeting or exceeding annual performance targets, whilst at the same time linking their STI rewards to improvement in safety outcomes and shareholder returns.

No STI is paid unless the Threshold hurdle is achieved. The STI payment is also subject to minimum levels of safety performance, with 15% of the STI payment subject to achievement of pre-defined safety targets.

Key Features of the FY15 STI Plan

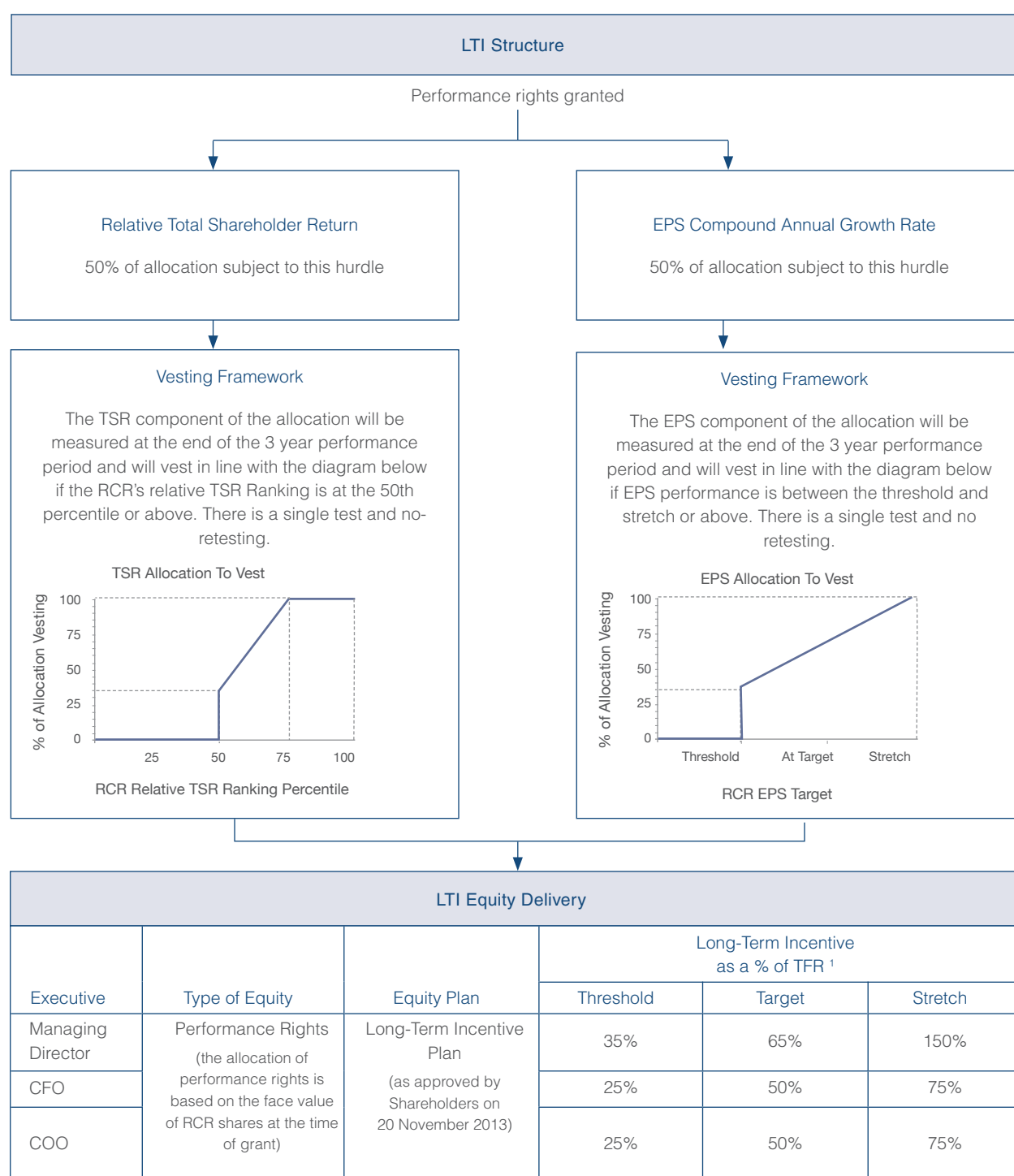
The following summarises the key features of the FY15 STI Plan:

RCR Short Term Incentive Plan

Who is eligible to participate in STI awards?	All Executives and certain Senior Managers participate in the STI Plan.
How are STI rewards set?	<p>The STI is an annual 'at risk' incentive scheme.</p> <p>STI rewards are based on a percentage of an employee's TFR. This percentage is determined by the Remuneration and Nomination Committee with reference to market comparator data and the scope of the employee's role and responsibilities and ability to influence outcomes.</p> <p>The maximum STI that can be earned is capped to minimise excessive risk taking by Executives and other plan participants.</p>
What is the method of assessment against performance hurdles?	<p>NPAT and EBIT are based upon audited Financial Statements. Both NPAT and EBIT may be adjusted, at Board discretion, to exclude any gains/losses on disposal of assets and other adjustable items whose impact on RCR's business has not been fully realised as at the end of the performance measurement period and/or were not anticipated when the budget was set.</p> <p>NPAT and EBIT outcomes are then measured against the pre-defined Threshold, Target and Stretch NPAT and EBIT Hurdles, which are referenced to the internal budgets and set by the Board at the beginning of the financial period.</p> <p>The philosophy in setting financial hurdles is to establish thresholds that represent the desired minimum outcomes and stretch targets that are realistically achievable for exceptional performance.</p>
What is the form of payment?	<p>STI outcome is payable 100% in cash at the Threshold and Target hurdles. Between Target and Stretch hurdles the STI outcome is payable in cash up to the Target hurdle and thereafter 50% in cash and 50% in deferred shares.</p> <p>Deferred shares are restricted for two years and are subject to forfeiture conditions. Dividends are payable on deferred shares. Deferred shares are allocated based on the face value of RCR shares. In the event of a change in control, redundancy or the death or total and permanent disablement of the Executive, the deferred shares will vest.</p>
Can any of the STI be clawed back?	<p>Deferred shares will be forfeited if, before the end of the two year restriction period:</p> <ol style="list-style-type: none"> in the opinion of the Board, there has been a material adverse outcome (including, but not limited to, a material write-down or impairment or a material misstatement in or omission from the Financial Statements of RCR); or the Executive is terminated for cause or because, in the opinion of the Board, the Executive has failed to meet acceptable standards of performance; or the Executive ceases employment with the Company or any of its related entities, unless otherwise determined by the Board because of special circumstances.
Why does the STI have a safety performance gate?	<p>In order to support the importance that the Board places on safety in the workplace at RCR, the Board has determined that for FY15 a safety performance gate will apply to reflect the Company's focus on reducing incidents and injuries. Up to a maximum of 15% of the Executives STI is 'at risk' if the relevant safety gates are not achieved.</p> <p>For FY15 a safety performance gate has been applied to reflect the Company's focus on reducing incidents and injuries. If the Company's LTIFR exceeds 1.6 but does not exceed 1.8, then the STI payment will be reduced by 5%. If the LTIFR exceeds 1.8 but does not exceed 2.25, then the STI payment will be reduced by 10% and if the LTIFR exceeds 2.25, then the STI payment will be reduced by 15%. Should a fatality occur then 15% of the STI award is foregone.</p>

3.1.3 Long-Term Incentives

Diagram 3 – LTI Plan Overview



¹ Percentage rounded to the nearest 5% and based on the equity grants awarded during FY15.

The LTIP is an equity-based plan that provides for a reward that varies with Company performance over the long-term. The LTI rewards are aimed specifically at creating superior long-term shareholder value and the retention of Executives and selected Senior Managers.

The LTIP is targeted at the Managing Director, CFO, COO and selected Senior Managers identified by the Board whose responsibilities focus them on long-term shareholder value creation. Non-Executive Directors are not eligible to participate.

The LTIP is a performance rights plan with vesting of rights dependent upon the satisfaction of pre-defined performance hurdles and continuous employment. Current performance hurdles are based on achievement of EPS growth hurdles and relative TSR performance over a three year performance period.

The Board may amend elements of the LTIP if it considers it necessary.

The Board believes this plan strengthens the performance and reward link over the long-term and accordingly encourages Executives to focus on long-term performance. The Board also acknowledges that the value of certain strategic initiatives may take three to five years to realise and are reliant on the timing of large scale infrastructure, energy and resource projects.

If the performance hurdles are met, all or part of the performance rights granted will automatically vest. On this occurring, participants will become entitled to the requisite amount of RCR shares. In accordance with the terms of the LTIP, each vested performance right granted after 20 November 2013, entitles the participant to one fully paid ordinary RCR share plus an additional number of shares calculated on the basis of the dividends that would have been paid in respect of the share being reinvested over the performance period.

The Board has discretion to satisfy vested grants and the allocation of subsequent shares to participants by either the issue of new shares, an on-market acquisition or in cash net of any applicable tax.

After vesting, the shares will be subject to trading restrictions governed by RCR's Securities Trading Policy, or such other restrictions imposed by the Board.

The LTIP was approved by shareholders on 20 November 2013 in accordance with good governance guidelines and ASX Listing Rules. The Managing Director (subject to shareholders approval) and other participants receive an annual LTI grant under the LTIP as determined by the Board.

Details on the number of performance rights unvested at 30 June 2015 and issued in accordance with the LTIP are set out in the Directors' Report. Details on the number of performance rights unvested to Executives are provided in Table 9 in Section 3.3.4.

Key Features of the LTIP

The following summarises the key features of the LTIP.

RCR FY15 Long-Term Incentive Plan

What Securities Are Offered?	Performance rights are granted over ordinary fully paid shares.
What is the Performance Period?	The performance period is three years.
How do you determine the number of performance rights?	The number of performance rights each participant receives each year is determined by dividing the dollar value of the maximum annual LTI award by the face value of RCR shares. The face value is calculated as the volume weighted average share price over five trading days.
What are the performance hurdles?	<p>Participants only receive value from their LTI awards at the end of the performance period and only if the relevant performance hurdles are achieved.</p> <p>Performance rights are granted in two tranches. Each tranche is subject to a separate performance hurdle, being an EPS CAGR and relative TSR.</p> <ul style="list-style-type: none"> half of the performance rights are subject to RCR achieving a EPS CAGR, as determined by the Board, at the time of grant ("EPS hurdle"); and half of the performance rights are subject to RCR's relative TSR performance measured against a comparator group of peer companies, as determined by the Board ("TSR hurdle") at the time of grant. <p>Together, the use of these two hurdles is intended to provide a balanced view of the Company's performance and delivery against strategic objectives and provide alignment with shareholder interests.</p> <p>Specifically, the EPS hurdle is a measure of profitability, a direct determinant of dividends and, overall, a measure of the Company's long-term success as it contains clear links to shareholder wealth creation. The TSR hurdle allows the Company to benchmark itself against its peers and market performance, directly linking Executive reward to delivering competitive returns for shareholders.</p>

EPS Hurdle

The EPS component of the performance rights will vest if RCR's relative EPS CAGR is greater than the pre-determined CAGR over the three years performance period.

RCR has a policy of not providing guidance to the market. Accordingly, the Board will advise the pre-defined EPS growth hurdles and the Company's performance against those hurdles following the testing date. In setting EPS hurdles the Board takes into account the long term strategic plan, competitor practices, consensus equity analysts' forecasts and the Board's requirement that superior performance be delivered for these rewards.

EPS is calculated by dividing the NPAT adjusted for the after tax effect of any gains/losses on disposal of assets and other adjustable items whose impact on RCR's business has not been fully realised as at the end of the performance measurement period and/or were not anticipated when the hurdle was set, by the weighted average number of ordinary shares of RCR on issue during the relevant financial year.

The vesting schedule of the performance rights subject to EPS hurdle is outlined below:

EPS Hurdle over the Performance Period	% of Allocation Vesting
Less than Target EPS hurdle	0%
At Target EPS hurdle	35%
More than Target EPS hurdle but less than Stretch EPS hurdle	Pro-rated vesting more than 35% and less than 100%
At Stretch EPS hurdle	100%

TSR Hurdle

TSR is calculated as the difference in share price over the performance period, plus the value of shares earned from the reinvesting dividends received over the performance period, expressed as a percentage of the share price at the beginning of the performance period.

If the TSR for each company in the comparator group is ranked from highest to lowest, the mid-point (50th percentile) TSR is the percentage return to shareholders that exceeds the TSR for half of the comparison companies. The 75th percentile TSR is the percentage return required to exceed the TSR for 75% of the comparator companies.

The TSR component of the performance rights will vest (pro-rata) if RCR's relative TSR performance is between the 50th percentile and 75th percentile of the comparator group of companies measured over the three year performance period.

The comparator group comprises:

▪ Ausdrill	▪ Imdex	▪ Sedgman
▪ Ausenco	▪ LogiCamms	▪ Skilled Group
▪ Austin Engineering	▪ Lycopodium	▪ Southern Cross Electrical
▪ Bradken	▪ MACA	▪ Transfield Services
▪ Calibre Group	▪ MacMahon	▪ UGL
▪ Cardno	▪ Mineral Resources	▪ Watpac
▪ Decmil Group	▪ Monadelphous	▪ WDS
▪ Downer	▪ NRW	
▪ Emeco Holdings	▪ Programmed Maintenance	

The vesting schedule of the performance rights subject to TSR hurdle is outlined below:

Relative TSR Hurdle Ranking Over the Performance Period	% of Allocation Vesting
Less than 50th percentile	0%
At 50th percentile	35%
Greater than 50th percentile but less than the 75th percentile	Pro-rated vesting more than 35% and less than 100%
At 75th percentile	100%

Is there re-testing of performance hurdles?

Testing is performed at the end of the three year performance period and where the performance hurdles are not achieved, the performance rights lapse. Accordingly, there is no re-testing mechanism.

What is the treatment for dividends and voting rights on performance rights?	<p>Performance rights have no voting rights.</p> <p>Each vested performance right entitles the participant to one fully paid ordinary RCR share plus an additional number of shares calculated on the basis of the dividends that would have been paid in respect of the share being reinvested over the performance period. No dividends or resultant rights to shares accrue or are paid in respect of performance rights that lapse.</p>
Are there restrictions on Hedging of LTIs?	<p>As part of the Company's Securities Trading Policy, the Company prohibits Executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge their exposure to performance rights or shares granted as part of their remuneration package.</p>
Is there a real risk of Forfeiture?	<p>A performance right granted will lapse if:</p> <ul style="list-style-type: none"> the participant leaves the Company due to resignation or dismissal, unless the Board in its absolute discretion determines otherwise; or if the Board determines (in its absolute discretion) that the employee has acted fraudulently or dishonestly or is in material breach of his/her obligations under the LTIP or to the Company; or if the employee purports to transfer, mortgage, charge or otherwise dispose of any right or interest in a performance right other than in accordance with the terms of the LTIP.
Change in Control	<p>On the occurrence of a change in control event, unvested performance rights will immediately vest if:</p> <ul style="list-style-type: none"> the change of control occurs within 12 months of the date of grant of the performance right (or such other date as determined by RCR and the date of the change of control); or the change of control occurs after 12 months of the date of grant of the performance right (or such other date as determined by RCR) on the date of the change of control but only if the performance criteria would have been satisfied for the financial year ended immediately prior to the change of control and the Board has not determined otherwise.

Recruitment Remuneration

The Board recognises that in certain circumstances it is appropriate to grant sign-on incentives, subject to a continuous service hurdle, to attract new Executives who give up equity-based incentives and/or other benefits with former employers and undertake personal risk in leaving their prior employer to join the Company.

These equity-based awards are structured under the LTIP with conditions that they vest one third after the second anniversary of the Executive's employment and one third on each of the third and fourth anniversary of the Executive's employment.

In granting these incentives, the Board also takes into account the value of certain strategic initiatives that may take three to five years to be realised (as is often the case with large diverse engineering companies) and which are reliant on the timing of large scale resource and infrastructure projects.

During FY15, no sign-on incentives were granted.

3.2 Managing Director's Remuneration Structure

Dr Dalglish's remuneration has a fixed component and an 'at risk' component that varies with performance. The 'at risk' component comprises an STI and an LTI, which vary with performance.

The Board has determined that Dr Dalglish's remuneration package will comprise a high component of 'at risk' LTIs to drive a growth strategy that delivers outperformance and the creation of shareholder wealth over the long-term. It also encourages a dual focus on both organic and acquisitional growth objectives.

Table 4 reflects the outcomes' composition of Dr Dalglish's 2015 remuneration package depending on the outcome of performance of the Company and 'at risk' rewards.

Table 4 – Composition of Managing Director's Remuneration Package

Component	Threshold		Target		Stretch	
Total Fixed Remuneration	\$1,000,000	52.6%	\$1,000,000	38.8%	\$1,000,000	25.0%
Short-Term Incentive 'at risk' ¹	\$375,000	19.7%	\$600,000	23.3%	\$1,500,000	37.5%
Long-Term Incentive 'at risk' ²	\$525,000	27.7%	\$975,668	37.9%	\$1,500,000	37.5%
Total Remuneration	\$1,900,000	100.0%	\$2,575,668	100.0%	\$4,000,000	100.0%

¹ STIs are calculated as a percentage of TFR. STIs are 'at risk' and subject to pre-defined performance hurdles which are set at the beginning of the performance period.

² LTI values represent the face value (actual) of unvested equity-based incentives granted (with shareholder approval) and which are subject to a three year performance period (Refer to Section 3.2.4(a)). LTIs are 'at risk' and subject to pre-defined performance hurdles which are set at the beginning of the relevant three year performance period.

3.2.1 FY15 Statutory Remuneration in Accordance with Accounting Standards

The statutory remuneration for Dr Dalglish for FY15, in accordance with Accounting Standards, was \$3,302,653 (FY14: \$2,836,682) as set out in Table 6 in Section 3.3.1. This includes \$1,267,521 (FY14: \$877,658) in 'at risk' unvested equity-based incentives, which are expensed based on their fair value (refer to Table 9 in Section 3.3.4). The fair value of unvested equity-based incentives is amortised over the performance period, such that total remuneration includes a portion of the fair value of unvested equity-based compensation during the year. The fair value amount is not indicative of the benefit (if any) that Dr Dalglish may ultimately realise should these equity-based incentives vest.

3.2.2 Total Fixed Remuneration

During the year the Board completed a review, with reference to market data provided by the Board's Independent Remuneration Advisor, of the fixed remuneration of Dr Dalglish, to maintain alignment with peer companies taking into account the Company's relative size, Dr Dalglish's performance and strategic plan. As a result of this review, Dr Dalglish's TFR was increased on 1 September 2014 from \$950,000 to \$1,000,000, an increase of 5.3%. This amount includes cash salary, salary sacrifice items and allowances plus employer superannuation.

The Board considers the increase to be reasonable given the increased size and complexity of the Company and the TFR paid for comparable individuals, similar roles and comparable peer companies.

Dr Dalglish also receives a car parking benefit, which is subject to fringe benefits tax. This is a non-cash benefit, which is in addition to TFR.

3.2.3 Short-Term Incentives

Dr Dalglish is eligible to receive an 'at risk' STI award up to 150% of his TFR.

FY15 STI awards for Dr Dalglish required NPAT to be not less than 95% of internal target NPAT, with a stretch of 120% of internal target NPAT.

In FY15, NPAT was \$39.1 million. After incorporating adjustable items (at Board discretion), the adjusted NPAT performance exceeded the minimum internal target NPAT performance hurdle but was below the stretch NPAT performance hurdle established by the Board at the beginning of the financial year. As a result, the overall STI award for FY15 for the Managing Director was \$897,540 (payable in cash \$748,770 and deferred shares to a value of \$148,770) out of a maximum \$1,500,000.

3.2.4 Long-Term Incentives 'at risk'

The primary LTI for Dr Dalglish is the allocation of performance rights which are granted with Shareholder's approval. For performance rights after 2012, the number of performance rights granted to Dr Dalglish is determined by dividing the dollar value of the maximum annual LTI award by the face value of RCR shares.

The Board believes that an equity based LTI is an important component of Dr Dalglish's remuneration to ensure an appropriate component of his remuneration is linked to generating long-term returns for shareholders.

A summary of Dr Dalglish's unvested equity-based LTIs, as approved by Shareholders, is provided in Tables 5 and 9.

(a) Performance Rights Granted in FY15

On 19 November 2014, Shareholders approved the annual award of 470,220 performance rights to Dr Dalglish, with a face value of \$1,500,000. The number of performance rights was calculated by dividing the maximum dollar value of Dr Dalglish's remuneration package allocated to long-term incentives, being \$1,500,000, by the face value of RCR shares. The face value for this grant was \$3.19 (being the volume weighted average market price of RCR Shares over the 5 trading days immediately following the release of the Company's FY14 full-year results announcement on 21 August 2014).

The number of Performance Rights that would vest (if any) at the end of the performance period will be determined having regard to the performance criteria described below.

The performance rights are subject to two separate performance hurdles over a three year performance period, being 1 July 2014 to 30 June 2017:

- half of the performance rights are subject to RCR's relative EPS CGAR being greater than the pre-determined CAGR over the performance period, as determined by the Board at the time of grant ("EPS hurdle"); and
- half of the performance rights are subject to RCR's relative TSR performance measured against a comparator group of companies as determined by the Board at the time of grant ("TSR hurdle"). Section 3.1.3 sets out the comparator group.

There is no re-testing of performance rights after the performance period. Accordingly, if the relevant performance hurdles are not achieved, then the performance rights will lapse.

(b) Unvested Performance Rights

Tables 5 and 9 set out the number of unvested performance rights granted to Dr Dalgleish and the relevant performance hurdles. Shareholders approved each of the equity grants in Tables 5 and 9.

Table 5 – Unvested Performance Rights at 30 June 2015

Performance Period	Number of Performance Rights	Performance Hurdles	
		EPS Hurdle	TSR Hurdle
1 July 2012 to 30 June 2015	1,400,000 ¹	EPS CAGR of between 8% and 16% p.a. as determined by the Board at the time of grant. ³	RCR's TSR ranking of between 50th percentile and 75th percentile, measured against a peer group of 25 companies. ²
1 July 2013 to 30 June 2016	432,180 ¹	EPS CAGR as determined by the Board at the time of grant. ³	RCR's TSR ranking of between 50th percentile and 75th percentile, measured against a peer group of 25 companies. ²
1 July 2014 to 30 June 2017	470,220 ¹	EPS CAGR as determined by the Board at the time of grant. ³	RCR's TSR ranking of between 50th percentile and 75th percentile, measured against a peer group of 25 companies. ²

¹ Half of the performance rights are subject to a pre-defined EPS CAGR ("EPS hurdle") and half of the performance rights are subject to RCR's relative TSR performance measured against a comparator group of 25 companies determined by the Board ("TSR hurdle").

² The comparator group of companies for the TSR hurdle comprises a group of 25 peer companies, at the beginning of the performance period. These companies include companies with a higher and lower market capitalisation than RCR and who compete or operate in similar industries and sectors to RCR. The Board has the discretion to adjust the comparator group to take into account events, including but not limited to takeovers, mergers or demergers or change of business that might occur during the performance period. Section 3.1.3 sets out the comparator group in respect of performance rights granted.

³ The EPS Hurdle for performance rights were set by the Board (excluding Dr Dalgleish) prior to the grant and have been set having regard to RCR's strategic plans and objectives. The EPS Hurdles are tailored to measure growth in shareholder value over the long-term. The EPS Hurdles reflect Threshold, Target and Stretch figures that are required to achieve vesting. No rights vest if the minimum target hurdles are not achieved. RCR has a policy of not providing guidance to the market and considers disclosure of the hurdle requirements prior to the end of the performance period may be a breach of this policy.

(c) LTI Awards Vesting in Respect of FY15 Performance

Dr Dalgleish holds 1,400,000 performance rights which were granted by shareholders at the 2012 AGM. The performance rights were granted before the Company acquired Norfolk in FY14, which has been a transformational event for the Company.

These performance rights are subject to two separate performance measures over a three year performance period and are, as follows:

- half of the performance rights (i.e. up to 700,000) are subject to RCR achieving an EPS CAGR of between 8% and 16%; and
- half of the performance rights (i.e. up to 700,000) are subject to RCR's relative TSR performance measured against a comparator group of 25 companies determined by the Board (refer above for the comparator group).

For this performance period the following outcomes were achieved:

- RCR's EPS CAGR, after certain adjustable items at Board discretion, was 13.6%. This achievement was above the threshold hurdle of EPS CAGR of 8% and below the stretch hurdle of EPS CAGR of 16%; and
- RCR's Relative TSR was 6.1%, which placed RCR in the top four performers (i.e. 88th percentile) of a comparator group of 25 companies.

Accordingly, in respect of the Company's performance the Board has determined, at the date of this Report, 1,262,163 performance rights (out of a maximum of 1,400,000) will vest to Dr Dalgleish. These performance rights will vest on or about 31 August 2015.

3.3 Executive Remuneration

3.3.1 Executive Remuneration

Details on the nature and amount of remuneration of the Managing Director and other named Executives for FY15 are as follows:

Table 6 – Remuneration of Executives

Fixed Remuneration				Variable Remuneration							
Post-Employment Benefits				Short-Term Benefits			Long-Term Benefits			Total Remuneration in Accordance with Accounting Standards	Performance Related %
Short-Term Benefits		Non-Monetary		Super	STI Award (Cash)	Fair Value of Deferred Shares/ Rights Under STI Awards	Fair Value of Equity Grants Under LTIP	Long Service Leave			
FY	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Footnote											
Current Executives											
Paul Dalgleish Managing Director and CEO	2015	975,568	11,807	18,783	748,770	262,170	1,267,521	18,034	3,302,653	69	
	2014	926,165	7,133	17,775	803,244	212,580	877,658	(7,873)	2,836,682	67	
	2015	577,991	5,203	18,783	281,644	37,324	786,457	1,332	1,708,734	65	
	2014	319,116	1,024	10,628	150,171	14,535	316,224	314	812,012	59	
	2015	520,671	5,203	18,783	128,183	8,925	183,861	4,995	870,621	37	
	2014	459,782	6,338	17,775	139,242	2,864	150,938	2,745	779,684	38	
Total	2015	2,074,230	22,213	56,349	1,158,597	308,419	2,237,839	24,361	5,882,008	63	
Total	2014	1,705,063	14,495	46,178	1,092,657	229,979	1,344,820	(4,814)	4,428,378	60	
Former Executives											
Simon Pankhurst, Chief Exec. Infrastructure to 31 Jan 2015	2015	308,511	-	10,861	-	3,914	(144,064)	(1,039)	178,183	-	
	2014	536,950	-	17,775	182,208	1,957	300,096	1,039	1,040,025	47	
David Cairns, Chief Exec. Resources to 30 June 2014	2015	-	-	-	-	-	-	-	-	-	
	2014	483,489	26,684	16,798	-	-	-	407	527,378	-	
Andrew Walsh, CFO to 29 Nov 2013	2015	-	-	-	-	-	-	-	-	-	
	2014	256,609	3,735	8,571	-	-	(791,167)	-	(522,252)	-	

¹ Non-Monetary benefits reflect the value of allowance and benefits including but not limited to travel, motor vehicle and car parking and applicable fringe benefits tax.

² STI amounts represent the STI awards payable in cash in respect of the relevant financial period. FY15 STI amounts will be paid in September 2015. Refer to Section 3.3.2.

³ Represents the fair value of deferred shares awarded under the STI plan. The fair value represents the market value of RCR shares on the date of award. The fair value is expensed over three years (being the current financial year plus two years). Refer to Section 3.3.2 and 3.3.3.

⁴ Share based payments incorporates all equity based plans. In accordance with the requirements of AASB 2 Share Based Payments, the fair value of rights or options as at their grant date has been determined by applying the Black-Scholes option pricing technique or binomial valuation method. The fair value of rights or options is amortised over the vesting period, such that total remuneration includes a portion of the fair value of unvested equity compensation during the year. The amount is not indicative of the benefit (if any) that individuals may ultimately realise should these equity securities vest. Refer to Section 3.3.4.

⁵ Long Service Leave represents amounts accrued for long service leave entitlements. Long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by Executives up to the reporting date. The movement in long service leave in FY14 for Dr Dalgleish relates to a change in entitlement periods from 7 to 10 years in accordance with legislation.

3.3.2 STI Awards for 2015

STI payments to the Managing Director and other Executives for FY15 are set out in Table 7. The amounts reflect STI awards accrued but not yet paid in respect of FY15. STI deferred shares will be granted in September 2015 and are subject to a two year restriction period and forfeiture conditions.

Table 7 – STI awards FY15 for Executives

Share Based Payment Expense								
		STI Cash	STI Deferred Shares¹	STI Vested for Achieving Performance Criteria	STI Forfeited Because Performance Criteria Not Met			
FY		\$	\$					
Current Executives								
	Paul Dalgleish	2015	748,770	148,770	60%	40%	49,590	49,590
	Managing Director and CEO	2014	803,244	233,244	73%	27%	77,748	77,748
	Andrew Phipps	2015	281,644	39,951	67%	33%	13,317	13,317
	CFO	2014	150,171	43,605	73%	27%	14,535	14,535
	Graham Salter	2015	128,183	18,183	33%	67%	6,061	6,061
	COO	2014	139,242	-	65%	35%	-	-
	Total	2015	1,158,597	206,904	-	-	68,968	68,968
	Total	2014	1,092,657	276,849	-	-	92,283	92,283
Former Executives²								
	Simon Pankhurst	2015	-	-	-	-	-	-
	Chief Exec. Infrastructure	2014	182,208	5,871	43%	57%	1,957	3,914
							-	-

¹ STI awards are paid 100% in cash at the Threshold and Target levels. Between Target and Stretch levels the STI outcome is payable in cash up to the Target level and thereafter 50% in cash and 50% in STI deferred shares. The deferred shares are subject to a two years restriction period from the date of award and subject to forfeiture conditions.

² Mr Pankhurst was not entitled to a STI award in FY15.

3.3.3 Movement in STI Deferred Shares

Table 8 sets out the movement in deferred shares granted to named Executives. The grant of deferred shares during the year relates to STI awards for FY14 performance. Deferred shares are subject to a two year restriction from the date of grant and forfeiture conditions.

Table 8 – STI Deferred Shares Movements During FY15

Equity	Grant Date	Vesting Date	Opening Balance		Granted in FY15		Vested in FY15		Forfeited ¹		Closing Balance 30 June 15	Share Based Expense FY15	Fair Value Per Share
			1 Jul 14	155,575	Number	\$	Number	\$ ²	Number	\$			
Paul Dalgleish	Ordinary Shares	11 Sep 13	31 Aug 15	155,575	-	-	-	-	-	-	155,575	134,832	2.60
Paul Dalgleish	Ordinary Shares	10 Sep 14	31 Aug 16	-	80,429	233,244	-	-	-	-	80,429	77,748	2.90
Andrew Phipps	Ordinary Shares	10 Sep 14	31 Aug 16	-	24,834	72,019	-	-	-	-	24,834	24,006	2.90
Graham Salter	Ordinary Shares	11 Sep 13	31 Aug 15	3,305	-	-	-	-	-	-	3,305	2,864	2.60
Total			158,880		105,263	305,263	-	-	-	-	264,143	239,450	

¹ Shares forfeited on resignation.

² The value of vested performance rights are calculated as the 5 day volume weighted average prices of RCR shares on ASX on the date of vesting/exercise. This value may be higher or lower than the fair value used for accounting and reporting of remuneration.

3.3.4 Movement in Long-Term Incentives

Details of options and performance rights held by the Managing Director and other Executives and movements during FY15 are detailed in Table 9.

Table 9 – Details in movement of Options and Performance Rights held during FY15 by Executives

Footnote	Performance				Performance Period		Balance of Unvested Equity 1 Jul 14		Granted in FY15				Vested in FY15		Lapsed or Forfeited		Balance of Unvested Equity 30 June 15		Share Based Payment Expense FY15		Fair Value Per Security
	Type	Hurdles	Grant Date	End Date	Number	1 Jul 14	Number	\$	Number	\$	Number	\$	Number	\$	Number	\$	Number	\$	Number	\$	
Paul Dalgleish	Options Rights	EPS & TSR	25 May 09	30 Jun 14	1,400,000	-	-	(1,221,568)	(3,738,000)	(178,432)	(546,002)	-	-	-	-	-	-	-	-	-	0.01
	Rights	EPS	30 Nov 12	30 Jun 15	700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.56
	Rights	TSR	30 Nov 12	30 Jun 15	700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.11
	Rights	EPS	25 Feb 14	30 Jun 16	216,090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.38
	Rights	TSR	25 Feb 14	30 Jun 16	216,090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.34
	Rights	TSR	23 Feb 15	30 Jun 17	-	235,110	463,566	-	-	-	-	-	-	-	-	-	-	-	-	-	1.97
	Rights	EPS	23 Feb 15	30 Jun 17	-	235,110	578,371	-	-	-	-	-	-	-	-	-	-	-	-	-	2.46
Total					3,232,180	470,220	1,041,937	(1,221,568)	(3,738,000)	(178,432)	(546,002)	(546,002)	2,302,400	1,267,521							
Andrew Phipps	Rights	EPS	30 Aug 13	30 Jun 15	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.10
	Rights	TSR	30 Aug 13	30 Jun 15	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.80
	Rights	Cont. Service	30 Aug 13	1 Jul 15	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.10
	Rights	Cont. Service	30 Aug 13	1 Jul 16	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.01
	Rights	Cont. Service	30 Aug 13	1 Jul 17	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.92
	Rights	Cont. Service	25 Feb 14	1 Jul 15	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.23
	Rights	Cont. Service	25 Feb 14	1 Jul 16	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.13
	Rights	Cont. Service	25 Feb 14	1 Jul 17	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.04
	Rights	EPS	25 Feb 14	30 Jun 15	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.23
	Rights	TSR	25 Feb 14	30 Jun 15	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.03
	Rights	EPS	25 Feb 14	30 Jun 16	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.38
	Rights	TSR	25 Feb 14	30 Jun 16	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.34
	Rights	TSR	12 May 15	30 Jun 17	-	75,000	104,999	-	-	-	-	-	-	-	-	-	-	-	-	-	1.40
	Rights	EPS	12 May 15	30 Jun 17	-	75,000	150,750	-	-	-	-	-	-	-	-	-	-	-	-	-	2.01
Total					600,000	150,000	255,749	-	-	-	-	-	-	-	-	-	-	-	-	-	

Footnote	Type	Performance Hurdles	Grant Date	Performance Period End Date	Balance of Unvested Equity 1 Jul 14		Granted in FY15		Vested in FY15		Lapsed or Forfeited		Balance of Unvested Equity 30 June 15		Share Based Payment Expense FY15		Fair Value Per Security
					Number	\$	Number	\$	Number	\$	Number	\$	Number	\$			
					1	1	2	2	3	3	3	3	3	4	4	1	
Graham Salter	Rights	EPS & TSR	9 May 12	30 Jun 14	50,000	-	-	(50,000)	(145,000)	-	-	-	-	-	6,211	1.18	
	Rights	Cont. Service	9 May 12	30 Jun 14	50,000	-	-	(50,000)	(145,000)	-	-	-	-	-	9,579	1.82	
	Rights	EPS	14 Jan 13	30 Jun 15	50,000	-	-	-	-	-	-	-	50,000	36,991	1.95		
	Rights	TSR	14 Jan 13	30 Jun 15	50,000	-	-	-	-	-	-	-	50,000	25,535	1.35		
	Rights	EPS	25 Feb 14	30 Jun 16	37,500	-	-	-	-	-	-	-	37,500	40,317	3.38		
	Rights	TSR	25 Feb 14	30 Jun 16	37,500	-	-	-	-	-	-	-	37,500	34,927	2.34		
	Rights	TSR	12 May 15	30 Jun 17	-	65,000	90,999	-	-	-	-	-	65,000	30,301	1.40		
	Rights	EPS	12 May 15	30 Jun 17	-	65,000	130,650	-	-	-	-	-	65,000	-	2.01		
	Total				275,000	130,000	221,649	(100,000)	(290,000)	-	-	-	305,000	183,861			
Simon Pankhurst	Rights	EPS	24 May 13	30 Jun 15	50,000	-	-	-	-	(50,000)	(90,545)	-	-	-	-	1.81	
	Rights	TSR	24 May 13	30 Jun 15	50,000	-	-	-	-	(50,000)	(70,315)	-	-	-	-	1.41	
	Rights	Cont. Service	24 May 13	15 Apr 15	100,000	-	-	(100,000)	(226,453)	-	-	-	-	80,953	1.83		
	Rights	Cont. Service	24 May 13	15 Apr 16	100,000	-	-	-	-	(100,000)	(176,760)	-	-	-	-	1.77	
	Rights	Cont. Service	24 May 13	15 Apr 17	100,000	-	-	-	-	(100,000)	(170,790)	-	-	-	-	1.71	
	Rights	EPS	25 Feb 14	30 Jun 16	50,000	-	-	-	-	(50,000)	(169,000)	-	-	-	-	3.38	
	Rights	TSR	25 Feb 14	30 Jun 16	50,000	-	-	-	-	(50,000)	(117,125)	-	-	-	-	2.34	
	Total				500,000	-	-	(100,000)	(226,453)	(400,000)	(794,535)	-	-	80,953			

¹ Granted in FY15 - Performance Rights granted in FY15 are subject to a three year performance period (1 July 2014 to 30 June 2017). The grant of performance rights in FY15 was delayed pending a review of performance hurdles to ensure they continue to align with RCR's strategic plan. The grant of performance rights to Dr Dalgleish were approved by Shareholders on 19 November 2014. In FY15 KMPs were granted 750,220 performance rights granted with maximum dilution of 0.53%. The value of the grant is the fair value as calculated in accordance with AASB2 Share-Based Payments.

² Vested - LTI awards vested in respect of FY14 performance to named Executives during the year comprises. This includes 1,400,000 options vested to Dr Dalgleish in respect of FY14 performance hurdles achieved over the 5 year period 1 July 2009 to 30 June 2014. The value of vested options and performance rights is calculated per option or right as the five day volume weighted average prices of RCR shares on ASX on the date of vesting/exercise, less the exercise price (if applicable). The fair value used for accounting expense may be higher or lower.

³ Lapsed - On 3 December 2014, 400,000 performance rights granted to Mr Cairns lapsed following the end of his 6 months resignation notice period. On 30 June 2015, 400,000 performance rights granted to Mr Pankhurst lapsed on cessation of employment with the Company. The value of the lapsed performance rights is calculated as the fair value on the date of the grant.

⁴ Share-Based Payments Expense - In accordance with the requirements of AASB 2 Share-Based Payments, the fair value of options and performance rights as at the date of grant has been determined by applying a Black-Scholes option pricing technique or binomial valuation. The fair value of options and performance rights is amortised over the vesting period such that 'total remuneration' includes a proportion of the fair value of unvested equity compensation during the year. The amount included in remuneration is not related to or indicative of the benefit (if any) that individual Executives may ultimately realise should these securities vest. The fair value of performance rights granted during the year has been calculated at the date of grant by an independent third party using a Binomial valuation analysis.

⁵ Balance of unvested equity awards - Represents the maximum number of performance rights that would vest if the maximum/stretch performance hurdles were achieved. If the minimum/threshold performance hurdles are not achieved then the performance rights lapse. The last sale price of RCR Shares at 30 June 2015 of \$1.72.

Equity Grants – Purchased On-Market and New Share Issues

During FY15, 105,000 RCR shares were acquired (FY14: Nil) on-market to satisfy the vesting of performance rights, options or STI deferred shares.

During FY15, 1,921,568 ordinary fully paid shares were issued for no consideration on the vesting of 700,000 performance rights and exercise of 1,221,568 options, which represented 1.4% of the Company's share capital.

3.4 Executives Service Contracts

Remuneration and other terms of employment for the Managing Director, CFO and COO are formalised in service agreements.

A summary of the key contractual termination provisions for each of Executive is set out in Table 10.

Table 10 – Key Contractual Provisions for Current Executives

	Employing Company	Contract Duration	Termination Notice Period (Company)	Termination Notice Period (Employee)
Paul Dalglish, Managing Director and CEO	RCR Corporate Pty Ltd	No Fixed Term	12 Months	6 Months
Andrew Phipps, Chief Financial Officer	RCR Corporate Pty Ltd	No Fixed Term	6 Months	6 Months
Graham Salter, Chief Operating Officer	RCR Corporate Pty Ltd	No Fixed Term	6 Months	6 Months

4.0 Non-Executive Directors' Remuneration

4.1 Non-Executive Directors' Remuneration Structure and Fee Pool

Non-Executive Directors' remuneration consists of a base fee for their role as Board members plus committee fees for their role on nominated Board sub-committees. Non-Executive Directors' fees are determined within an aggregated Directors' fee pool limit of \$950,000, which was last approved by shareholders at the 2012 Annual General Meeting.

There was no increase in Board fees paid to Non-Executive Directors in FY15. However, the amount payable to Non-Executive Directors for services on the Remuneration & Nominations Committee were increased. Overall total remuneration increased from \$674,581 to \$803,979 which was primarily associated with the appointment of an additional Non-Executive Director, Ms Sue Palmer, to the RCR Board. On 19 November 2014, shareholders approved the appointment of Ms Palmer for a three year term.

Table 11 – Annual Board and Committee Fees Payable to Non-Executive Directors

Position	Board \$	Audit and Risk Committee \$	Remuneration and Nomination Committee \$
Chairman of the Board	208,000	-	-
Non-Executive Director	104,000	-	-
Committee Chairman	-	24,000	20,000
Committee Member	-	12,000	10,000

During the year the amount payable to the Chair and members of the Remuneration and Nominations Committee increased from \$12,000 to \$20,000 for the Chair of the Committee and from \$6,000 to \$10,000 for members of the Committee.

No retirement benefits are paid other than the statutory superannuation contributions required under Australian superannuation guarantee legislation. Board and committee fees amounts are inclusive of statutory superannuation contributions.

4.2 Non-Executive Directors' Remuneration

Details on the nature and amount of remuneration of RCR's Non-Executive Directors for FY15 are set out in Table 12.

Table 12 – Remuneration of Non-Executive Directors

	FY	Base Fees \$	Other \$	Superannuation \$	Total \$
Current Non-Executive Directors					
Roderick Brown	2015	198,419	-	18,783	217,202
Chairman	2014	198,072	-	17,775	215,847
Eva Skira	2015	133,016	-	12,644	145,660
	2014	124,295	-	11,503	135,798
Paul Dippie	2015	116,000	-	-	116,000
	2014	115,976	-	-	115,976
Lloyd Jones	2015	105,018	-	9,982	115,000
	2014	65,421	-	6,051	71,472
Bruce James	2015	106,242	-	10,099	116,341
	2014	44,422	-	4,109	48,531
Sue Palmer	2015	85,640	-	8,136	93,776
	2014	-	-	-	-
Former Non-Executive Directors					
Kevin Edwards	2015	-	-	-	-
Retired 20 Nov 2013	2014	46,521	7,712 ¹	4,308	58,541
Mark Bethwaite	2015	-	-	-	-
Retired 1 Oct 2013	2014	26,006	-	2,410	28,416
Total	2015	744,335	-	59,644	803,979
Total	2014	620,713	7,712	46,156	674,581

¹ Other includes the cost of a gift given by the Company (and applicable fringe benefits tax) to Mr Edwards for his service to the Company.

5.0 Key Management Personnel Shareholdings

Table 13 – Key Management Personnel Shareholdings

KMP	Securities	Opening Balance 1 Jul 2014 Number	Granted as Compensation Number	Received on Exercise of Options/ Rights Number	Disposed	Net Other Change Number	Closing Balance 30 June 2015 Number
Roderick Brown	Ordinary Shares	136,500	-	-	-	-	136,500
Bruce James	Ordinary Shares	10,000	-	-	-	-	10,000
Lloyd Jones	Ordinary Shares	20,000	-	-	-	-	20,000
Paul Dippie	Ordinary Shares	600,000	-	-	-	-	600,000
Sue Palmer	Ordinary Shares	-	-	-	-	-	-
Eva Skira	Ordinary Shares	-	-	-	-	-	-
Paul Dalglish ¹	Ordinary Shares	5,675,051	80,429	1,221,568	-	-	6,977,048
Andrew Phipps ²	Ordinary Shares	-	24,834	-	-	-	24,834
Graham Salter ³	Ordinary Shares	3,305	100,000	-	(100,000)	-	3,305
Total		6,444,856	205,263	1,221,568	(100,000)	-	7,771,687

¹ The number of ordinary shares for Dr Dalglish include 236,004 Ordinary Shares which are classified under the Company's STI Plan as STI Deferred Shares (as set out in Table 8) and are held by CPU Share Plans Pty Ltd in trust for Dr Dalglish. These STI Deferred shares are subject to trading restrictions.

² The number of ordinary shares for Andrew Phipps include 24,834 ordinary shares which are classified under the Company's STI Plan as STI Deferred Shares (as set out in Table 8) and are held by CPU Share Plans Pty Ltd in trust for Mr Phipps. These STI Deferred shares are subject to trading restrictions.

³ The number of ordinary shares for Graham Salter include 3,305 ordinary shares which are classified under the Company's STI Plan as STI Deferred Shares (as set out in Table 8) and are held by CPU Share Plans Pty Ltd in trust for Mr Phipps. These STI Deferred shares are subject to trading restrictions.

Corporate Governance

Corporate Governance at RCR

The Board is ultimately responsible for all corporate governance matters of the Company and is accountable to shareholders for the performance of the Company. The Board oversees a governance framework which aims to ensure standards of corporate governance are maintained in all parts of the business.

The Board continues to refine and develop its governance policies and practices to meet the needs of the business and the interest of shareholders and other stakeholders.

Details of RCR's Corporate Governance policies can be found on the Company's website, www.rcrtom.com.au.

This statement reports on RCR's key governance framework, principles and practices as at 30 June 2015 and has been approved by the Board.

ASX Principles of Corporate Governance

RCR, as a listed entity, must comply with the *Corporations Act 2001 Cth* ("*Corporations Act*"), the Australian Securities Exchange Limited ("ASX") Listing Rules ("ASX Listing Rules") and other laws applicable in Australia and in countries where the Company operates.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations 3rd Edition ("ASX Principles") released by the ASX Corporate Governance Council in March 2014. The ASX Principles require the Board to carefully consider the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

RCR's corporate governance practices were in place throughout the year ended 30 June 2015, unless otherwise stated.

Details of RCR's compliance with the ASX Principles are set out below. A checklist, cross referencing the ASX Principles to the relevant section of this statement and the Remuneration Report, is provided on pages 75 to 77 of this statement.

1 Principle 1 – Lay Solid Foundations for Management and Oversight

1.1 The Role and Responsibilities of Directors

The Constitution provides that the business and affairs of the Company are to be managed by, or under the direction of, the Board.

The Board has adopted a formal Board Charter that sets out the role and responsibilities of the Board, describes the separate functions of Directors and management and matters specifically reserved for the Board and powers delegated to its Committees and to the Managing Director.

> A copy of the Board Charter is available in the corporate governance section of RCR's website.

The primary role of the Board is to set the Company's strategic direction, to select and appoint a Managing Director, to oversee the Company's management and business activities, and report to shareholders.

In addition to matters required by law to be approved by the Board, the Board is responsible for:

- strategy - approving strategic plans, including acquisitions and disposal or cessation of any significant business of the Company;
- board composition - determining the size and composition of the Board as well as recommending to shareholders the appointment and removal of Directors;
- leadership selection - the appointment of the Managing Director and Chief Financial Officer. Evaluating the performance of the Managing Director and approving the remuneration for the Managing Director and those executives reporting directly to the Managing Director;
- shareholders equity - authorising the issue of shares, equity instruments or other securities, declaration of any dividends, and the implementation of any capital return or buyback program;
- operational budgets - approving the Company's annual operating budget;
- borrowings - authorising borrowings and the grant of security over undertakings of the Company or any of its assets;
- policies - approving policies of general company-wide or general application;
- risk management - approving the Company's risk management policy, monitoring systems of risk management and oversight of the internal audit function; and
- reporting to shareholders - communicating with the Company's shareholders and the investment community.

1.2 Responsibilities of Managing Director

The Managing Director is appointed by the Board under the Company's Constitution. The Managing Director is responsible for the day-to-day management of the Company and his authority is delegated and authorised by the Board. The Managing Director's objective is directing the profitable operation and development of the Company, consistent with the primary objective of enhancing long-term shareholder value.

The Managing Director's services are governed by a written employment agreement, which is regularly reviewed against corporate objectives and other KPI's. The responsibilities of the Managing Director are detailed in the Terms of Reference for the Managing Director and in his Services Agreement. The powers of the Managing Director are set out in the Company's Delegation of Authority.

1.3 Management Performance

During the year an annual performance review was completed for the Managing Director. The Company has an annual performance review process for senior executives. The process includes a discussion on the potential future development of the executives along with any training required to enhance prospects for their development and progression in the Company.

1.4 Company Secretary

Details on the Company Secretary are set out in the Directors' Report. The appointment and removal of the Company Secretary is a matter for decision by the Board. The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the functioning of the Board. This includes assisting the Board and its Committees with meetings and Directors' duties, advising the Board and Executives on corporate governance matters, recording minutes of Board and Committee meetings and acting as the interface between the Board and Executive. All Directors have access to advice from the Company Secretary.

The Company Secretary is required to be a member of the Governance Institute of Australia. Details regarding the Company Secretary, including his experience and qualifications are set out in the Directors' Report.

1.5 Diversity within RCR

The Company recognises that a diverse workforce can be a reflection of the quality and skills of its people. To this end, the Company encourages diversity, including diversity by gender, race and geographical location.

The Company recognises that the source of our competitive advantage is its people with diverse cultures, backgrounds, skills and capability ensuring this diversity enriches our breadth of knowledge, capability and experience. The Company is committed to offering valuable and sustainable employment for Indigenous people, increasing the number of Indigenous people through apprenticeships and traineeships and into roles providing genuine support to sustain long term careers.

The Company has established a Diversity Policy and is committed to ensuring that the Company builds a diverse workforce and improves the level of gender diversity at all levels of the Company.

> A copy of the Diversity Policy is available in the corporate governance section of RCR's website.

The Company's commitment to diversity is evidenced through:

- promoting the awareness of, and continued commitment to, workplace diversity principles;
- ensuring that all employees are valued, encouraged and provided with opportunities to develop to their full potential;
- integration of workplace diversity principles into business and across human resources processes, procedures and systems;
- establishing and reviewing measureable objectives for achieving diversity; and
- promoting recruitment strategies that ensure we attract employees from a diverse pool of qualified candidates.

At 30 June 2015, the gender representation metrics were as follows:

- two of six Non-Executive Directors on the Board are female;
- three females holds Executive Roles;
- 13% of senior management/professional roles are occupied by females; and
- 6% of management and supervisory roles are held by women.

This representation reflects on the industry within which the Company operates.

Female participation rates are typically higher in service functions (such as Administration, Legal, HR, Finance, and Project Support). The percentage of females in the workforce decreased by 1% to 12% (450 females). Female's employed in senior managerial/professional positions has remained constant at 13%.

Objective	Outcome
Policies and procedures that support and promote gender equality.	An audit was undertaken of HR policies and procedures to confirm the Company's policies and procedures promote gender equality.
Annual remuneration review to ensure gender parity.	An annual remuneration review was undertaken to ensure gender parity in the Company's salaries.
Confidential reporting mechanisms that enable employees to report breaches of the Company's Equal Employment Opportunity policy.	Currently in place.
Increase female representation on the Company's Board.	One additional female Non-Executive Director was appointed to the Board in FY15.
Provision and promotion of suitable flexible working arrangements for employees returning from parental leave.	The Company has in place arrangements for employees returning from maternity leave in accordance with legislation.

These objectives will be reviewed on an annual basis as will any progress made through the year.

The Company lodged its annual report to the Workplace Gender Equality Agency Report on gender equality performance as required under the Workplace Gender Equality Act 2012.

> A copy of the Company's Workplace Gender Equality Agency is available in the corporate governance section of RCR's website.

Proportionally, a significant number of RCR's workforce are blue collar employees with qualifications in trades such as, boiler making, welding, fitters, machinists, mechanical fitters, electricians and trades assistants. The number of qualified female tradespersons in these areas are low across the industry as a whole, and this is reflected in the gender balance of the Company's workforce and industry.

The Company currently supports the career ambitions of 208 apprentices and trainees across the business, who remain the foundation of our future skilled tradespeople.

2 Principle 2 – Structure the Board to Add Value

2.1 Board Composition, Skills and Experience

The Company's Constitution provides that the maximum number of Directors must be no more than seven and no less than three (including the Managing Director).

At the date of this statement, the Board consists of seven Directors, including six Independent Non-Executive Directors and the Managing Director. The details of the composition of the Board are set out in Table 1.

Details on each of the Directors' backgrounds including experience, knowledge, skills and their status as an Independent Non-Executive Director are set out below and on pages 26 to 27 of this Report.

The Board has an extensive range of relevant industry experience, financial and other skills and expertise to meet its objectives. The skills of the Board and areas of competence are set out in Table 2. These competencies are set out in a skills matrix that the Board uses to assess the skills and experience of each Director and the combined capabilities of the Board.

In assessing the composition of the Board, the Directors have regard to the following policies:

- the Chairman should be an independent, Non-Executive;
- the role of the Chairman and Managing Director should not be filled by the same person;
- the Managing Director should be a full-time employee of the Company;
- the majority of the Board should comprise Directors who are both Non-Executive and independent; and
- the Board should comprise a broad range of qualifications, diversity, experience and expertise.

Where a casual vacancy arises, the Board will seek to appoint a Non-Executive Director with requisite skills and experience in the industry.

Table 1: Composition of the Board

Director	Position	Independence	Qualifications	Term in Office
Mr Roderick Brown	Chairman, Non-Executive Director	Independent	AWASM, AICD, AusIMM	Director since October 2005 Chairman since January 2008
Dr Paul Dalglish	Managing Director and CEO	Executive	DBA, BEng (Hons), FIEAust, AICD	CEO since May 2009 Managing Director since October 2011
Ms Eva Skira	Non-Executive Director	Independent	BA (Hons), MBA, SF Fin, Life Member Fin, FAICD, FAIM, FGIA	May 2008
Mr Paul Dippie	Non-Executive Director	Independent	NZCE, MAICD	March 2007
Mr Lloyd Jones	Non-Executive Director	Independent	BEng, MBA, MAICD	November 2013
Mr Bruce James	Non-Executive Director	Independent	BEng (Civil), MAICD	January 2014
Ms Sue Palmer	Non-Executive Director	Independent	BCom, CA, FAICD	August 2014

Table 2: Areas of Competence and Skills of the Board

Area	Competence
Leadership	Business and Executive Leadership; Public Company Experience; Commercial Acumen Corporate Governance; Health & Safety; Industrial Relations; Government Relations.
Business and Finance	Accounting qualifications; Business Strategy; Mergers & Acquisition; Financial Literacy; understanding of Risk Management.
Technical	Engineering qualifications; Experience in construction and maintenance, oil & gas, water, energy, mining and infrastructure sectors; Large contract management experience.
International	Experience with businesses in New Zealand, Asia and other countries.

2.2 Board Committees

The Board has the ability, under the Company's Constitution, to delegate its powers and responsibilities to committees of the Board. This allows the Directors to spend additional and more focused time on specific issues.

The Board currently has three standing committees to assist in the discharge of its responsibilities.

Table 3: Board Committees and Membership

Committee	Members	Key responsibilities	Composition
Audit and Risk Committee	Eva Skira (Chair) Paul Dippie Bruce James Sue Palmer	Monitors the financial reporting process, and external audit functions. It oversees the management of material business risks and the development of corporate governance principles.	At least Three Non-Executive Directors
Remuneration and Nominations Committee	Eva Skira (Chair) Roderick Brown Lloyd Jones	Assists the Board in considering remuneration policies, practices and decisions. Ensures the Board and the Managing Director have the necessary range of skills, expertise and experience to further corporate objectives.	At least Three Non-Executive Directors
Takeover Response Committee	Roderick Brown (Chair) All Directors	Assists the Board to manage and prepare for any unsolicited takeover response.	Such members as the Board determines from time to time

Oversight of health, safety and environment is included as a standing agenda item at each Board meeting.

Each committee has a charter, detailing its membership, role, responsibilities and powers where conferred on a committee by the Board. Committee charters are reviewed regularly and updated as required. Prior to the commencement of each year the committees set an annual agenda for the coming year with reference to the committee charter and other issues the committee members or Board considers appropriate for consideration by the committee.

Committee members are chosen for the skills, experience and other qualities they bring to the committees. Executive management attends, by invitation, Board committee meetings.

All papers considered by the standing committees are available to Directors who are not on that committee.

Following each committee meeting, generally at the next Board meeting, the Board is given a verbal update by the Chair of each committee. In addition, minutes of all committee meetings are provided to all Directors.

The Company Secretary provides secretariat services for each committee.

Other committees are convened as required to address major transactions or other matters calling for special attention.

2.3 Responsibilities of Chairman

The Chairman of the Board, Mr Roderick Brown is an Independent Non-Executive Director and was appointed as Chairman in January 2008.

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the promotion of relations between Board members and management that are open, cordial and conducive to productive co-operation. The Chairman's responsibilities are set out in more detail in the Terms of Reference for the Chairman.

Mr Brown is also Chairman of Immersive Technologies Pty Ltd. The Board considers that neither his role as Chairman of Immersive Technologies, nor any of his other commitments interfere with the discharge of his duties to the Company. The Board is satisfied that Mr Brown commits the time necessary to discharge his role effectively.

2.4 Director Independence

The independence of a Director is assessed by determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the Director. Materiality is considered from the perspective of the Company, the persons or organisations with which the Director has an affiliation and from the perspective of the Director. Materiality thresholds are considered by the Board from time to time.

Relationships that Board take into consideration when assessing independence are whether a Director:

- is not a substantial holder (i.e. 5% or more of the voting stock) of the Company or any subsidiary or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not been employed in an executive capacity by the Company or any subsidiary within the last three years, or been a Director after ceasing to hold any such employment;
- has not been a principal of a material professional adviser or a material consultant to the Company or any subsidiary within the last three years, or an employee materially associated with the service provided;
- is not a material customer of the Company or any subsidiary who accounts for more than 5% of the Company's consolidated gross revenue;
- is not a supplier to the Company or any subsidiary who accounts for more than 5% of the supplier's gross revenue;
- has no material contractual relationship with the Company or any subsidiary other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interest of the Company; and
- has been a Director of the Company for such a period that his/her independence may have been compromised.

During the year the Board completed a review of independence of Directors and determined that all Non-Executive Directors are independent. Dr Dalglish, due to his executive role as Managing Director, is not regarded as independent.

> A copy of the Policy on Independence of Directors is available in the corporate governance section of RCR's website.

2.5 Board Meetings

The Chairman, in conjunction with the Managing Director sets the agenda for each Board meeting. Any Director may request additional matters be added to the agenda. The CFO and Company Secretary attends meetings of the Board by invitation. Other members of the senior executive team attend Board meetings by invitation.

The Company's Non-Executive Directors confer regularly without management present at various times throughout the year.

Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

Particulars of the number of meetings of the Board of Directors and each Board Committee of Directors held and attended by each Director during FY15 are set out in the Director's Report.

2.6 Board Access to Independent Advice

Directors may, in carrying out their company related duties, seek external professional advice. If external professional advice is sought a Director is entitled to reimbursement of all reasonable costs where such a request for advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required by at least two Board members.

2.7 Conflicts of Interest

Directors are required to disclose any actual or potential conflict or material personal interests on appointment as a Director and are required to keep these disclosures up to date.

In the event that there is, or may be, a conflict between the personal or other interests of a Director, then the Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter. When the matter comes before the Board for discussion, the Director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision making process.

2.8 Board Renewal and Succession Planning

The Board, in conjunction with the Remuneration and Nomination Committee reviews, from time to time, the size and composition of the Board and the mix of existing and desired competencies across members.

The appointment of Directors is governed by the Company's Constitution, the Board Charter and the Remuneration and Nomination Committee Charter. The Remuneration and Nominations Committee is responsible for evaluating Board candidates and recommending individuals for appointment to the Board. The Committee evaluates prospective candidates against a range of criteria including skills, experience, expertise and diversity that will best complement Board effectiveness. The Board may engage an independent recruitment firm to undertake a search for suitable candidates, undertake reference checks and review relevant clearances.

During the year one new Non-Executive Director appointment was made. Ms Sue Palmer joined the Board in August 2014. Ms Palmer has more than 30 years' experience in senior executive finance roles within a diverse range of organisations.

Any Director appointed to fill a casual vacancy since the date of the previous Annual General Meeting must submit themselves to shareholders for election at the next Annual General Meeting. Accordingly, on 19 November 2014 Ms Palmer stood for election and was duly elected by Shareholders as a Director of the Company.

Directors are appointed for a term of three years. Retiring Directors are not automatically re-appointed. Any Director, who retires at the end of their term, may offer themselves for re-election by shareholders at the next Annual General Meeting.

2.9 Board Performance Evaluation

The Board undertakes ongoing self-assessment and review of performance of the Board, committees and individual Directors at least every two years.

The Chairman of the Board is responsible for determining the process for evaluating Board performance. The performance evaluation process includes completion of a formal assessment and questionnaire that has been approved by the Remuneration and Nomination Committee. Responses to the questionnaire and outcomes from the assessment are then tabulated and reported on in a format approved by the Board. A copy of that report is provided to the Chairman and the contents of the report are then discussed by the full Board.

A Board performance review, together with a performance review of the Board committees, was last conducted in September 2013. The review was facilitated by an independent external consultant. The outcomes of the review were communicated and discussed with each Non-Executive Director and the Managing Director. Since that review two Non-Executive Directors have retired and three new Non-Executive Directors have been appointed to the Board. The next Board performance review will be undertaken on or about September 2015.

2.10 Directors' Appointment, Induction Training and Continuing Education

All Board candidates are screened by professional recruitment agencies, which undertake the appropriate checks before putting a candidate forward to the Board.

All new Directors are provided with a formal letter of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work.

A formal induction is provided to all new Directors. It includes comprehensive meetings with the Managing Director, key executives and management, information on key corporate and Board policies and the option to visit some of the Company's primary operations either upon appointment or with the Board during its next site tour.

All Directors are expected to maintain the skills required to discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the Company where appropriate. Subject to consultation with the Chairman, the reasonable cost of continuing education and training is met by the Company.

To assist the Directors in maintaining an appropriate level of knowledge of the operations of the Company, Non-Executive Directors undertake site visits each year to some of RCR's businesses.

3 Principle 3 – Promote Ethical and Responsible Decision-Making

3.1 Health, Safety and the Environment

The Board has approved a Health and Safety Policy consistent with RCR's commitment to standards of occupational health and safety management at its operations. The health, safety and wellbeing of our people, contractors, suppliers, visitors and local communities are a key value for the Company.

The Company's safety management system includes standards to guide safety management at operations.

The Company's health, safety and environment systems are regularly reviewed with the objective of ensuring continuing compliance and to improve health, safety and environment practices.

The Company's philosophy is that all personnel share the responsibility for a safe workplace. Safety performance is closely monitored by the Board and is a subject of standing item at all regular Board meetings.

3.2 Codes of Conduct, Whistleblower and Anti-Bribery and Corruption Policies

Code of Conduct

The Board has approved a Code of Conduct for Directors and a Code of Conduct for Employees, which describes the standards of ethical behaviour that Directors and employees are required to maintain. Compliance with the Code of Conduct assists the Company to effectively manage its operating risks and meet its legal and compliance obligations, as well as enhance RCR's reputation.

The Code of Conduct describes the Company's requirements on matters such as confidentiality, conflicts of interest, sound employment practices, compliance with laws and regulations, the protection and proper use of company assets and the responsibilities and accountabilities of individuals for reporting and investigating reports of unethical practices.

> A copy of the Company's Employee Code of Conduct is available in the corporate governance section of RCR's website.

Whistleblower Policy

The Company operates a Whistleblower Policy and is committed to maintaining an open working environment in which employees are able to report instances of unethical, unlawful or undesirable conduct without fear of intimidation or reprisal. The purpose of the Whistleblower Policy is to:

- help detect and address unacceptable conduct;
- help provide employees with a supportive working environment in which they feel able to raise issues of legitimate concern to them and the Company;
- provide an external confidential helpline which can be used for reporting unacceptable conduct; and
- help people who report unacceptable conduct in good faith.

> A copy of the Company's Whistleblower Policy is available in the corporate governance section of RCR's website.

Anti-Bribery and Corruption Policy

During the year the Board approved an Anti-Bribery and Corruption Policy, which details the Company's commitment to conducting business and our associated activities with integrity, free from dishonesty and improper behaviour.

The procedures and system to support the policy are being rolled out. RCR's Vietnam office was the first to receive training on the Policy.

> A copy of the Company's Anti-Bribery and Corruption Policy is available in the corporate governance section of RCR's website.

4 Principle 4 - Safeguarding Integrity In Financial Reporting

The Company has in place a structure of review and authorisation which independently verifies and safeguards the integrity of its financial reporting.

4.1 Audit & Risk Committee

The Audit & Risk Committee assists the Board to meet its oversight responsibilities in relation to the Company's financial reporting, external audit function, internal control structure, risk management procedures and the Company's corporate governance system. In doing so, it is the Committee's responsibility to maintain free and open communication between the Committee, the external auditors and the management of the Company.

The Audit and Risk Committee is required to have a minimum of three members and to be composed of Non-Executive Directors, a majority of which must be independent. The Chair of the Audit and Risk Committee must not be the Chair of the Board and must be an independent Non-Executive Director.

In February 2015, Ms Sue Palmer was appointed to the Audit & Risk Committee. Ms Palmer is highly experienced in financial management of large engineering and construction companies and during the coming financial year will assume the role of Chair of the Board's Audit and Risk Committee.

Details of the names and qualifications of those appointed to the audit committee and their attendance at committee meetings is set out in the Directors' Report.

The external auditors, the Managing Director, and the Chief Financial Officer and Company Secretary regularly attend Committee meetings by invitation. The Committee meets at least four times per year.

> A copy of the Audit and Risk Committee Charter is available in the corporate governance section of RCR's website.

4.2 Managing Director and CFO Assurance Declaration

The Board receives monthly reports about the financial condition and operational results of the Company and its controlled entities.

The Managing Director and CFO provide, at the end of each six monthly period, a formal declaration to the Board confirming that the Company's financial reports present a true and fair view, in all material respects, and the Company's financial condition and operational results have been prepared in accordance with the relevant accounting standards.

The statement also confirms that the integrity of the Company's financial statements and Sections to the financial statements are founded on a sound system of risk management, internal compliance and control which implements the policies approved by the Board, and that the Company's risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

4.3 External Auditor Relationship

The Board is committed to the basic principles that:

- financial reports represent a true and fair view;
- accounting practices are comprehensive, relevant and comply with applicable accounting standards and policies; and
- the external auditor is independent and serves shareholders' interests.

Attendance of External Auditors at Annual General Meetings

The lead audit partner attends the Company's annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Appointment and rotation of auditor

The Board has adopted an External Auditor Policy which covers the terms of appointment of the Company's external auditor. The policy includes provisions to maintain the independence of the external auditor and to assess whether the provision of any proposed non-audit services by the external auditor are appropriate. Such provisions are referenced to the Code of Ethics published by the International Federation of Accountants ("IFAC").

> A copy of the External Audit Policy is available in the corporate governance section of RCR's website.

Furthermore, the External Auditor Policy requires rotation of the audit partner at least every five years, prohibits the re-involvement of a previous audit partner in the audit service for two years following their rotation, and provides that a former partner of the audit firm, or member of the audit team, may only be recruited into a position as a Director or senior employee of RCR after the expiry of at least two years.

The Non-Audit Services Guidelines contain a set of controls which address threats to the independence of the external auditor including, in particular, any threat which may arise by reason of self-interest, self-review, advocacy, familiarity or intimidation (all terms defined by the IFAC's Code of Ethics). The Non-Audit Services Guidelines classify a range of non-audit services which are considered unacceptable for provision by the external auditor.

> A copy of the Non-Audit Services Guidelines is available in the corporate governance section of RCR's website.

Independence Declaration

The Company's External Auditor has provided the required independence declaration to the Board for the financial year ended 30 June 2015. The independence declaration forms part of the Directors' Report and is provided in this Annual Report.

Restrictions on the Performance of Non-Audit and Assurance-Related Services

The Board has considered the nature of the non-audit and assurance-related services provided by the external auditor during the year, and has determined that the services provided, and the amount paid for those services, are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Details of fees paid (or payable) to the External Auditor for non-audit and assurance-related services provided to the Company in the year ended 30 June 2015 are set out in the Directors' Report.

5 Principle 5 – Make Timely and Balanced Disclosure

5.1 Continuous Disclosure

The Company is committed to maintaining a level of disclosure that meets the standards and provides all investors with timely and equal access to information issued by the Company.

The Company's Continuous Disclosure Policy reinforces its commitment to ASX continuous disclosure requirements and outlines management's accountabilities and the processes to be followed for ensuring compliance. The policy also describes the Company's guiding principles for market communications.

> A copy of the Continuous Disclosure Policy is available in the corporate governance section of RCR's website.

5.2 Securities Trading Policy

The Company's Securities Trading Policy remains in compliance with the ASX Listing Rule requirements.

The Securities Trading Policy is binding on all Directors and employees. The policy provides a brief summary of the law on insider trading and other relevant laws; sets out the restrictions on dealing in securities by people who work for, or are associated with, the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy prohibits Directors and employees from dealing in the Company's securities when they are in possession of 'price sensitive information' that is not generally available to the share market. It also prohibits dealings by Directors and certain restricted employees outside defined trading windows, which are set out in the Company's Securities Trading Policy.

Non-Executive Directors and the Managing Director are required to seek the approval of the Chairman before dealing in Company securities or entering into any financial arrangement by which RCR securities are used as collateral. In the case of the Chairman, the approval from two Directors is required before dealing in Company securities. Restricted employees are required to seek the approval of the Managing Director before dealing in Company securities or entering into any financial arrangement by which RCR securities are used as collateral.

Directors and restricted employees must also give the Company Secretary notice of trading within two business days after the dealing.

Any dealing in RCR securities by Directors (including the Managing Director) is notified to the ASX within five business days of the dealing.

It is a condition of the Securities Trading Policy that Directors and employees participating in an equity-based incentive plan are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any person the risk of any fluctuation in the value of unvested entitlements in RCR securities. This prohibition is also contained in the Rules of the Long Term Incentive Plan.

> A copy of the Company's Security Trading Policy is available in the corporate governance section of RCR's website.

6 Principle 6 – Respect The Rights Of Shareholders

6.1 Shareholder Communication

The Company is committed to giving all shareholders comprehensive, timely and equal access to information about its activities so that they can make informed decisions. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of shares in the Company.

A wide range of communication approaches are employed including direct communications with shareholders and presentations to shareholders at the Company's Annual General Meeting ("AGM"). All relevant company information, including the Company's Annual Report is published in the Investors and Media section of RCR's website at www.rcrtom.com.au. Shareholders are also given the opportunity to receive information in print or electronic format.

The Company also has an investor relations program to facilitate communication of the Company's objectives to investors. This program includes briefings to institutional investors post the release of the Company's half-year and full-year results and at investor conferences, including ASX investor conferences.

The Company's Shareholder Communication Policy provides that the Company will communicate effectively with its shareholders, give shareholders ready access to balanced and understandable information about RCR and encourages shareholder participation at General Meetings and AGMs. The way it does this includes:

- ensuring that financial reports are prepared in accordance with applicable laws;
 - ensuring the disclosure of full and timely information about the Company's activities in accordance with the general and continuous disclosure principles of the ASX Listing Rules and the Corporations Act 2001;
 - the Chairman and Managing Director reporting to shareholders at the Company's AGM;
 - placing all market announcements (including quarterly reports and financial reports) on the Company's website as soon as practicable following release; and
 - ensuring that reports, notices of meeting and other shareholder communications are prepared in a clear and concise manner.
- > A copy of the Shareholder Communication Policy is available in the corporate governance section of RCR's website.

7 Principle 7 – Recognise And Manage Risk

7.1 Approach to Risk Management

The Board and management recognise that risk management and internal compliance and control are key elements of good corporate governance.

- > A copy of the Company's Risk Management Policy is available in the corporate governance section of RCR's website.

7.2 Risk Management Roles and Responsibilities

The Board has delegated oversight of the Company's Risk Management Policy including reviewing the effectiveness of internal controls and material risks, to the Audit & Risk Committee. The Company's management is responsible for implementing and applying the Risk Management Policy.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include:

- annual review of the Company's strategic plan and prospects and the material business risks which may impact achievement of the Company's strategies;
- implementation of Board approved annual operating budgets and plans, then monitoring of actual progress against those;
- Board oversight of material tenders and contracts that exceed the delegation of the Managing Director. The Board has reserved powers to approve material tenders as defined in the Company's Delegation of Authority;
- the Audit & Risk Committee assisting the Board to fulfilling its governance and oversight responsibilities in relation to financial statements, financial controls and enterprise risk;
- both Board and Audit & Risk Committee receives reports on material business risks; and
- an approved Delegation of Authority, which sets out the financial and non-financial approval limits reserved to the Board, and delegated by the Board to the Managing Director, Executive Management and all other RCR Personnel.

7.3 Risk Framework and Material Risks

The Company's risk framework is based on International Standard ISO 31000:2009, Risk Management – Principles and Guidelines and forms the basis of the Company's risk management activities.

Under its Charter, the Audit & Risk Committee is required to review the Group Risk Framework at least annually to confirm it is both sound and effective. The Audit & Risk Committee undertook a review of the Company's material risks and the Risk Management Policy during the year. The Committee has requested that management complete a detailed review of the Company's Risk Framework for review by the Audit & Risk Committee in FY16.

The OFR, within the Directors' Report, outlines the Company's performance, the financial position and main business strategies and prospects during the year. It also highlights the material business risks associated with the Company's ongoing business operations and achievement of stated strategies.

7.4 Economic, Environmental and Social Sustainability Risks

The Company's ability to manage the sustainability of its business, including its safety and environmental performance is important for the long-term success of the Company.

The Company's OH&S system provides standards and accountabilities to safeguard against hazards and manage risks. In addition to regular audits of its OH&S system, the Directors and Executives undertake site visits to confirm/observe the Company's safety systems are operating soundly. The Company uses Australian Standard AS4801 to maintain the integrity of its OH&S management systems.

The Company's OH&S and Environmental Policies set out the accountabilities of the Company and its employees. The Company's employees are expected to take personal responsibility and be involved in setting and complying with standards and policies.

The Company's health and safety performance is monitored through leading and lagging indicators, including LTIFR and Total Recordable Injury Frequency Rate ("TRIFR"). In FY15, the Company's LTIFR improved by 16% to 1.1 per million hours worked.

The Company operates across a diverse range of industries and manages its environmental risks through a risk-based approach using AS14001. The Company is currently moving towards company-wide certification under this standard. The Company records all environmental incidents.

The Company monitors energy consumption and carbon emissions annually and is registered under the National Environment Protection (National Pollutant Inventory) Measure 1998 ("NPI") and National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The Company reports its energy consumption and carbon emissions under the NPI and NGER.

The Company's economic, environmental and social sustainability risks are set out in the OFR section in the Directors' Report.

7.5 Internal Audit

The internal audit process is independent from business management and is aimed at ensuring that the design and operation of RCR's risk management and internal control system is effective. The Company's internal auditor reports to the Company Secretary who provides the internal auditor with support and oversight on a day to day basis.

The Audit and Risk Committee oversees and monitors internal audit activities and reviews internal audit's activities and reports. It also approves the internal audit program and receives reports from the internal auditor concerning the effectiveness of internal controls. The internal audit is supplemented by external audit and analytics services.

The internal audit is conducted in accordance with International Auditing Standards. The internal auditor has full access to all necessary company information.

Internal audit and external audit are separate and independent of each other.

8 Principle 8 – Remunerate Fairly And Responsibly

8.1 Remuneration and Nomination Committee

The Board has established a Remuneration and Nominations Committee to assist the Board to review and approve the Company's remuneration policies and practices and the appointment of Non-Executive Directors to the Board.

The Committee's key responsibilities include:

- reviewing Board and Executives performance and succession plans;
- reviewing the Company's remuneration framework and policy, which is used to attract, retain and motivate Directors and Executives to achieve operational excellence and create value for shareholders;
- reviewing incentive schemes for executives, to establish rewards, which are fair and reasonable, having regard to the Company's strategic goals, individual performance and general remuneration conditions;
- approving the annual remuneration report; and
- approving the Company's diversity policy.

The Remuneration and Nomination Committee is required under ASX Principles to have a minimum of three members and to mostly comprise independent Non-Executive Directors.

The Committee meets between four to six times per year. The Managing Director and Company Secretary attend Committee meetings by invitation. For further information in relation to the remuneration of Directors and Executives, refer to the Remuneration Report.

During the year, the Remuneration and Nomination Committee engaged external independent remuneration consultants, Guerdon Associates, for advice on remuneration matters.

- > A copy of the Remuneration and Nomination Committee Charter is available in the corporate governance section of RCR's website.

8.2 Executive Remuneration

Full details on the remuneration paid to executives are set out in the Remuneration Report in this Report.

Executives have an annual and a long-term incentive or 'at risk' component as part of their total remuneration package. The mix of remuneration and the performance measures used in the incentive plans have been designed to ensure that there is a strong link between remuneration earned and the achievement of the Company's strategy and business performance, which ultimately generates returns for shareholders.

8.3 Director Remuneration

The current fee pool for Non-Executive Directors is \$950,000 p.a. as approved by shareholders at the 2012 Annual General Meeting.

Details on Non-Executive Directors fees paid are set out in the Remuneration Report. Shareholders are invited to consider and approve the Remuneration Report at each Annual General Meeting.

Non-Executive Directors' fees are regularly reviewed by the Board to ensure that the remuneration level is fair given the level of skill and expertise required in discharging their duties. In conducting a review, the Board may obtain advice from an external independent remuneration consultant.

ASX Corporate Governance Compliance Statement

Principle	ASX Corporate Governance Principles and Best Practice Recommendations	Reference	Compliance
1.0	Lay Solid Foundations for Management and Oversight		
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	1.1, 1.2	Comply
1.2	Prior to appointing a Director a company should undertake appropriate checks (e.g. checks as to the person's character, experience, education, criminal record and bankruptcy history) before appointing a person, or putting forward to security holders a candidate for election, as a Director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	2.10	Comply
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	1.2, 2.10	Comply
1.4	The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	1.4	Comply
1.5	A Listed entity shall have: <ul style="list-style-type: none"> a) have a Diversity Policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> ▪ the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or ▪ if the entity is a "relevant employer" under the Workplace Gender Equality Act ("WGEA"), the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	1.5	Comply
1.6	A listed entity should: <ul style="list-style-type: none"> a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	1.3, 2.9	Comply
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	1.3	Comply
2.0	Structure the Board to Add Value		
2.1	The Board of a listed entity should have a nomination committee which: <ul style="list-style-type: none"> ▪ has at least three members, a majority of whom are independent Directors; and ▪ is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> ▪ the charter of the committee; ▪ the members of the committee; and ▪ as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 	2.2, 8.1	Comply
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	2.1	Comply

Principle	ASX Corporate Governance Principles and Best Practice Recommendations	Reference	Compliance
2.3	<p>Disclose:</p> <p>a) the names of the Directors considered by the Board to be independent Directors;</p> <p>b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>c) the length of service of each Director.</p>	2.1, 2.4	Comply
2.4	A majority of the Board of a listed entity should be independent Directors.	2.4	Comply
2.5	The chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the Managing Director of the entity.	2.3	Comply
2.6	A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	2.10	Comply
3.0	Promote Ethical and Responsible Decision-Making		
3.1	The Board of a listed entity should have a code of conduct for its Directors, senior executives and employees and disclose that code or a summary of it.	3.2	Comply
4.0	Safeguard integrity in Corporate Reporting		
4.1	<p>The Board of a listed entity should have an audit committee which:</p> <ul style="list-style-type: none"> has at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors; and is chaired by an independent Director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> the charter of the committee; the relevant qualifications and experience of the members of the committee; and in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 	2.2, 4.1	Comply
4.2	<p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Managing Director and CFO a declaration that, in their opinion:</p> <ul style="list-style-type: none"> the financial records of the entity have been properly maintained; the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity; the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and the institution of processes to ensure Managing Director and the CFO declarations are tabled at Board meeting that approve financial statements. 	4.2	Comply
4.3	Ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	4.3	Comply
5.0	Make Timely and Balanced Disclosure		
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	5.1, 5.2	Comply
6.0	Respect the Rights of Security Holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Company Website	Comply
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	6.1, Company Website	Comply
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	6.1	Comply
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	6.1	Comply

Principle	ASX Corporate Governance Principles and Best Practice Recommendations	Reference	Compliance
7.0	Recognise and Manage Risk		
7.1	<p>The Board of a listed entity should have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> has at least three members, a majority of whom are independent Directors; and is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 	2.2, 7.1, Directors' Report	Comply
7.2	<p>The Board or a committee of the Board should:</p> <ol style="list-style-type: none"> review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose, in relation to each reporting period, whether such a review has taken place. 	7.3	Comply
7.3	A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs.	7.5	Comply
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	7.4	Comply
8.0	Remunerate Fairly and Responsibly		
8.1	The Board should establish a Remuneration Committee.	2.2, 8.1	Comply
8.2	<p>The Remuneration Committee should be structured so that it:</p> <ul style="list-style-type: none"> has at least three members, a majority of whom are Independent Directors; and is chaired by an Independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 		
8.3	A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive Directors and other senior executives.	8.2, 8.3, Remuneration Report	Comply
8.4	A listed entity which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and disclose that policy or a summary of it.	6.2, Directors' Report, Company Website	Comply

Auditors' Independence Declaration

Deloitte.

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The Board of Directors
RCR Tomlinson Limited
Level 6, 251 St Georges Terrace
PERTH WA 6000

19 August 2015

Dear Board Members

RCR Tomlinson Limited

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

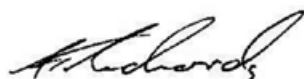
As lead audit partner for the audit of the financial statements of RCR Tomlinson Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants



Financial Statements 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ending 30 June 2015

	Section	2015 \$'000	2014 \$'000
Sales Revenue	3.1(a)	1,129,579	1,300,452
Cost of Sales	3.3(a)	(1,038,071)	(1,181,170)
Gross Profit		91,508	119,282
Other Income	3.1(b)	21,365	3,269
Administrative Expenses	3.3(b)	(56,029)	(57,626)
Finance Costs	3.3(c)	(4,886)	(7,061)
Transaction Costs Associated with Norfolk Acquisition	6.1	-	(3,993)
Other Expenses		(4,306)	(2,753)
		(43,856)	(68,164)
Profit Before Income Tax for the Year		47,652	51,118
Income Tax Expense	3.6.1(b)	(8,572)	(7,816)
Profit After Income Tax for the Year		39,080	43,302
Items that may be reclassified subsequently to profit or loss:			
Exchange Difference on Translation of Foreign Operations	5.6(b)	(1,151)	2,369
Gain on Foreign Exchange Contracts Entered into for FX Hedges	5.6(c)	372	14
Gain/(Loss) on Interest Rate Swap Contracts Entered into for Borrowing Hedges	5.6(c)	156	(328)
Other Comprehensive (Loss)/Income for the Year, net of Income Tax		(623)	2,055
Total Comprehensive Income for the Year		38,457	45,357
Earnings per Share			
Basic Earnings per Share (cents per share)	3.7	28.24	31.89
Diluted Earnings per Share (cents per share)	3.7	27.17	30.33

The accompanying Sections form part of these Financial Statements.

Consolidated Statement of Financial Position

As at 30 June 2015

	Section	2015 \$'000	2014 \$'000
Current Assets			
Cash and Cash Equivalents	5.1.1	49,170	42,594
Trade and Other Receivables	4.1	213,206	226,434
Inventories	4.2	17,556	20,229
Non-Current Assets Held for Sale	4.3	-	1,766
Current Tax Assets	3.6.2(a)	-	2,899
Other Current Assets	4.4	8,644	5,834
Total Current Assets		288,576	299,756
Non-Current Assets			
Property, Plant and Equipment	4.5	49,593	74,821
Deferred Tax Assets	3.6.2(c)	51,600	58,696
Goodwill	4.6	117,575	117,575
Other Intangible Assets	4.6	79,197	86,798
Other Non-Current Assets	4.4	-	2
Total Non-Current Assets		297,965	337,892
Total Assets		586,541	637,648
Current Liabilities			
Trade and Other Payables	4.7	129,683	134,803
Lease Liabilities	5.2.3	216	257
Borrowings	5.2.1	20,236	20,233
Current Tax Liabilities	3.6.2(b)	203	-
Provisions	4.9	43,202	68,729
Deferred Revenue	4.8	32,909	41,255
Total Current Liabilities		226,449	265,277
Non-Current Liabilities			
Lease Liabilities	5.2.3	-	50
Borrowings	5.2.1	40,878	79,292
Provisions	4.9	3,070	3,894
Total Non-Current Liabilities		43,948	83,236
Total Liabilities		270,397	348,513
Net Assets		316,144	289,135
Equity			
Issued Capital	5.5	134,127	128,430
Reserves	5.6	(8,912)	(5,730)
Retained Earnings		190,929	166,435
Total Equity		316,144	289,135

The accompanying Sections form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For the Year Ending 30 June 2015

		Issued Capital \$'000	Equity- Settled Employee Benefits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000
	Section						
Balance at 1 July 2013		114,284	4,407	(774)	(241)	135,032	252,708
Profit for the Year		-	-	-	-	43,302	43,302
Other Comprehensive Income		-	-	2,369	(314)	-	2,055
Total Comprehensive Income for the Year		-	-	2,369	(314)	43,302	45,357
Issue of Treasury Shares to Employees	5.6(a)	14,150	(14,018)	-	-	-	132
Share Based Payments	5.6(a)	-	2,352	-	-	-	2,352
Tax Effect Relating to Share Issue Costs	5.5(a)	(4)	-	-	-	-	(4)
Tax Effect Relating to Share Based Payments	5.6(a)	-	489	-	-	-	489
Dividends Paid	5.7	-	-	-	-	(11,899)	(11,899)
Balance at 30 June 2014		128,430	(6,770)	1,595	(555)	166,435	289,135
Balance at 1 July 2014		128,430	(6,770)	1,595	(555)	166,435	289,135
Profit for the Year		-	-	-	-	39,080	39,080
Other Comprehensive Loss		-	-	(1,151)	528	-	(623)
Total Comprehensive Income for the Year		-	-	(1,151)	528	39,080	38,457
Share Buy Back	5.5(a)	(573)	-	-	-	-	(573)
Tax Effect Relating to Share Issue Costs	5.5(a)	(5)	-	-	-	-	(5)
Acquisition of Treasury Shares – On Market	5.5(b)	(215)	-	-	-	-	(215)
Issue of Treasury Shares to Employees	5.6(a)	6,490	(6,490)	-	-	-	-
Share Based Payments	5.6(a)	-	3,432	-	-	-	3,432
Tax Effect Relating to Share Based Payments	5.6(a)	-	499	-	-	-	499
Dividends Paid	5.7	-	-	-	-	(14,586)	(14,586)
Balance at 30 June 2015		134,127	(9,329)	444	(27)	190,929	316,144

The accompanying Sections form part of these Financial Statements.

Consolidated Statement of Cash Flows

For the Year Ending 30 June 2015

	Section	2015 \$'000	2014 \$'000
Cash Flows from Operating Activities			
Receipts from Customers		1,237,676	1,471,849
Payments to Suppliers and Employees		(1,201,962)	(1,432,970)
Cash Generated From Operations		35,714	38,879
Income Tax Received/(Paid)		1,928	(19,937)
Other Income		355	1,208
Finance Costs		(5,230)	(5,703)
Net Cash Generated by Operating Activities	5.1.2	32,767	14,447
Cash Flows from Investing Activities			
Interest Received		673	405
Proceeds from Sale of Property, Plant and Equipment		38,232	1,910
Purchase of Property, Plant and Equipment		(10,629)	(10,739)
Payment for Subsidiary and Other Businesses, Net of Cash Acquired	6.1(c)	-	(64,572)
Net Cash Generated/(Used) In Investing Activities		28,276	(72,996)
Cash Flows from Financing Activities			
Payment For Buy-Back Of Shares	5.5(a)	(573)	-
Payment for Shares Acquired by RCR Employee Share Trust	5.5(b)	(215)	-
Proceeds from Repayment to Related Parties		-	10,250
Proceeds from Borrowings		-	110,000
Repayment of Borrowings		(38,750)	(92,688)
Repayment of Lease Liabilities		(91)	(694)
Dividends Paid	5.7	(14,586)	(11,899)
Net Cash (Used)/Generated in Financing Activities		(54,215)	14,969
Net Increase/(Decrease) in Cash and Cash Equivalents		6,828	(43,580)
Cash and Cash Equivalents at the Beginning of the Year		42,594	85,581
Effects of exchange rate changes on balance of cash held in foreign currencies		(252)	593
Cash and Cash Equivalents at the End of the Year	5.1.1	49,170	42,594

The accompanying Sections form part of these Financial Statements.

Sections to the Financial Statements

Section 1: General Information

1.1 Reporting Entity

RCR is a limited company incorporated in Australia. The address of the Company's registered office and principal place of business are disclosed in the introduction to the annual report. The principal activities of the Company are described in the Directors' Report.

1.2 Statement of Compliance

These Financial Statements are general purpose Financial Statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The Financial Statements comprise the consolidated Financial Statements of the Company. For the purposes of preparing the consolidated Financial Statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the Financial Statements and Sections comply with International Financial Reporting Standards ("IFRS").

The Financial Statements were authorised for issue by the Directors on 19 August 2015.

1.3 Basis Of Preparation

The consolidated Financial Statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars ("AUD"), unless otherwise noted.

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

1.4 Basis of Consolidation

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

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Company accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

Sections to the Financial Statements

Section 1: General Information (continued)

1.5 Application of New and Revised Accounting Standards

In the current year, the Company has applied a number of amendments to AASBs and new Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

Standards Affecting Presentation and Disclosure:

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	<p>The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.</p> <p>The amendments have been applied retrospectively. As the Company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments does not have any material impact on the disclosures or on the amounts recognised in the Company's consolidated Financial Statements. The Company has assessed whether certain financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Company's consolidated Financial Statements.</p>
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	<p>The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.</p> <p>The application of these amendments does not have any material impact on the disclosures in the Company's consolidated Financial Statements.</p>
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	<p>The amendments to AASB 139 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.</p> <p>As the Company does not have any derivatives that are subject to novation, the application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Company's consolidated Financial Statements.</p>
AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's consolidated Financial Statements.</p>

Sections to the Financial Statements

Section 1: General Information (continued)

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to AASB 124 clarify that a management entity providing KMP services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of KMP services. However, disclosure of the components of such compensation is not required

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.

The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the Financial Statements of the joint arrangement itself.

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a Company's financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contract do not meet the definitions of financial assets or financial liabilities within AASB 132.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of AASB 140; and
- the transaction meets the definition of a business combination under AASB 3.

The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Company's consolidated Financial Statements.

Sections to the Financial Statements

Section 1: General Information (continued)

1.6 Standards and Interpretations in Issue Not Yet Adopted

At the date of authorisation of the Financial Statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

The Company is in the process of assessing the impact of the above Standards.

At the date of authorisation of the Financial Statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

At the date of publication, there have been no IASB Standards or IFRIC Interpretations that are issued but not yet effective.

1.7 Comparative Figures

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

1.8 Rounding of Amounts

The Company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Director's report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Sections to the Financial Statements

Section 2 Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates and Judgements

Impairment

The Directors assess impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Refer to Section 4.6 for further information.

Construction Contracts

When accounting for construction contracts, the contracts are either combined or segregated if this is deemed necessary to reflect the substance of the agreement. Determining the stage of completion requires an estimate of expenses incurred to date as a percentage of total estimated cost. Where variations and claims are made to the contract, assumptions are made regarding the probability that the customer will approve the variations and claims and the amount of revenue that will arise. Changes in these estimation methods could have a material impact on the Financial Statements of RCR. Refer to Section 4.1.1 for further information.

Provision for Loss on Long-Term Contracts

The Company has estimated the expected loss from onerous contracts. This estimation has been based upon management's judgement which has been based upon the most up-to-date information at the date of this financial report.

Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are to be recognised in the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Refer to Section 3.6 for further information.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in legislation or circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustments, resulting in corresponding credit or charge to profit and loss.

Long Service Leave

The liability for long service leave is recognised and 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 the 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 on Australian corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. Refer to Section 4.9 for further information.

Share-Based Payments

The Company provides benefits to employees (including Senior Executives) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Company does not provide cash settled share based payments.

The cost of equity settled transactions with employees are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to the market price of the Company's shares on the ASX. Refer to Section 5.6(a) for further information.

Sections to the Financial Statements

Section 3 Results For The Year

This Section focuses on the results and performance of the Company and includes disclosures explaining the Company's results for the year, segmental information, taxation and EPS.

3.1 Revenue

Accounting Policies

Revenue Recognition

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of Revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service Contracts

Revenue from the rendering of a service is recognised upon the delivery of the service to customers. Revenue for preventative maintenance contracts is recognised progressively over the contract term.

Construction Contracts

Revenue and costs on construction contracts are recognised by reference to the stage of completion of the contract activity at the end of the reporting period. Measurement is based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Revenue arising from fixed price contracts is recognised in accordance with the percentage of completion method. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred plus a percentage of fees earned during the financial year. Variations in contract work and claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract Revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract Revenue, the expected loss is recognised as an expense immediately.

Interest Revenue

Interest Revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other Revenue

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

All Revenue is stated net of the amount of Goods and Services Tax ("GST").

3.1(a) Revenue - Operating Activities	Section	2015 \$'000	2014 \$'000
Revenue from:			
Construction Contracts		637,510	771,566
Service Contracts and Sale of Goods		492,069	528,886
Total Revenue from Operating Activities		1,129,579	1,300,452
3.1(b) Other Income			
Net Gain on Disposal of Property, Plant and Equipment	5.1.2	16,357	1,097
Interest Received		672	405
Other		4,336	1,767
Total Other Income		21,365	3,269

Sections to the Financial Statements

Section 3 Results For The Year (continued)

3.2 Operating Segments

Accounting Policies

Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn Revenues and incur expenses (including Revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- nature of the products and services;
- nature of the production process;
- type of class of customers for the products and services; and
- nature of the regulatory environment.

Segment Revenues and expenses are those directly attributable to the segments and include any joint Revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses and provisions. Segment assets and liabilities do not include deferred income taxes.

Operating Segments

RCR operated through three business units during FY15 – Infrastructure, Energy and Resources. Commentary on the financial performance of the business units is provided below.

Infrastructure – RCR Infrastructure is a leading provider of rail and transport, water, electrical, HVAC, oil & gas and technical facilities management services. The business operates through the key brands of RCR, O'Donnell Griffin, Haden and Resolve FM.

The businesses core capabilities encompass; electrical and instrumentation services; railway signalling and overhead wiring systems; power generation, transmission and distribution systems and generator maintenance; high voltage cabling, switchboards and process control instrumentation; fire and data communications systems; installation and maintenance of mechanical engineering and HVAC; facilities management services; and water treatment systems and technologies. The business operates in Australia, New Zealand and Vietnam.

Energy – RCR Energy is a technology leader in power generation and energy plants. Utilising advanced technologies for a range of conventional and renewable fuels, RCR Energy delivers power stations and steam generation plants through turnkey engineering, procurement and construction projects across a diverse range of industries including infrastructure, oil & gas and mining. The business operates with key offices in Australia, SE Asia and New Zealand.

Resources – RCR Resources is a leading provider of engineering, construction, maintenance and shutdown services (above and below ground) to the mining, resources, oil & gas and LNG sectors. The business also provides turnkey material handling solutions from design and manufacture, specialist shutdown and heat treatment services to off-site repairs and maintenance of heavy engineering equipment. The business in Australia operates a number of regional workshops across WA (including the Pilbara region), SA, QLD and NSW.

Intersegment Transfers

Segment Revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's length" basis and are eliminated on consolidation.

Allocation Between Segments

For the purposes of monitoring segment performance, all Corporate costs are allocated to reportable segments other than the amounts disclosed below.

Unallocated Corporate Costs	Section	2015 \$'000	2014 \$'000
Amortisation	4.6	(7,624)	(7,150)
Other Corporate Costs		(2,160)	(2,395)
Acquisition Transaction Costs	6.1	-	(3,993)
Other		1,308	-
Total Unallocated Corporate Costs		(8,476)	(13,538)

Sections to the Financial Statements

Section 3 Results For The Year (continued)

	Infrastructure		Energy		Resources		Corporate (Incl Elim.)		Consolidated Group	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sales Revenue	688,574	726,874	161,815	174,725	315,258	444,471	(36,068)	(45,618)	1,129,579	1,300,452
Segment EBIT	30,764	30,497	8,221	10,803	21,356	30,012	(8,476)	(13,538)	51,865	57,774
Interest Received	-	-	-	-	-	-	673	405	673	405
Finance Costs	-	-	-	-	-	-	(4,886)	(7,061)	(4,886)	(7,061)
Profit Before Income Tax	30,764	30,497	8,221	10,803	21,356	30,012	(12,689)	(20,194)	47,652	51,118
Income Tax Expense	-	-	-	-	-	-	(8,572)	(7,816)	(8,572)	(7,816)
Profit After Income Tax	30,764	30,497	8,221	10,803	21,356	30,012	(21,261)	(28,010)	39,080	43,302
Assets										
Segment Assets	366,919	381,686	113,062	105,566	86,508	102,963	20,052	47,433	586,541	637,648
Allocated Assets	(21,376)	(14,279)	(9,933)	(4,197)	1,178	4,792	30,131	13,684	-	-
Total Assets	345,543	367,407	103,129	101,369	87,686	107,755	50,183	61,117	586,541	637,648
Liabilities										
Segment Liabilities	107,214	146,086	29,633	38,201	62,767	58,486	70,783	105,740	270,397	348,513
Total Liabilities	107,214	146,086	29,633	38,201	62,767	58,486	70,783	105,740	270,397	348,513

Major customers

The Company provides both products and services to a number of customers. The Company did not have a single external customer who accounted for greater than 10% of external Revenue in FY15. The Company supplied a single external customer who accounted for 12% of external Revenue in FY14.

Revenue by Geographical Region		2015 \$'000	2014 \$'000	Non-Current Assets by Geographical Region		2015 \$'000	2014 \$'000
Revenue attributable to external customers is disclosed below, based on the location of the external customer:				The location of non-current segment assets by geographical location of the assets is disclosed below:			
Australia		1,037,176	1,200,372	Australia		240,260	272,102
Overseas		92,403	100,080	Overseas		6,105	7,094
Total Revenue		1,129,579	1,300,452	Total Non-Current Assets		246,365	279,196

Sections to the Financial Statements

Section 3 Results For The Year (continued)

3.3 Operating Costs	Section	2015 \$'000	2014 \$'000
(a) Cost of Sales			
Employee Benefits Expense		612,704	677,418
Materials and Third Party Costs Charged to Projects		377,915	443,994
Depreciation of Property, Plant and Equipment	4.5	7,718	9,613
Operating Lease Payments		32,657	34,342
Other		7,077	15,803
Total Cost of Sales		1,038,071	1,181,170
(b) Administrative Expenses			
Employee Benefits Expense		20,084	27,636
Depreciation of Property, Plant and Equipment	4.5	5,566	5,084
Amortisation of Intangible Assets	4.6	7,624	7,150
Operating Lease Payments		3,938	2,257
Other		18,817	15,499
Total Administrative Expenses		56,029	57,626
(c) Finance Costs			
Interest on Bank Overdrafts and Loans		4,864	7,002
Interest on Obligations Under Finance Leases		22	59
Total Finance Costs		4,886	7,061

3.4 Capital and Leasing Commitments

Accounting Policies

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in profit and loss on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and a reduction of the liability.

Sections to the Financial Statements

Section 3 Results For The Year (continued)

	2015 \$'000	2014 \$'000
(a) Finance Lease Commitments		
Payable - Minimum Lease Payments not later than 12 months	229	280
Between 12 Months and 5 Years	-	75
Minimum Lease Payments	229	355
Less Future Finance Charges	(13)	(48)
Present Value of Minimum Lease Payments	216	307
Current	216	257
Non-Current	-	50
Total Finance Lease Commitments	216	307
(b) Non-cancellable operating leases contracted for but not capitalised in the Financial Statements		
Payable - Minimum Lease Payments not later than 12 months	28,958	29,478
Between 12 months and 5 years	50,121	43,916
Greater than 5 years	27,168	3,022
Total Operating Lease Commitments	106,247	76,416

The Company has various property leases under non-cancellable operating leases expiring within or greater than five years, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by CPI or current market rental on a p.a. basis. Options exist to renew the leases at the end of their term for additional periods and conditions. As a result of the sale and leasebacks in December 2014, the Company entered into long term operating leases for these premises.

The leases allow for subletting of all lease areas. Other leases under non-cancellable agreements include vehicle leasing.

(c) Capital Expenditure Commitments

\$166,168 of commitments for property, plant and equipment expenditure exist at 30 June 2015 (30 June 2014: \$433,791).

3.5 Auditor's Remuneration	\$	\$
Auditor of the Company – Deloitte Touche Tohmatsu		
Audit or Review of the Financial Report	590,000	750,000
Other Non-Audit Services	406,924	142,400
Taxation Services	346,815	141,114
Total Auditor's Remuneration	1,343,739	1,033,514

Sections to the Financial Statements

Section 3 Results For The Year (continued)

3.6 Taxation

Accounting Policies

Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit and loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

RCR and its wholly-owned Australian subsidiaries have formed an income tax consolidated group ("the Group") under the tax consolidation regime. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax balances resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003.

Entities within the tax-consolidated group have entered into a tax sharing agreement with the head entity. Under the terms of the arrangement, RCR and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. In addition, each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the Group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Sections to the Financial Statements

Section 3 Results For The Year (continued)

3.6.1 Taxation	Section	2015 \$'000	2014 \$'000
(a) The Components of Tax Comprise			
Current Income Tax			
Current Tax Expense in Respect of the Current Year		881	1,550
Adjustments Recognised in the Current Year in Relation to the Current Tax of Prior Years		101	(5,574)
Deferred Income Tax			
Deferred Tax Expense Recognised in the Current Year	3.6.2(i)	7,634	14,508
Adjustments Recognised in the Current Year in Relation to the Deferred Tax of Prior Years	3.6.2(i)	(44)	(2,668)
Tax Expense		8,572	7,816
(b) The Prima Facie Tax on Profit Before Income Tax is reconciled to the Income Tax as follows			
Prima Facie Tax Payable on Profit Before Income Tax at 30% (FY14: 30%)		14,296	15,335
Tax effect of:			
Non-Deductible Amortisation		705	625
Other Non-Allowable Items		116	1,158
Overseas Tax Differences		26	440
Adjustments Recognised in the Current Year in Relation to the Current and Deferred Tax of Prior Periods		(46)	(89)
Research and Development Expenses		(6,525)	(9,653)
Income Tax Expense Attributable to Entity		8,572	7,816
Applicable Effective Tax Rate		18.0%	15.3%

Sections to the Financial Statements

Section 3 Results For The Year (continued)

3.6.2 Taxation	Section	2015 \$'000	2014 \$'000
(a) Assets			
Current			
Income Tax		-	2,899
Non-Current			
Tax Losses		38,327	39,855
Work In Progress		-	949
Provisions		10,069	14,510
Transaction Costs on Equity Issue		6	73
Franking Deficit Tax		4,290	4,290
Other		7,795	8,357
Deferred Tax Asset	3.6.2(ii)	60,487	68,034
(b) Liabilities			
Current			
Income Tax		203	-
Non-Current			
Property, Plant and Equipment		22	421
Intangibles		6,807	7,559
Share Based Payments		1,872	1,354
Other		186	4
Deferred Tax Liability	3.6.2(iii)	8,887	9,338
(c) Net Deferred Tax			
Deferred Tax Asset	3.6.2(a)	60,487	68,034
Deferred Tax Liability	3.6.2(b)	(8,887)	(9,338)
Net Deferred Tax Asset		51,600	58,696
(i) Gross Movement			
Opening Balance		58,696	11,467
Balances Acquired on Business Combination	6.1	-	58,584
Movement to Profit and Loss	3.6.1(a)	(7,590)	(11,840)
Movement to Equity		494	485
Net Deferred Tax Asset		51,600	58,696

Sections to the Financial Statements

Section 3 Results For The Year (continued)

(ii) Deferred Tax Asset	Tax Losses \$'000	Work In Progress \$'000	Provisions \$'000	Trans- action Costs on Equity Issue \$'000	Share Based Payments \$'000	Franking Deficit Tax \$'000	Other \$'000	Total \$'000
Balance at 1 July 2013	41	-	6,805	14	1,168	-	6,130	14,158
Balance Acquired on Business Combination	37,687	4,759	12,205	63	-	4,290	7,140	66,144
Movement to Profit or Loss	2,127	(3,810)	(4,500)	-	-	-	(4,913)	(11,096)
Movement to Equity	-	-	-	(4)	-	-	-	(4)
Other	-	-	-	-	(1,168)	-	-	(1,168)
Balance at 30 June 2014	39,855	949	14,510	73	-	4,290	8,357	68,034
Balance at 1 July 2014	39,855	949	14,510	73	-	4,290	8,357	68,034
Movement to Profit or Loss	(1,528)	(949)	(4,441)	(63)	-	-	(562)	(7,543)
Movement to Equity	-	-	-	(4)	-	-	-	(4)
Balance at 30 June 2015	38,327	-	10,069	6	-	4,290	7,795	60,487

(iii) Deferred Tax Liability	PPE \$'000	Intangibles \$'000	Share Based Payments \$'000	Other \$'000	Total \$'000
Balance at 1 July 2013	1,424	1,237	-	30	2,691
Balance Acquired on Business Combination	228	7,814	(482)	-	7,560
Movement to Profit or Loss	(1,231)	(1,492)	3,493	(26)	744
Movement to Equity	-	-	(489)	-	(489)
Other	-	-	(1,168)	-	(1,168)
Balance at 30 June 2014	421	7,559	1,354	4	9,338
Balance at 1 July 2014	421	7,559	1,354	4	9,338
Movement to Profit or Loss	(399)	(752)	1,016	182	47
Movement to Equity	-	-	(498)	-	(498)
Balance at 30 June 2015	22	6,807	1,872	186	8,887

Sections to the Financial Statements

Section 3 Results For The Year (continued)

3.7 Earnings Per Share

Accounting Policies

Basic EPS

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and performance rights outstanding for the effects of all dilutive potential ordinary shares.

	2015 Cents Per Share	2014 Cents Per Share
Basic EPS from Continuing Operations	28.24	31.89
Diluted EPS from Continuing Operations	27.17	30.33

Calculation of EPS

The calculation of the number of ordinary shares used in the computation of basic EPS is the aggregate of the weighted average number of shares outstanding during the period after deduction of the weighted average number of shares by the Employee Share Trust ("the trust").

For the purposes of calculating diluted EPS, the effect of dilutive performance rights are added to the weighted average number of shares outstanding.

	2015 \$'000	2014 \$'000
Reconciliation of Earnings To Profit and Loss		
Profit for the Year After Tax	39,080	43,302
Earnings Used to Calculate Basic and Dilutive EPS	39,080	43,302
Weighted Average Number of Ordinary Shares in Calculating Basic and Diluted EPS		
Weighted Average Number of Ordinary Shares Used in the Calculation of Basic EPS	138,408	135,770
Shares Deemed to be Issued in Respect of Employee Options and Performance Rights	5,430	6,983
Weighted Average Number of Ordinary Shares Used in the Calculation of Diluted EPS	143,838	142,753

Sections to the Financial Statements

Section 4 Assets and Liabilities

This Section shows the assets used to generate the Company's trading performance and the liabilities incurred as a result. Liabilities relating to the Company's financing activities are addressed in Section 5. Deferred tax assets and liabilities are shown in Section 3.6.2.

4.1 Trade and Other Receivables

Accounting Policies

Trade receivables are recognised initially at fair value and reduced through the use of a provision for doubtful debts with the amount of the loss recognised in profit and loss.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the provision account. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in profit and loss.

Trade and Other Receivables	Section	2015 \$'000	2014 \$'000
Current			
Trade Receivables		131,826	153,560
Provision for Impairment of Receivables		(2,974)	(3,628)
Net Trade Receivables		128,852	149,932
Amounts Due from Customers Under Construction Contracts	4.1.1	84,354	76,502
Total Trade Receivables		213,206	226,434

Trade receivables are generally on 30-60 day terms from the end of the month. With respect to trade receivables that are neither impaired nor past due, there are no indications as at the reporting date that the debtors will not meet their payment obligations. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Company does not hold any collateral as security.

(a) Trade Receivables that are Past Due but Not Impaired		
61-90 Days	4,068	4,638
91 Days Plus	2,161	5,206
Total	6,229	9,844
(b) Movement in the Provisions for Impairment of Receivables		
Opening Balance	3,628	1,048
Provision Recognised on Business Combination	-	3,058
Provision Recognised on Receivables During the Year	939	1,525
Receivables Written Off During the Year as Uncollectible	(1,593)	(2,003)
Closing Balance	2,974	3,628
The ageing analysis of impaired trade receivables is as follows:		
91 days plus	2,842	3,162

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

4.1.1 Amounts Due From Customers Under Construction Contracts

Accounting Policies

When the outcome of a construction contract can be estimated reliably, Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period. Measurement is based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work and claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Construction work in progress is valued at cost. Where it is probable that a loss will arise from a construction contract, the excess of total expected contract costs over total expected contract Revenue is recognised immediately as an expense. 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 contract costs incurred to date, plus recognised profits, less recognised losses, exceed progress billings, the surplus is shown as amounts due from customers for contract work. Amounts billed for work performed but not yet paid by the customer are included in the Consolidated Statement of Financial Position under trade and other receivables. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work and are included in the Consolidated Statement of Financial Position under deferred Revenues.

Amounts Due From Customers Under Construction Contracts	Section	2015 \$'000	2014 \$'000
Contract Costs Incurred and Profits Recognised		1,312,923	1,287,887
Progress Billings		(1,261,478)	(1,252,640)
Amounts Due From Customers Under Construction Contracts		51,445	35,247
Recognised and included in the consolidated Financial Statements as amount due:			
From Customers Under Construction Contracts			
Included in Trade and Other Receivables	4.1	84,354	76,502
To Customers Under Construction Contracts – Deferred Revenue	4.8	(32,909)	(41,255)
Amounts Due From Customers Under Construction Contracts		51,445	35,247

4.2 Inventories

Accounting Policies

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Inventories

Raw Materials	10,168	11,395
Finished Goods	7,388	8,834
Total Inventories	17,556	20,229

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

4.3 Non-Current Assets Held For Sale

Accounting Policies

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Depreciation ceases when a non-current asset is classified as held for sale.

Non-Current Assets Held For Sale	Section	2015 \$'000	2014 \$'000
Freehold Land, Property, Plant and Equipment	4.5	-	1,766
Total Non-Current Assets Held for Sale		-	1,766

The properties that were held for sale in FY14 were subsequently sold during FY15.

4.4 Other Assets

Current			
Prepayments		2,975	3,321
Other		5,669	2,513
Total Other Current Assets		8,644	5,834
Non-Current			
Other		-	2
Total Other Non-Current Assets		-	2

4.5 Property, Plant and Equipment

Accounting Policies

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Land and buildings within property, plant and equipment are measured under the cost model, as allowed by AASB 116 Property, Plant and Equipment. Freehold land is not depreciated.

Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 4.0%
Plant and equipment	5.0% - 40.0%
Leased plant and equipment	5.0% - 40.0%

Leasehold Improvements are depreciated over the life of the applicable lease, or the estimated useful lives of the improvements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

	2015 \$'000	2014 \$'000
Property, Plant and Equipment		
Carrying Amounts of:		
Freehold Land	28	7,683
Buildings	4,648	18,196
Plant and Equipment	44,917	48,942
Total Property, Plant and Equipment	49,593	74,821

Movements in Carrying Amounts

	Section	Freehold Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2013		8,242	17,458	48,213	73,913
Assets Recognised on Business Combination	6.1(a)	-	1,740	4,330	6,070
Additions		-	1,795	10,061	11,856
Reclassified to Assets Held for Sale	4.3	(559)	(812)	(395)	(1,766)
Disposals		-	(85)	(728)	(813)
Transfers		-	(147)	147	-
Depreciation Expense	3.3	-	(1,766)	(12,931)	(14,697)
Foreign Currency Exchange		-	13	245	258
Balance at 30 June 2014		7,683	18,196	48,942	74,821
Balance at 1 July 2014		7,683	18,196	48,942	74,821
Additions		-	2,183	8,591	10,774
Disposals		(7,655)	(14,065)	(838)	(22,558)
Depreciation Expense	3.3	-	(1,660)	(11,624)	(13,284)
Foreign Currency Exchange		-	(6)	(154)	(160)
Balance at 30 June 2015		28	4,648	44,917	49,593

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

4.6 Intangible Assets

Accounting Policies

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the Consolidated Statement of Profit or Loss and Comprehensive Income. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Brand names

Brand names recognised by the Company have an indefinite useful life and are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated below under "Impairment of Assets".

Customer Relationships and Order Book

Customer Relationships and Order Book are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Customer Relationships and Order Book have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. They are amortised over their useful life ranging from 5 to 20 years.

Technology

Technology is recognised at cost of acquisition. Technology has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Technology is amortised over its useful life ranging from 4 to 10 years.

Patents and Trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 2 to 20 years.

Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared with the asset's carrying value. Any excess of the assets' carrying value over its recoverable amount is expensed to profit and loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

Goodwill and Other Intangibles	Section	2015 \$'000	2014 \$'000
Goodwill			
At Cost		117,575	52,643
Additional Amounts Recognised From Business Combinations	6.1(b)	-	64,932
Goodwill Carrying Value		117,575	117,575
Brands			
At Cost		44,557	-
Additional Amounts Recognised From Business Combinations	6.1(a)	-	44,557
Brands Book Carrying Value		44,557	44,557
Customer Relationships and Order Book			
At cost		26,048	-
Additional Amounts Recognised From Business Combinations	6.1(a)	-	26,048
Accumulated Amortisation		(7,141)	(3,358)
Customer Relationships and Order Book Carrying Value		18,907	22,690
Technology			
At Cost		28,457	28,477
Accumulated Amortisation		(17,852)	(15,465)
Technology Carrying Value		10,605	13,012
Patents and Other Rights			
At Cost		17,562	17,567
Accumulated Amortisation		(12,434)	(11,028)
Patents and Other Rights Carrying Value		5,128	6,539
Development Costs			
At Cost		-	1,135
Accumulated Amortisation		-	(1,135)
Development Costs Carrying Value		-	-
Other Intangibles Carrying Value		79,197	86,798
Carrying Value of Goodwill and Intangibles		196,772	204,373

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

Movements in Carrying Amounts

	Goodwill \$'000	Brands \$'000	Customer Relationships & Order Book \$'000	Technology \$'000	Patents & Other Rights \$'000	Development Costs \$'000	Total \$'000
Balance at 1 July 2013	52,643	-	-	15,418	7,946	3	76,010
Recognised From Business Combinations	64,932	44,557	26,048	-	-	-	135,537
Amortisation Expense	-	-	(3,358)	(2,391)	(1,398)	(3)	(7,150)
Foreign Currency Exchange	-	-	-	(15)	(9)	-	(24)
Balance at 30 June 2014	117,575	44,557	22,690	13,012	6,539	-	204,373
Balance at 1 July 2014	117,575	44,557	22,690	13,012	6,539	-	204,373
Amortisation Expense	-	-	(3,783)	(2,419)	(1,422)	-	(7,624)
Foreign Currency Exchange	-	-	-	12	11	-	23
Balance at 30 June 2015	117,575	44,557	18,907	10,605	5,128	-	196,772

Allocation of Goodwill to Cash Generating Units

Goodwill is allocated to the Company's cash generating units identified according to operating segment. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment. The carrying amount of goodwill was allocated to cash generating units as follows:

	2015 \$'000	2014 \$'000
RCR Infrastructure	88,188	88,188
RCR Energy	18,693	18,693
RCR Resources	10,694	10,694
Goodwill Carrying Value	117,575	117,575

Impairment Test for Goodwill

The recoverable amount of the goodwill in each cash generating unit is based on value in use calculations. These calculations use cash flow projections based on the following year's budget and increased for growth at 2.5% for the forecast period being 5 years.

The key assumptions used in the value in use calculations as at 30 June 2015 and 30 June 2014 were as follows:

- growth rate used to extrapolate cash flows beyond the forecast period: 2.5% (2014: 2.5%);
- pre-tax discount rate: 13.64% (2014: 14.63%); and
- divisional Revenue, EBIT, working capital adjustments and maintenance capital expenditure.

Impairment Test for Other Intangibles

Other intangibles including technology, patents & other rights and development costs are allocated to Cash Generating Units where relevant and included in the value in use calculations using the assumptions outlined above.

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

4.7 Trade and Other Payables

Accounting Policies

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which were unpaid at the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition or to agreed terms.

Trade and Other Payables	Section	2015 \$'000	2014 \$'000
Trade Payables		87,783	74,051
Accrued Expenses		35,703	53,994
Sundry Payables		6,197	6,758
Total Trade and Other Payables		129,683	134,803

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

4.8 Deferred Revenue

Amounts Due to Customers Under Construction Contracts	4.1.1	32,909	41,255
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4.9 Provisions

Accounting Policies

Employee Benefits

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

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranties

Provision is made in respect of the Company's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Company's history of warranty claims.

Sections to the Financial Statements

Section 4 Assets and Liabilities (continued)

Provision for Claims

Where it is probable that a claim will arise on a long-term contract, the excess of total expected contract costs over total contract Revenue is recognised as an expense immediately and a provision is raised.

Provisions	Section	2015 \$'000	2014 \$'000
Employee Benefits		35,921	40,860
Other Provisions	4.9(a)	10,351	31,763
Total Provisions		46,272	72,623
Current		43,202	68,729
Non-Current		3,070	3,894
Total Provisions		46,272	72,623

The provision for employee benefits represents annual leave, long service leave, and other site specific leave entitlements accrued by employees.

(a) Other Provisions	Warranties (i) \$'000	Provision for Claims (ii) \$'000	Other \$'000	Total \$'000
Balance at 1 July 2013	4,669	19,402	280	24,351
Provisions recognised on Business Combination	3,121	2,500	10,400	16,021
Additional Provisions Recognised	5,943	-	1,276	7,219
Reductions from Payments	(2,280)	(2,089)	(1,380)	(5,749)
Reductions Arising from Re-Measurement	(4,704)	(1,367)	(4,008)	(10,079)
Balance at 30 June 2014	6,749	18,446	6,568	31,763
Balance at 1 July 2014	6,749	18,446	6,568	31,763
Additional Provisions Recognised	1,983	-	3,656	5,639
Reductions from Payments	(1,708)	(14,146)	(307)	(16,161)
Reductions Arising from Re-Measurement	(5,152)	-	(5,738)	(10,890)
Balance at 30 June 2015	1,872	4,300	4,179	10,351

(i) The provision for warranty claims represents the present value of the future outflow of economic benefits that will be required under the Company's obligations.

(ii) The provision for claims at 30 June 2014 was mostly represented by the share of losses on a joint venture project. The matter was settled during FY15.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs

This Section outlines how the Company manages its capital structure related to financing costs, including its balance sheet liquidity and access to capital markets.

The Directors determine the appropriate capital structure of RCR Tomlinson, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Company's activities both now and in the future. The Directors consider the Company's capital structure and dividend policy at least annually and do so in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

During FY15 the Company complied with the financial covenants of its borrowing facilities.

5.1 Cash and Cash Equivalents

Accounting Policies

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Consolidated Statement of Financial Position.

5.1.1 Cash and Cash Equivalents	Section	2015 \$'000	2014 \$'000
Current			
Cash at Bank and In Hand		49,170	42,594
Total Cash and Cash Equivalents		49,170	42,594

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the Consolidated Statement of Financial Position in Section 5.1.2.

5.1.2 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Tax			
Profit After Income Tax		39,080	43,302
Non Cash Flows in Profit			
Depreciation	4.5	13,284	14,697
Amortisation	4.6	7,624	7,150
Net Gain on Disposal of Property, Plant and Equipment	3.1(b)	(16,357)	(1,097)
Net Foreign Exchange (Gain)/Loss		(1,046)	24
Share Based Payment Expense	5.6(a)	3,432	2,352
Total Non-Cash Flows in Profit		6,937	23,126
Movements in Working Capital			
Decrease in Trade and Term Receivables		12,554	52,251
(Increase) in Other Debtors		(224)	(4,331)
Decrease in Inventories		2,674	868
(Decrease) in Trade Payables and Accruals		(3,755)	(70,813)
(Decrease)/Increase in Deferred Revenue		(8,346)	1,108
Increase/(Decrease) in Income Taxes Payable		3,102	(24,610)
Increase in Deferred Taxes Payable		7,096	15,645
(Decrease) in Provisions		(26,351)	(22,099)
Total Working Capital Movements		(13,250)	(51,981)
Net Cash Increase from Operating Activities		32,767	14,447

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Non-Cash Financing And Investing Activities

Shares Issued

During FY15 850,000 performance rights vested to KMPs and other Executives for no consideration (FY14: 1,296,776 performance rights). On vesting, the performance rights converted into ordinary fully paid shares.

Bank Facility

On 4 December 2014, the Company announced the renewal of its banking facility with the Commonwealth Bank of Australia. The banking facility provides access to ongoing working capital for RCR's operations.

The three year banking facility (expiring November 2017) comprises:

- senior debt facility of \$90 million;
- a multicurrency contingent instrument facility of \$95 million, which includes trade finance and bank guarantee facilities; and
- a multi option facility of \$75 million, for working capital, which includes overdraft, cash advance and business credit cards.

The Company had borrowings totalling \$61.3 million at the end of the financial year (30 June 2014: \$100 million).

Insurance Bonding Facilities

The Company has insurance bonding facilities totalling \$150 million. At 30 June 2015, the facilities utilised amounts to \$20.4 million. On 26th June 2015, the facilities were renewed for another 12 months.

5.2 Interest Bearing Loans And Borrowings

Accounting Policies

Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable fees, premiums paid and transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.

	2015 \$'000	2014 \$'000
5.2.1 Borrowings		
Bank Loans	61,250	100,000
Facility Costs and Prepayments	(136)	(475)
Total Borrowings	61,114	99,525
Current	20,236	20,233
Non-Current	40,878	79,292
Total Borrowings	61,114	99,525

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

5.2.2 Financing Arrangements	Section	2015 \$'000	2014 \$'000
Bank Overdraft, Bank Guarantees, Trade Finance Facility and Insurance Bonding		320,000	320,000
Bank Loans		61,250	100,000
Total Bank Facilities		381,250	420,000
Used			
Bank Overdraft, Bank Guarantees, Trade Finance Facility and Insurance Bonding	6.5	81,037	127,667
Bank Loans		61,250	100,000
Total Used		142,287	227,667
Unused			
Bank Overdraft, Bank Guarantees, Trade Finance Facility and Insurance Bonding		238,963	192,333
Bank Loans		-	-
Total Unused		238,963	192,333

The Australian and New Zealand entities within the Company are jointly and severally liable for the above facilities and the facilities are secured by charges on the assets of the Australian and New Zealand entities within the Company. The fair value of borrowings (current and non-current) approximates their book value.

Details of the Company's exposure to risk arising from current and non-current borrowings are set out in Section 5.3.

5.2.3 Lease Liabilities

Secured Lease Liabilities	216	307
Current	216	257
Non-Current	-	50
Total Lease Liabilities	216	307

Assets pledged as Security

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

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

5.3 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Company uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by the finance function under policies approved by the Board of Directors. The finance function identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides principles for overall risk management and the finance function monitors and actions activities to ensure compliance with these policies.

Market Risk

Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand Dollar ("NZD") and to a lesser extent other currencies.

The Company also undertakes transactions denominated in foreign currencies, primarily with respect to the United States Dollar. Consequently, exposures to exchange rate fluctuations arise. These exchange rate exposures are managed using forward foreign exchange contracts designated as cash flow hedges. Refer to Section 5.4.1 Derivative Financial Instruments which details outstanding cash flow hedges at reporting date.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the parent entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The AUD is the functional currency for most of the entities in the Company and business activities.

Management has instituted a policy requiring entities in the Company to manage their foreign exchange risk against their functional currency.

A spot rate of 1.12138 was used to translate the NZD balances to AUD as at 30 June 2015. Had the AUD appreciated by 10% against the NZD, Equity would have been \$1.5 million lower (2014: \$0.9 million lower). Had the AUD depreciated by 10% against the NZD, the effect on Equity would be an increase of \$1.9 million (2014: \$1.1 million increase). Equity is impacted by the translation of financial assets and liabilities of entities in the Company where the NZD is their functional currency.

Cash Flow and Fair Value Interest Rate Risk

The Company's main interest rate risk arises from short and long-term borrowings and interest bearing assets. Borrowings at variable rates expose the Company to cash flow interest rate risk and borrowings at fixed interest rates expose the Company to fair value interest rate risk. A portion of the Company's debt is at a fixed interest rate; refer to Section 5.4.1 for further information. The Company's bank borrowings are in AUD at variable interest rates primarily tied to the bank bill swap bid rate.

The Company analyses its interest rate exposure regularly. Various interest rate shifts are simulated, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these interest rate shifts, the Company calculates the impact on profit and loss. The interest rate shift scenario is run only for liabilities and assets that represent the major interest-bearing positions. Based on the simulations performed at 30 June 2015, if interest rates had changed by +/- 100 basis points from the year end rates with all other variables held constant, post-tax profit for the year would have been \$0.4 million higher/lower (2014: \$0.2 million higher/lower).

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk and foreign exchange risk.

	Carrying Amount \$'000	Interest Rate Risk				Foreign Exchange Risk			
		Rate changes by -100bps		Rate changes by +100bps		AUD depreciates against NZD by 10%		AUD appreciates against NZD by 10%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
30 June 2015									
Financial Assets:									
Cash and Cash Equivalents	49,170	(492)	-	492	-	-	813	-	(665)
Trade and Other Receivables	213,206	-	-	-	-	-	2,433	-	(1,991)
Financial Liabilities:									
Trade and Other Payables	129,683	-	-	-	-	-	(1,356)	-	1,110
Short-Term Borrowings	20,236	-	-	-	-	-	-	-	-
Long-Term Borrowings	40,878	132	-	(132)	-	-	-	-	-
Total Increase/(Decrease)		(360)	-	360	-	-	1,890	-	(1,546)

30 June 2014

Financial Assets:									
Cash and Cash Equivalents	42,594	(426)	-	426	-	-	669	-	(547)
Trade and Other Receivables	226,434	-	-	-	-	-	1,901	-	(1,555)
Financial Liabilities:									
Trade and Other Payables	134,803	-	-	-	-	-	(1,433)		1,173
Short-Term Borrowings	20,233	-	-	-	-	-	-	-	-
Long-Term Borrowings	79,292	237	-	(237)	-	-	-	-	-
Total Increase/(Decrease)		(189)	-	189	-	-	1,137	-	(929)

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. Credit risk is co-operatively managed by the finance function and the operating units for customers, including outstanding receivables and committed transactions and at the consolidated level for credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

Individual risk exposures are set for customers in accordance with specified limits established by the Board of Directors based on independent credit reports, financial information obtained, credit references, and the Company's credit and trading history with the customer. Outstanding customer receivables are regularly monitored and any credit concerns highlighted to senior management. High risk projects or shipments for customers are generally covered by letters of credit or other forms of guarantee.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Liquidity and Capital Risk

Management controls the capital of the Company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities and is supported by financial assets.

The Company's Net Cash/Debt position is defined as total borrowings less cash and cash equivalents. The Company was in a \$12.2 million Net Debt position as at 30 June 2015 (2014: \$57.2 million Net Debt).

The Company does not have a fixed target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise.

As at 30 June 2015, the Company maintains backup liquidity for its operations and maturing debts through a combination of bank overdrafts, bank guarantees and trade finance and cash advance facilities. Refer to Section 5.1.2 for details on the facilities.

The Company must maintain six covenants relating to the debt drawn under the bank's credit facilities, for which a compliance certificate must be produced attesting to certain ratios for interest cover, leverage, gearing and guarantor group testing. The Company's policy is to centralise debt and surplus cash balances whenever possible.

The table below analyses the Company's financial instruments into maturity groupings based on the remaining period from the balance date to the contractual maturity date.

	Within 1 year		Between 1 and 5 years		After 5 years	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assets:						
Cash and Cash Equivalents	49,170	42,594	-	-	-	-
Trade and Other Receivables	213,206	226,434	-	-	-	-
Financial Liabilities:						
Trade and Other Payables	(162,592)	(176,058)	-	-	-	-
Lease Liabilities	(216)	(257)	-	(50)	-	-
Borrowings	(20,236)	(20,233)	(40,878)	(79,292)	-	-
Total	79,332	72,480	(40,878)	(79,342)	-	-

The financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bank loans and leases.

5.4 Financial Instruments

Accounting Policies

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in profit and loss in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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.

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 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

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit and loss.

Derivative Financial Instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. These derivative financial instruments are initially recognised at fair value at the date the contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the entities in the Company is measured using the currency of the primary economic environment in which that entity operates. The Consolidated Financial Statements are presented in AUD which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit and loss except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit and loss.

Foreign Operations

The financial transactions of foreign operations whose functional currency is different from the presentation currency are translated at the exchange rates prevailing at the date of the transaction. At the end of the reporting period, assets and liabilities are retranslated at the rates prevailing at that date. Income and expenses are retranslated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Consolidated Statement of Financial Position. These differences are recognised in profit and loss in the period in which the operation is disposed.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

5.4.1 Derivative Financial Instruments

Forward Foreign Exchange Contracts

The Company has a number of outstanding contracts with supplier's that trade in various foreign currencies. The Company has entered into forward foreign exchange contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges. The fair value hierarchy has been assessed as level 2.

The valuation technique used was discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. The following table details the cash flow hedges outstanding at 30 June 2015:

Outstanding Cash Flow Hedging Instruments	Months	Average Exchange Rate 2015	Average Exchange Rate 2014	Foreign Currency 2015 \$'000	Foreign Currency 2014 \$'000	Notional Value 2015 \$'000	Notional Value 2014 \$'000	Fair Value 2015 \$'000	Fair Value 2014 \$'000
EUR Buy/AUD Sell	Less than 6	-	0.6703	-	788	-	1,175	-	28
	More than 6	0.6447	0.6716	316	431	490	642	30	7
EUR Buy/NZD Sell	Less than 6	-	0.6119	-	90	-	148	-	5
	More than 6	0.6332	-	104	-	164	-	(9)	-
USD Buy/AUD Sell	Less than 6	-	0.9072	-	2,929	-	3,228	-	102
	More than 6	0.8857	0.8979	400	136	452	152	(68)	4
USD Buy/NZD Sell	Less than 6	-	0.8231	-	696	-	845	-	41
	More than 6	0.7302	0.8120	406	62	556	76	(45)	3
ZAR Buy/NZD Sell	Less than 6	-	9.0113	-	878	-	97	-	3
	More than 6	-	9.0244	-	293	-	32	-	1
AUD Buy/USD Sell	Less than 6	-	1.1169	-	285	-	255	-	(13)
	More than 6	-	1.1121	-	133	-	119	-	(4)
AUD Buy/NZD Sell	Less than 6	-	0.8250	-	67	-	81	-	9
NZD Buy/AUD Sell	Less than 6	-	1.0752	-	500	-	465	-	1
GBP Buy/NZD Sell	Less than 6	-	0.5466	-	952	-	1,743	-	9
GBP Buy/AUD Sell	Less than 6	0.5033	-	153	-	303	-	(49)	-
THB Buy/AUD Sell	Less than 6	-	29.6851	-	5,762	-	194	-	5
THB Buy/NZD Sell	Less than 6	24.8476	26.7494	8,199	12,064	330	451	(27)	24
AUD Buy/THB Sell	More than 6	0.0367	-	597	-	16,289	-	25	-
NZD Buy/GBP Sell	Less than 6	-	1.9629	-	720	-	367	-	(2)
Total								(143)	223

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Interest Rate Swap Contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The fair value hierarchy has been assessed as level 2 as above. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Outstanding Floating Pay Fixed Contracts	Average Contracted Fixed Interest Rate		Notional Principal Value		Fair Value	
	2015 %	2014 %	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Less than 1 Year	3.08	-	60,000	-	172	-
1 to 2 Years	-	3.08	-	75,000	-	328
2 to 5 Years	-	-	-	-	-	-
5 Years +	-	-	-	-	-	-
Total	-	-	60,000	75,000	172	328

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of Australia. The Company will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings.

5.4.2 Fair Values

Aggregate fair values and carrying amounts of financial assets and financial liabilities carried at amortised cost at balance date.

	2015		2014	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
Financial Assets				
Cash and Cash Equivalents	49,170	49,170	42,594	42,594
Loans and Receivables	213,206	213,206	226,434	226,434
Total Financial Assets	262,376	262,376	269,028	269,028
Financial Liabilities				
Trade and Other Payables	129,683	129,683	134,803	134,803
Lease Liabilities	216	216	307	307
Borrowings	61,114	61,114	99,525	99,525
Deferred Revenue	32,909	32,909	41,255	41,255
Total Financial Liabilities	223,922	223,922	275,890	275,890

None of the above financial assets and financial liabilities are readily traded on organised markets in standardised form. The net fair value is determined by valuing them at the present value of contractual future cash flows.

The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

5.5 Equity

Accounting Policies

Contributed Equity

Ordinary shares are classified as equity.

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

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Employee Share Trust

The Company has established the trust to administer the Company's allocation of shares related to performance rights and options to Executives and employees. This trust forms part of the Company. Shares acquired on-market by the trust, which are yet to vest, are disclosed as treasury shares and deducted from contributed equity.

Issued Capital	Section	No of Shares '000	Shares \$'000
(a) Fully Paid Ordinary Shares			
Balance as at 1 July 2013		132,431	114,829
Issue of Treasury Shares	5.5(b)	4,558	13,951
Tax Effect Relating to Share Issue Costs		-	(4)
Balance as at 30 June 2014		136,989	128,776
Balance as at 1 July 2014		136,989	128,776
Issue of Treasury Shares	5.5(b)	2,012	6,029
Tax Effect Relating to Share Issue Costs		-	(5)
Share Buy Back		(255)	(573)
Balance as at 30 June 2015		138,745	134,227
(b) Treasury Shares			
Balance as at 1 July 2013		(302)	(545)
Acquisition of New Shares by the Trust	5.5(a)	(4,558)	(13,951)
Issue of Shares Under the Employee Share Option Plan	5.8	3,257	10,451
Issue of Shares Under the Performance Incentive Plan	5.8	1,297	3,236
Issue of Deferred Shares under the Executive STI Plan		185	462
Balance as at 30 June 2014		(121)	(347)
Balance as at 1 July 2014		(121)	(347)
Acquisition of New Shares by the Trust	5.5(a)	(2,012)	(6,029)
Acquisition of On- Market Shares by the Trust		(105)	(215)
Issue of Shares Under the Employee Share Option Plan	5.8	1,222	3,738
Issue of Shares Under the Performance Incentive Plan	5.8	850	2,401
Issue of Deferred Shares under the Executive STI Plan		122	351
Balance as at 30 June 2015		(44)	(100)
Balance of Issued Capital as at 30 June 2014		136,869	128,430
Balance of Issued Capital as at 30 June 2015		138,701	134,127

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Treasury shares are shares in RCR Tomlinson Ltd that are held by the RCR Employee Share Trust for the purpose of issuing shares under the Employee Share Option and Performance Incentive scheme.

Options and Performance Rights

For information relating to options and performance rights, including details of options and performance rights issued, exercised and lapsed during the financial year and the amounts outstanding at year end refer to Section 5.8 Share-based Payments.

Capital Management

Management controls the capital of the Company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities and is supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

5.6 Reserves

Accounting Policies

Equity-Settled Employee Benefits Reserve

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The cost of equity settled transactions are recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised for the period. No cumulative expense is recognised for awards that ultimately do not vest (in respect of non-market vesting conditions).

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

The Employee Share Option Plan and Performance Incentive Plan is administered by the RCR Employee Share Trust. When the options are exercised, or performance rights vest, the trust transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

Shares acquired on-market by the trust, which are yet to vest, are disclosed as treasury shares and deducted from contributed equity.

Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve. Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Reserves	Section	2015 \$'000	2014 \$'000
Equity-Settled Employee Benefits Reserve	5.6(a)	(9,329)	(6,770)
Foreign Currency Translation Reserve	5.6(b)	444	1,595
Other Reserves	5.6(c)	(27)	(555)
Total Reserves		(8,912)	(5,730)

(a) Equity-Settled Employee Benefits Reserve

Balance at the Beginning of the Year		(6,770)	4,407
Issue of Treasury Shares to Employees		(6,490)	(14,018)
Recognition of Share Based Payments	5.1.2	3,432	2,352
Tax Effect Relating to Share Based Payments		499	489
Balance at the End of the Year		(9,329)	(6,770)

The equity-settled employee benefits reserve relates to share options granted by the Company to its Executives and employees under its employee share option and performance rights plan.

(b) Foreign Currency Translation Reserve

Balance at the Beginning of the Year		1,595	(774)
Exchange Differences Arising on Translating the Foreign Operations		(1,151)	2,369
Balance at the End of the Year		444	1,595

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. AUD) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(c) Other Reserves

Balance at the Beginning of the Year		(555)	(241)
Gain Arising on Changes in Fair Value of Foreign Exchange Contracts Entered into for Cash Flow Hedges		372	14
Gain/(Loss) Arising on Interest Rate Swap Contracts Entered into for Borrowing Hedges		156	(328)
Balance at the End of the Year		(27)	(555)

The other reserves represent the cumulative effective portion of gains or losses arising on changes in fair value of forward foreign exchange contracts entered into for cash flow hedges, and interest rate swaps. The gain or loss that is recognised in the other reserve will be reclassified to profit or loss only when the transaction affects the profit or loss.

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

5.7 Dividends

Accounting Policies

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

	2015		2014	
	Cents Per Share	\$'000	Cents Per Share	\$'000
Fully Paid Ordinary Shares				
Interim Dividend	3.50	4,856	3.00	4,110
Final Dividend	7.00	9,730	5.75	7,789
	10.50	14,586	8.75	11,899

In respect of the financial year ended 30 June 2015, a fully franked interim dividend of 3.50 cents per share (2014: 3.00 cents) was paid on 7 April 2015, franked at the corporate income tax rate of 30%.

The Directors have recommended the payment of a final dividend of 7.5 cents per share, franked to 20%, to the holders of fully paid ordinary shares as at 18 September 2015 ("Record Date") to be paid on 8 October 2015 ("Payment Date"). No provision has been made for this dividend in the financial report as the dividend was not declared or determined by the Directors on or before the end of the financial year.

	2015 \$'000	2014 \$'000
Franking Account Balance	998	10,350

5.8 Share Based Compensation

Options

The Company has a share based payment scheme for Executives and employees. In accordance with the terms of the plan, each employee share option holds no voting or dividend right and is not transferable. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share options were granted, exercised or forfeited during the year:

Option Series	17 Jun 2009
Fair Value per Option at Grant Date	\$0.001 - \$0.106
Exercise Price Per Share	\$0.39
Outstanding at the Beginning of the Year	1,400,000
Granted	-
Exercised through the Trust	(1,221,568)
Forfeited	(178,432)
Total Options Outstanding at Year End	-

All options granted are for ordinary shares in RCR which confer a right of one ordinary share for every option held. The following reconciles the share options outstanding at the beginning and end of the year:

	2015		2014	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at Beginning of the Year	1,400,000	0.39	5,203,015	0.46
Granted	-	-	-	-
Exercised	(1,221,568)	0.39	(3,257,463)	0.46
Cancelled or Expired	(178,432)	0.39	(545,552)	0.61
Outstanding at Year End	-	0.39	1,400,000	0.39

Sections to the Financial Statements

Section 5 Capital Structure and Financing Costs (continued)

Performance Rights

The Company issues performance rights to Senior Executives in accordance with the terms of the LTIP as approved by shareholders. No performance rights holder has any right under the terms of the performance rights to participate in any other share issue of the Company. When vested, each performance right is converted into one ordinary share for no consideration. Performance rights granted carry no dividend or voting rights.

The following performance rights arrangement was in existence during the year ended 30 June 2015:

Class of Securities	Number	Expiry Date
Unlisted Performance Rights	2,410,000	31 Aug 2015
Unlisted Performance Rights	1,342,500	31 Aug 2016
Unlisted Performance Rights	150,000	31 Aug 2017
Unlisted Performance Rights	50,000	28 Feb 2016
Unlisted Performance Rights	25,000	28 Feb 2017
Unlisted Performance Rights	25,000	28 Feb 2018
Unlisted Performance Rights	50,000	6 Jan 2016
Unlisted Performance Rights	50,000	6 Jan 2017
Unlisted Performance Rights	50,000	6 Jan 2018
Unlisted Performance Rights	1,277,220	31 Aug 2018
Total Unlisted Performance Rights	5,429,720	

The following performance rights were granted, vested or expired during the year:

	2015 Number	2014 Number
Outstanding at the Beginning of the Year	6,163,018	6,836,776
Granted	1,277,220	2,693,018
Vested through the Trust	(850,000)	(1,296,776)
Cancelled or Expired	(1,160,518)	(2,070,000)
Outstanding at Year End	5,429,720	6,163,018
Vested at Year End	-	-

The fair value of rights granted was calculated using a binomial simulation analysis. The grant date and fair value of unissued performance rights of RCR as at 30 June 2015 are as follows:

Grant Date	Expiry date	Number	Grant Date Share Price	Expected Volatility	Risk Free Interest Rate	Fair Value
29 Nov 2012	31 Aug 2015	1,400,000	\$1.74	38%	2.71%	\$1.11 - \$1.56
11 Jan 2013	31 Aug 2015	660,000	\$2.11	37%	2.11%	\$1.35 - \$1.95
31 Aug 2013	31 Aug 2015	200,000	\$3.30	39%	2.55%	\$3.10
31 Aug 2013	31 Aug 2016	100,000	\$3.30	30%	2.55%	\$3.01
31 Aug 2013	31 Aug 2017	100,000	\$3.30	39%	2.55%	\$2.92
25 Feb 2014	31 Aug 2015	100,000	\$3.38	40%	2.61%	\$2.03 - \$3.23
25 Feb 2014	31 Aug 2016	1,242,500	\$3.38	40%	2.86%	\$2.34 - \$3.38
25 Feb 2014	31 Aug 2015	50,000	\$3.38	40%	2.61%	\$3.23
25 Feb 2014	31 Aug 2017	50,000	\$3.38	40%	2.86%	\$3.04
25 Feb 2014	28 Feb 2016	50,000	\$3.38	40%	2.86%	\$3.18
25 Feb 2014	28 Feb 2017	25,000	\$3.38	40%	2.86%	\$3.08
25 Feb 2014	28 Feb 2018	25,000	\$3.48	40%	2.86%	\$2.99
25 Feb 2014	06 Jan 2016	50,000	\$3.38	40%	2.86%	\$3.19
25 Feb 2014	06 Jan 2017	50,000	\$3.38	40%	2.86%	\$3.10
25 Feb 2014	06 Jan 2018	50,000	\$3.48	40%	2.86%	\$3.00
23 Feb 2015	31 Aug 2018	470,220	\$2.46	42%	1.88%	\$1.97 - \$2.46
12 May 2015	31 Aug 2018	807,000	\$2.01	42%	2.12%	\$1.40 - \$2.10
Total		5,429,720				

Sections to the Financial Statements

Section 6 Other

6.1 Business Combinations

Accounting Policies

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share based Payment' at the acquisition date; and
- assets (or disposals Company's) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

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

Where the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Business Combination – Norfolk Group Limited

On 31 July 2013, the Company concluded the acquisition, through a scheme of arrangement, of Norfolk. Total consideration for Norfolk was \$148.3 million and comprised \$77.8 million for 100% of the shares and assumed debt of \$70.5 million. Norfolk's principal activities include electrical, power transmission and distribution, rail signalling and overhead wiring systems, HVAC, telecommunications, fire protection and property services and products to the infrastructure, resources and property sectors.

FY14 Acquisition costs of \$3.993 million were excluded from the consideration transferred and were recognised as an expense in profit or loss in the year.

Sections to the Financial Statements

Section 6 Other (continued)

(a) Fair Value of Assets Acquired and Liabilities Assumed at the Date of Acquisition	\$'000
Current Assets	
Cash and Cash Equivalents	13,188
Trade and Other Receivables	132,932
Inventories	2,511
Other Current Assets	2,270
Total Current Assets	150,901
Non-Current Assets	
Property, Plant and Equipment	6,070
Deferred Tax Assets	58,584
Intangibles	70,605
Total Non-Current Assets	135,259
Total Assets	286,160
Current Liabilities	
Trade and Other Payables	119,128
Lease Liabilities	816
Borrowings	82,688
Current Tax Liabilities	253
Provisions	42,032
Deferred Revenue	25,873
Total Current Liabilities	270,790
Non-Current Liabilities	
Lease Liabilities	185
Provisions	2,357
Total Non-Current Liabilities	2,542
Total Liabilities	273,332
Net Assets Acquired	12,828

The information required to determine the fair values at acquisition date has been received and the accounting for the Norfolk acquisition was finalised at the 31 December 2013 interim Financial Statements.

(b) Goodwill Arising on Acquisition

Consideration Transferred	77,760
Less Fair Value of Net Assets Acquired	(12,828)
Goodwill Arising on Acquisition	64,932

Goodwill arose in the acquisition of Norfolk because consideration paid for the combination included amounts in relation to the benefit of expected synergies, Revenue growth, future market development and the assembled workforce of Norfolk. These benefits are not recognised separately from goodwill as they do not meet the recognition criteria for identifiable intangible assets.

Sections to the Financial Statements

Section 6 Other (continued)

(c) Net Cash Outflow on Acquisition	\$'000
Consideration Paid in Cash	77,760
Less Cash and Cash Equivalents Acquired	(13,188)
Net Cash Outflow on Acquisition	64,572

In addition to the Cash acquired, RCR assumed net borrowings of \$83.7 million.

Impact of Acquisition on the Results of the Company

Had the acquisition of Norfolk been effected at 1 July 2013, the Revenue of RCR from continuing operations for FY14 would have been \$1.35 billion, and the NPAT for the financial year would have been \$42.3 million. The Directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Company to provide a reference point for comparison. In determining the 'pro-forma' Revenue and profit of the Company had Norfolk been acquired at the beginning of FY14, the Directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition Financial Statements; and
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Company after the business combination

6.2 Key Management Personnel

The totals of remuneration paid to KMPs of the Company during the year are as follows:

	2015 \$	2014 \$
Short-Term Employee Benefits	4,620,219	5,162,251
Post-Employment Benefits	126,854	135,478
Other Long-Term Benefits	23,322	(3,368)
Share-Based Payments	2,093,775	853,749
Total Remuneration	6,864,170	6,148,110

6.3 Controlled Entities

(a) Controlled Entities Consolidated

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Controlled Entities:	Section	Country of Incorporation	% Owned 2015	% Owned 2014
Parent Entity:				
RCR Tomlinson Ltd	6.3(b)	Australia	100	100
Subsidiaries of the Closed Group who are Parties to the Deed of Cross Guarantee:				
RCR Tomlinson (Custodian) Pty Ltd (Trustee of the Company)	6.3(b)	Australia	100	100
RCR Corporate Pty Ltd	6.3(b)	Australia	100	100
RCR Resources Pty Ltd	6.3(b)	Australia	100	100
RCR Resources (Eagle) Pty Ltd	6.3(b)	Australia	100	100
RCR Resources (Tripower) Pty Ltd	6.3(b)	Australia	100	100
RCR Mining Pty Ltd	6.3(b)	Australia	100	100
RCR Energy Pty Ltd	6.3(b)	Australia	100	100
RCR Energy Service Pty Ltd	6.3(b)	Australia	100	100

Sections to the Financial Statements

Section 6 Other (continued)

Controlled Entities:	Section	Country of Incorporation	% Owned 2015	% Owned 2014
Positron Group Pty Ltd	6.3(b)	Australia	100	100
RCR Power Pty Ltd	6.3(b)	Australia	100	100
RCR Laser Pty Ltd	6.3(b)	Australia	100	100
RCR Oil & Gas Pty Ltd	6.3(b)	Australia	100	100
RCR Infrastructure Pty Ltd	6.3(b)	Australia	100	100
RCR Infrastructure Group (XNFK) Pty Ltd	6.3(b)	Australia	100	100
RCR O'Donnell Griffin Pty Ltd	6.3(b)	Australia	100	100
RCR Haden Pty Ltd	6.3(b)	Australia	100	100
RCR Haden (Holdings) Pty Ltd	6.3(b)	Australia	100	100
RCR Resolve FM Pty Ltd	6.3(b)	Australia	100	100
RCR Resolve FM (Holdings) Pty Ltd	6.3(b)	Australia	100	100
RCR Infrastructure (Corporate) Pty Ltd	6.3(b)	Australia	100	100
RCR Water (WA) Pty Ltd	6.3(b)	Australia	100	100
RCR O'Donnell Griffin (Holdings) Pty Ltd	6.3(b)	Australia	100	100
RCR O'Donnell Griffin (Projects) Pty Ltd	6.3(b)	Australia	100	100
RCR Infrastructure (New Zealand) Limited	6.3(b)	New Zealand	100	100
RCR Energy Limited	6.3(b)	New Zealand	100	100
Other Subsidiaries of RCR Tomlinson Ltd:				
Applied Laser Pty Ltd		Australia	100	100
Moray Power Pty Ltd		Australia	100	-
RCR Energy (Stelform) Pty Ltd		Australia	100	100
RCR Energy (Stelform VRBT) Pty Ltd		Australia	100	100
Stelform Piping Systems Pty Ltd		Australia	100	100
Sartap Pty Ltd		Australia	100	100
RCR Resources (Heat Treatment) Pty Ltd		Australia	100	100
Positron Power Pty Ltd		Australia	100	100
RCR Mining (Spiceline) Pty Ltd		Australia	100	100
RCR Building Products (Holdings) Pty Ltd		Australia	100	100
RCR Haden (Telco) Pty Ltd		Australia	100	100
ACN 076 421 755 Pty Ltd		Australia	100	100
RCR Trafalgar Building Products Pty Ltd		Australia	100	100
RCR Building Services (Egan Bros) Pty Ltd		Australia	100	100
RCR Resolve FM (Engineering) Pty Ltd		Australia	100	100
RCR Rel Corp Management Services Pty Ltd		Australia	100	100
RCR Building Products (New Zealand) Limited		New Zealand	100	100
RCR Asia Sdn Bhd		Malaysia	100	100
RCR (Hong Kong) Limited		Hong Kong	100	100
RCR Infrastructure (Hong Kong) Limited		Hong Kong	100	100
RCR O'Donnell Griffin (Hong Kong) Limited		Hong Kong	100	100
RCR International (Holdings) Limited		Hong Kong	100	100
Norfolk Mechanical (India) Private Ltd		India	100	100
RCR Technical Infrastructure (Vietnam) Co Ltd		Vietnam	100	100
PT RCR Energy Indonesia		Indonesia	100	-
Controlled Trusts				
RCR Employee Share Trust		Australia	100	100

Sections to the Financial Statements

Section 6 Other (continued)

(b) Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 22 June 2011, the wholly-owned subsidiaries listed above as parties to the Deed of Cross Guarantee are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of Financial Reports and Directors' Reports. By deed of assumption, certain RCR entities joined or exited the existing Deed of Cross Guarantee.

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up. RCR Tomlinson (Custodian) Pty Ltd acts as the trustee for the closed group who are parties to the Class Order.

The Consolidated Statement of Profit or Loss and Other Comprehensive income and Consolidated Statement of Financial Position of the Company and controlled entities party to the Deed of Cross Guarantee are:

	2015 \$'000	2014 \$'000
Statement of Profit or Loss and Comprehensive Income		
Sales Revenue	1,091,603	1,252,790
Cost of Sales	(1,005,379)	(1,140,343)
Gross Profit	86,224	112,447
Other Income	20,276	3,716
Administrative Expenses	(56,029)	(57,626)
Finance Costs	(3,962)	(6,449)
Other Expenses	(3,362)	(2,754)
Profit Before Income Tax for the Year	43,147	49,334
Income Tax Expense	(7,988)	(7,765)
Profit After Income Tax for the Year	35,159	41,569
Other Comprehensive (Loss)/Gain for the Year	(1,437)	1,894
Total Comprehensive Income for the Year	33,722	43,463

Sections to the Financial Statements

Section 6 Other (continued)

Statement of Financial Position	2015 \$'000	2014 \$'000
Current Assets		
Cash and Cash Equivalents	56,239	37,525
Trade and Other Receivables	213,557	263,582
Inventories	15,480	19,064
Non-Current Assets Held for Sale	-	1,766
Current Tax Assets	-	2,733
Other Current Assets	15,813	5,613
Total Current Assets	301,089	330,283
Non-Current Assets		
Property, Plant and Equipment	48,064	67,858
Deferred Tax Assets	50,879	58,259
Goodwill	116,895	107,159
Other Intangible Assets	78,333	84,504
Total Non-Current Assets	294,171	317,780
Total Assets	595,260	648,063
Current Liabilities		
Trade and Other Payables	126,389	128,552
Lease Liabilities	216	257
Borrowings	20,236	20,233
Current Tax Liabilities	1,929	-
Provisions	41,787	69,183
Deferred Revenue	28,672	41,421
Total Current Liabilities	219,229	259,646
Non-Current Liabilities		
Lease Liabilities	-	50
Borrowings	40,878	79,292
Provisions	13,355	3,499
Other	4,217	347
Total Non-Current Liabilities	58,450	83,188
Total Liabilities	277,679	342,834
Net Assets	317,581	305,229
Equity		
Issued Capital	129,910	128,610
Reserves	(9,462)	(5,465)
Retained Earnings	197,133	182,084
Total Equity	317,581	305,229

Sections to the Financial Statements

Section 6 Other (continued)

6.4 Related Party Transactions

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:

(a) Ultimate Parent Company

RCR Tomlinson Ltd is the ultimate Australian parent company.

(b) Controlled Entities

Interests in controlled entities are set out Section 6.3.

During the year, funds have been advanced between entities within the Company for the purposes of working capital requirements.

(c) Transactions with Director Related Parties

There were no related party transactions during the year.

(d) Key Management Personnel Shareholdings

The compensation of each member of the KMPs of the Company is set out in the Remuneration Report.

Shares

Shareholdings include shares held in their own name and shareholdings in which the KMPs hold a relevant interest.

Performance Rights

The Company issues performance rights to KMPs in accordance with the terms of the Company's LTIP as approved by shareholders. No performance rights holder has any right under the terms of the performance rights to participate in any other share issue of the Company. When vested, each performance right is converted into one ordinary share for no consideration.

6.5 Contingent Liabilities

Performance Guarantees

RCR has indemnified its bankers and insurance bond providers in respect of bank guarantees, insurance bonds and letters of credit to various customers and suppliers for satisfactory contract performance and warranty security, in the following amounts:

30 June 2015: \$81,037,468

30 June 2014: \$127,666,911

Claims

Certain claims arising out of engineering and construction contracts have been made by, or against, controlled entities in the ordinary course of business. The Directors do not consider the outcome of any of these claims will be materially different to the position taken in the financial accounts of the Company.

6.6 Events After Balance Sheet Date

The Directors have recommended a final dividend payment of 7.5 cents per share. Refer to Section 5.7 for details.

On 14 August 2015, RCR announced that it had acquired the Engineering and Construction Services ("ECS") business from Water Corporation of Western Australia for a purchase price of \$10.4 million. The acquisition of ECS will further expand RCR's Infrastructure business in WA and capability to deliver national and international turnkey water and waste water projects. As part of the acquisition, RCR will be awarded a minimum of \$130 million in new capital works over the next three years by the Water Corporation and will be invited on a select bidder basis to tender for additional works over a two year period, with the prospect for this term to be extended.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Sections to the Financial Statements

Section 6 Other (continued)

6.7 Parent Entity Disclosures

Parent Entity Disclosures	2015 \$'000	2014 \$'000
(a) Financial Information		
(Loss)/Income for the Year	(32,939)	118,315
Other Comprehensive Gain/(Loss)	202	(768)
Total Comprehensive (Loss)/Income	(32,737)	117,547
Assets		
Current Assets	1,152	3,169
Non-Current Assets	285,868	345,591
Total Assets	287,020	348,760
Liabilities		
Current Liabilities	22,541	15,722
Non-Current Liabilities	42,396	81,775
Total Liabilities	64,937	97,497
Net Assets	222,083	251,263
Equity		
Issued Capital	132,558	126,877
Reserves	(8,396)	(6,499)
Retained Earnings	97,921	130,885
Total Equity	222,083	251,263
(b) Guarantees Entered Into by the Parent Entity in Relation to the Debts of its Subsidiaries		
Guarantee Provided Under the Deed of Cross Guarantee	205,459	251,016

RCR Tomlinson Ltd has entered into a deed of cross guarantee with a number of its subsidiaries listed in Section 6.3.

6.8 Interests In Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its Revenue from the sale of its share of the output arising from the joint operation;
- its share of the Revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

RCR Tomlinson Ltd has joint arrangements with Coleman Rail Pty Ltd on the Coleman Rail projects.

Directors' Declaration

The Directors of the Company declare that, in the opinion of the Directors:

- a) the Financial Statements and Sections thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of their performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards, including the interpretations, and the Corporations Regulations 2001;
- b) the Financial Statements and Section thereto also comply with International Financial Reporting Standards, as disclosed in Section 1.2
- c) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001*;
- d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- e) there are reasonable grounds to believe that the Company and the companies who are a party to the Deed of Cross Guarantee, as detailed in Section 6.3 will be able to meet existing or future obligations or liabilities to which they are, or may become subject to by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors,



Roderick J M Brown
Director

Signed in Perth on the 19th day of August 2015



Independent Auditor's Report to the members of RCR Tomlinson Limited

Report on the Financial Report

We have audited the accompanying financial report of RCR Tomlinson Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, sections to the financial statements 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 as set out on pages 80 to 130.

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* and for 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. In Section 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the 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.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RCR Tomlinson Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of RCR Tomlinson Limited is in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Section 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 41 to 62 of the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion the Remuneration Report of RCR Tomlinson Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



A T Richards

Partner

Chartered Accountants

Perth, 19 August 2015

Shareholding Information

The following shareholder information is provided as at 3 August 2015.

RCR's Top Twenty Shareholders

Registered Shareholder	Fully Paid Ordinary Shares	% of Total Shares
JP Morgan Nominees Australia Limited	27,762,812	20.09
HSBC Custody Nominees (Australia) Limited	15,345,186	11.10
National Nominees Limited	12,225,696	8.85
Citicorp Nominees Pty Limited	10,300,767	7.45
Dr Paul Joseph Dalgleish*	6,977,048	5.05
RBC Investor Services Australia Nominees Pty Limited <PI Pooled A/C>	4,144,333	3.00
Masfen Securities Limited	4,087,642	2.96
UBS Nominees Pty Ltd	3,144,314	2.28
BNP Paribas Noms Pty Ltd <DRP>	3,035,650	2.20
HSBC Custody Nominees (Australia) Limited <NT - Comwith Super Corp A/C>	2,890,204	2.09
Citicorp Nominees Pty Ltd <Colonial First State Inv A/C>	2,579,836	1.87
Brispot Nominees Pty Ltd <House Head Nominee No1 A/C>	2,001,737	1.45
Mr Joshua Kane Hogan	1,441,660	1.04
AL Group Pty Ltd	1,307,390	0.95
CPU Share Plans Pty Limited <RCR Employee Share Trust>	1,106,902	0.80
Jaylin Pty Ltd <Linden Super Fund A/C>	750,000	0.54
Mr Bruce David McBeth + M/s Ruth Ester McBeth + Mr Ernest William Gartrell	604,038	0.44
Mr David Paul Dippie + Ms Joanne Elizabeth Dippie + Bramwell Grossman Trustees Ltd	600,000	0.43
Mr Andrew John Walsh	541,089	0.39
Akir Pty Ltd	481,074	0.35
Total Held by Top 20	101,327,378	73.33
Total Ordinary Fully Paid Shares on Issue (at 3 August 2015)	138,183,155	100.00

* includes shares held indirectly in which the holder has a beneficial interest

Substantial Shareholders

An extract of the Company's register of substantial shareholders (who held a relevant interest in 5% or more of the issued capital) is set out below:

Substantial Shareholder	Fully Paid Ordinary Shares	% of Total shares
Celeste Funds Management Limited	9,160,730	6.63
Invesco Australia Limited	8,524,541	6.17
Dr Paul Joseph Dalgleish	6,977,048	5.05

Distribution Of Shareholdings

There were 231 holders of less than a marketable parcel of ordinary shares. The number of shareholders by size of holding is set out below:

Fully Paid Ordinary Shares	Number of Shareholders	Number of Shares	% of Issued Capital
1 - 1,000 shares	762	388,487	0.28
1,001 - 5,000 shares	1,373	3,926,394	2.84
5,001 - 10,000 shares	614	4,690,999	3.39
10,001 - 100,000 shares	682	17,847,063	12.92
100,001 and over shares	78	111,330,212	80.57
Total	3,509	138,183,155	100.00

Unquoted Performance Rights

5,279,720 Performance Rights are currently on issue to RCR employees under the terms of the RCR Long Term Incentive Plan as approved by Shareholders on 20 November 2013.

Voting Rights

Ordinary shares

For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Options and Performance Rights

There are no voting rights attached to options and performance rights.

On-Market Buy-Back Program

On 5 December 2014, the Company announced its intention to undertake an on-market share buy-back ("buy-back") to acquire up to 2.0 million RCR shares. The buy-back is part of the Company's capital management strategy. The buy-back began on 22 December 2014 and was in accordance with the ASX Listing Rules. The prices paid for shares purchased under the buy-back will be no more than 5% above the volume weighted average price of RCR shares over the 5 trading days prior to purchase. At the date of this report the Company had acquired 817,651 RCR shares.

Other Information

RCR Tomlinson Ltd is incorporated and domiciled in Australia and is a publicly listed company limited by shares.

Investor Information

Company Information

A range of information on RCR Tomlinson Ltd (RCR) and its services is available from the company website, www.rcrtom.com.au. This includes Annual Reports, Interim Reports, Presentations and ASX Announcements.

Share Registry

RCR's share register is managed by Computershare Investor Services Pty Limited ("Computershare"). Shareholders must elect to receive a printed RCR Annual Report by writing to Computershare at the address below. Alternatively shareholders may choose to receive this publication electronically.

Shareholder Enquiries

Shareholders can obtain information about their shares or dividend payments by contacting the Company's share registry:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, WA, 6000
Telephone from within Australia: 1300 557 010
Telephone from outside Australia: +61 3 9415 4000
Fax: +61 8 9323 2033
Email: web.queries@computershare.com.au
Website: www.investorcentre.com

Electronic Communications and Updating your Shareholder Details

At RCR, we are committed to meeting the needs of our shareholders as well as reducing our environmental impact.

Delivering company documents electronically is a more efficient method of distribution, and eliminates some of the cost and paper consumption associated with producing documents. We provide shareholder information such as Annual Reports and AGM notices via our website, although our shareholders can elect to receive notifications of shareholder communications directly, by registering for Electronic Communications with our registry, Computershare.

Shareholders can access Computershare's online services at www.investorcentre.com/au. This online portal allows you to manage your portfolio quickly and securely, update your details and view balances; you can obtain information on your current holding and transaction history for taxation purposes, as well as advise changes to your holding such as change of address, notification of tax file number and off-market transfers.

Shareholders require their Security Reference Number ("SRN") or Holder Identification Number ("HIN") to access this site.

Computershare's online services enable you to:

- access details of your RCR shareholding quickly and securely;
- change your details; and
- elect to receive messages and notification of availability of important shareholder documents by email.

Tax File Number ("TFN") Information

Providing your TFN to RCR is not compulsory. However, where shareholders have not supplied their TFN, we are required to deduct tax at the top marginal rate, plus Medicare levy, from unfranked dividends paid to investors residing in Australia. For more information, please contact Computershare.

Lost Issuer-Sponsored Statement

You will need to contact Computershare in writing immediately if your issuer-sponsored statement has been lost or stolen.

Registered Office

Level 6, 251 St Georges Terrace
Perth, WA, 6000
Ph: +61 8 9355 8100
Fax: +61 8 9361 0724
Email: enquiries@rcrtom.com.au
Website: www.rcrtom.com.au

Auditor

Deloitte Touche Tohmatsu
Level 14, 240 St Georges Terrace
Perth, WA, 6000

Five Year Summary

30 June Year End	Measure	2015	2014	2013	2012	2011
Revenue	\$M	1,129.6	1,300.5	875.2	808.7	607.2
EBITDA	\$M	72.8	79.6	58.6	50.5	39.9
EBIT	\$M	51.9	57.8	43.8	35.3	25.6
NPBT	\$M	47.7	51.1	46.2	34.3	22.0
NPAT	\$M	39.1	43.3	37.3	27.3	19.5
EPS	Cents	28.2	31.9	28.3	20.5	14.8
Dividends per share	Cents	11.0	10.0	8.25	6.25	3.75
Net Assets	\$M	316.1	289.1	252.7	223.5	207.5
Safety	LTIFR	1.10	1.31	0.36	0.65	0.78
Market Capitalisation	\$M	238.6	383.6	305.9	235.3	215.8
Closing Share Price	\$	1.72	2.80	2.31	1.79	1.63
Total Shareholder returns – 3 year rolling	%	6.1	84.3	197.0	217.0	129.8
Total Shareholder returns – 5 year rolling	%	143.1	413.2	232.0	(5.7)	(22.1)

Our History

RCR Tomlinson's origins date back to 1896 - the year Ernest Tomlinson and his brother, Edward, established the engineering firm Tomlinson Bros. Tomlinson is one of the oldest engineering companies in Australia, and boilers manufactured under this name continue to be held in extremely high regard throughout the country.

RCR Engineering Ltd was established in WA in 1979 by Ron Stevens, Clive Butcher and Robert Wovodich to provide diversified fabrication and machining services to industry in the south-west region of WA.

RCR Tomlinson Ltd was established as a result of the merger of RCR Engineering Ltd and Centurion Industries Ltd, which included the original Tomlinson Industries business, in December 1996.

Since listing on the ASX, RCR has undergone substantial and sustained growth to emerge as one of Australia's leading multi-disciplinary engineering and infrastructure companies. Today, RCR is a constituent member of the S&P/ASX All-Australian 200 Index and provides integrated solutions to a diverse client base throughout Australia and overseas, across the Infrastructure, Energy and Resources sectors.

Corporate Directory

RCR Tomlinson Ltd

ABN 81 008 898 486

Registered Office

Level 6, 251 St Georges Terrace
Perth, WA, 6000

Ph: +61 8 9355 8100

Fax: +61 8 9361 0724

E-mail: enquiries@rcrtom.com.au

Website: www.rcrtom.com.au

Auditor

Deloitte Touche Tohmatsu

Level 14, 240 St Georges Terrace
Perth, WA, 6000

Bankers

Commonwealth Bank of Australia
150 St Georges Terrace
Perth, WA, 6000

Share Registrar

Level 11, 172 St Georges Terrace
Perth, WA, 6000

Tel: +61 8 9323 2000

Fax: +61 8 9323 2033

Securities Exchange Listing

RCR's shares are listed on the Australian
Securities Exchange ASX code: RCR

Directors

Mr Roderick Brown - Chairman and
Independent Non-Executive Director

Dr Paul Dalglish - Managing Director

Ms Eva Skira - Independent
Non-Executive Director

Mr Paul Dippie - Independent
Non-Executive Director

Mr Lloyd Jones - Independent
Non-Executive Director

Mr Bruce James - Independent
Non-Executive Director

Ms Sue Palmer - Independent
Non-Executive Director

Managing Director & CEO

Dr Paul Dalglish

Chief Financial Officer

Mr Andrew Phipps

Chief Operating Officer

Mr Graham Salter

Company Secretary

Mr Darryl Edwards

Key Offices

For a full list of offices, please refer to the
RCR website.

Australia

Sydney Office:

Level 39, 50 Bridge Street

Sydney, NSW, 2000

Ph: +61 2 8413 3009

Perth Office:

Level 6, 251 St Georges Terrace

Perth, WA, 6000

Ph: +61 8 9355 8100

New Zealand

8 Westfield Place

Mt Wellington, Auckland NZ 1060

Ph: +64 9 694 9625

Malaysia

A-19-4, Northpoint Offices,

Mid Valley City,

No. 1 Medan Syed Putra Utara, 59200

Kuala Lumpur, Malaysia

Ph: +60 3 2282 3292

Vietnam

Level 4, Centec Tower

72 - 74 Nguyen Thi Minh Khai Street

District 3

Ho Chi Minh City, Vietnam

Ph: +84 8 6299 8288

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RCR used recycled chlorine-free greenhouse friendly paper for the printing of this Annual Report.



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