



APPENDIX 4E  
PRELIMINARY FINAL REPORT  
for the year ended 30 June 2017

This preliminary final report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A

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APPENDIX 4E

For the Year Ended 30 June 2017

Previous corresponding period: Year Ended 30 June 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

|                                       |      |        |    | \$A'000 |
|---------------------------------------|------|--------|----|---------|
| Revenue from ordinary activities      | Up   | 20.09% | to | 433,149 |
| Net loss attributable to shareholders | Down | 207.8% | to | (1,347) |

DIVIDENDS

|                                      | Final | Interim    |
|--------------------------------------|-------|------------|
| Dividend amount per security         | nil   | nil        |
| Previous corresponding period (FY16) | nil   | 1.75 cents |
| Franked amount per security          | n/a   | n/a        |

The Board has not declared a final dividend for the year ended 30 June 2017.

BRIEF EXPLANATION OF THE RESULTS REPORTED ABOVE

Overview

The Group ended the financial year with total revenue of \$433.1 million – an increase of 20% on the prior year, and the highest revenue in the Group's history.

The increase was achieved through a record order book at the start of the financial year and significant revenue from five large civil projects across Queensland and New South Wales contributing aggregate revenue of \$208 million.

The civil infrastructure segment performed well during the year given the impact of the prior year's low margin projects that continued into the first half of this year. Unfortunately, the utilities infrastructure segment generated a significant loss, which impacted heavily on the Group's overall financial performance and resulted in a consolidated net loss after tax of \$1.3 million for the year.

Segment Results

The civil infrastructure segment revenue increased by 25% compared to the prior year, driven by a strong order book at the commencement of the year. The segment also successfully recovered a legacy problematic project to a positive margin position at completion. These factors contributed to the segment achieving an operating profit of \$16.8 million – its strongest financial performance in the past three financial years.

The result is notable given the impact of the prior year's low margin projects continuing into the current financial year, the effect of significant weather events including Cyclone Debbie and a \$3 million investment over the year to establish the Group's entry into the Victorian roads market.

Revenue from the utilities infrastructure segment decreased from FY16, which had seen strong project activity and increased scope on the Green Square Stormwater project in NSW. This year in the Eastern states there were reduced tendering opportunities coupled with limited success in project awards, particularly during the second half of the year.

In contrast, Western Australia appears to be gradually recovering with revenue of \$20.9 million, or 37% of the segment revenue – the highest revenue by state.

Further to the decline in revenue, a sizable negative margin project along with the recognition of a provision for forecast painshare on the Green Square Stormwater Alliance contract, resulted in the segment generating a disappointing operating loss of \$8.5 million for the year.

Cash

The Group ended the year with \$34.3 million cash in the bank, relatively consistent with the prior year. The Group carries low levels of borrowings with \$3.8 million of finance lease liabilities outstanding at 30 June 2017, resulting in net cash maintained above \$30.0 million.

With over half of the net assets held in cash, the Group remains in a sufficient position to see through the current challenges.

Further details of the Group's results for the financial year including Consolidated Statement of Profit & Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity are included in the Consolidated Financial Statements as lodged immediately following this announcement.

DIVIDEND PAYMENT INFORMATION

There were no dividends declared or paid during the financial year.

DIVIDEND REINVESTMENT PLAN

The Company has established a Dividend Reinvestment Plan (DRP) effective from 28 July 2013 for which the shareholders' participation is voluntary. Shares issued under the DRP are fully paid and rank equally with the existing fully paid ordinary shares. No shares were issued under the DRP in the current year.

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE

|                               |             |
|-------------------------------|-------------|
| Current period                | 55.18 cents |
| Previous corresponding period | 55.48 cents |

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST

There was no gain or loss of control on entities during the financial year.

DETAIL OF ASSOCIATES AND JOINT VENTURES

The Company has interests in a number of joint ventures which are disclosed in note 30 of the Consolidated Financial Statements.

The Company's interest in associates relates to a 50% investment in SWS Plant Pty Ltd.

AUSTRALIAN ACCOUNTING STANDARDS

All operations of Seymour Whyte Limited and its subsidiaries are domiciled in Australia. Australian Accounting Standards are used to compile the financial report.

INDEPENDENT AUDIT

The financial report has been audited and the independent audit report is not subject to a modified opinion, emphasis of matter or other matter paragraph.





## DIRECTORS' REPORT



# DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated entity consisting of Seymour Whyte Limited (Seymour Whyte or SWL or the Company) and the subsidiaries it controlled at the end of, or during, the year ended 30 June 2017 (Reporting Period). Throughout the report the consolidated entity is referred to as the Group.

## DIRECTORS

The Directors (Non-Executive and Executive) of Seymour Whyte Limited at any time during the Reporting Period and up to the date of this report are:

| MAC DRYSDALE   |  |
|--|--|
| Role   | Chairman, Independent, Non-executive Director<br>Member, Audit and Risk Committee<br>Chairman, Transaction Committee (from 2 November 2016)  |
| Biography  | As a Director and Chairman of the Board since 2007, Mac has played a key role in the strategy development and growth of Seymour Whyte. Mac is a highly respected executive with a strong history as a Director and Chairman.<br><br>Mac has served on the boards of Country Road Australia Ltd (Chairman), Country Road U.S.A Ltd and Mitre 10 Ltd and holds a Bachelor of Business Studies. With a long family history of grazing in Western Queensland, Mac continues to operate an organic grazing property in the Augathella region. |
| Appointed  | 1 July 2007  |
| Year of next scheduled re-election   | 2017   |
| Current directorships of listed entities and dates of office                   | Nil  |
| Directorships of listed entities over the past three years and dates of office | Nil  |
| Other current principal directorships  | Director and Chairman, Seymour Whyte Constructions Pty Ltd (from 1 July 2007)<br>Private company advisory boards operating in the logistics, horticultural and finance industries and not-for-profit.  |
| Legal or disciplinary action   | Nil  |
| Insolvent companies  | Nil  |

| JOHN KIRKWOOD  |   |
|--|---|
| Role   | Managing Director<br>Member, Transaction Committee (from 2 November 2016)   |
| Biography  | John was appointed Managing Director on 26 October 2015. John is a senior construction professional with significant and highly regarded experience in the engineering and building construction industries with a unique combination of technical and commercial skills.<br><br>John was most recently Executive General Manager Western at Leighton Contractors, and previously held senior roles within Abigroup Contractors, including four years as National Operations Director responsible for all business operations across Australia, spanning civil infrastructure, resources and utilities. John has over 20 years in site-based roles and 18 years in senior managerial positions. |
| Appointed  | 26 October 2015   |
| Current directorships of listed entities and dates of office                   | Nil   |
| Directorships of listed entities over the past three years and dates of office | Nil   |
| Other current principal directorships  | Director, Rob Carr Pty Ltd (from 26 October 2015)<br>Director, Seymour Whyte Constructions Pty Ltd (from 26 October 2015)   |
| Legal or disciplinary action   | Nil   |
| Insolvent companies  | Nil   |

| JOHN SEYMOUR   |   |
|--|---|
| Role   | Non-executive Director (until 16 November 2016)<br>Member, Nomination and Remuneration Committee (until 16 November 2016)   |
| Biography  | John, along with Garry Whyte, established the Seymour Whyte Group of companies in 1987. Until his retirement, John sat on the board as a Founding Director and a major shareholder of the Company. With over 40 years in civil engineering, John's understanding of the industry, his experience with major clients and his engineering knowledge was invaluable to the strategic planning of Seymour Whyte.<br>John is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institution of Engineers and has played an active role in industry bodies such as the Civil Contractors Federation (past President of the Queensland branch) and was inducted in to the QUT Contractors' Hall of Fame in 2006. |
| Appointed  | 16 July 2003 (until 16 November 2016)   |
| Current directorships of listed entities and dates of office                   | Nil   |
| Directorships of listed entities over the past three years and dates of office | Nil   |
| Other current principal directorships  | Director Seymour Whyte Constructions Pty Ltd (from 16 July 2003 until 16 November 2016)   |
| Legal or disciplinary action   | Nil   |
| Insolvent companies  | Nil   |

| DON MACKAY   |   |
|--|---|
| Role   | Independent, Non-executive Director<br>Chairman, Audit and Risk Committee<br>Member, Transaction Committee (from 2 November 2016)   |
| Biography  | Don has had a successful track record with his role as CEO and Managing Director of Australian Agricultural Company Limited, where he played key roles in business growth, international expansion and capital raising. As General Manager of Elders Limited (NSW), Don influenced the transformation of the business into a high performing industry leader. Don holds a University of New South Wales Graduate Management Qualification.<br><br>Don is also a member of the Australian Institute of Company Directors and in 2001 was awarded the Centenary Medal by the Prime Minister of Australia for Distinguished Service to Primary Industry. |
| Appointed  | 1 February 2009   |
| Current directorships of listed entities and dates of office                   | Nil   |
| Directorships of listed entities over the past three years and dates of office | Nil   |
| Other current principal directorships  | Director, Seymour Whyte Constructions Pty Ltd (from 1 February 2009)<br>Director, Rob Carr Pty Ltd (from 25 February 2014)<br>Chairman B&W Rural Pty Ltd<br>Director Thames Pastoral Co Pty Ltd, Director Red Meat Advisory Council Ltd<br>Don was also previously the Managing Director of Rangers Valley Cattle Station Pty Ltd until October 2016.   |
| Legal or disciplinary action   | Nil   |
| Insolvent companies  | Nil   |



| SUSAN JOHNSTON   |   |
|--|---|
| Role   | Independent, Non-executive Director<br>Member, Nomination and Remuneration Committee  |
| Biography  | Susan brings more than 20 years' experience in senior management and policy advisory roles in the resources and energy sector. Susan also has almost 20 years' experience as a company director. Her experience includes two years as CEO of the Queensland Resources Council and seven years as a Director of Tarong Energy Corporation Limited and senior executive positions at Anglo American and the Australian Coal Association. Susan has a strong background in safety, including as Head of Safety and Sustainable Development (Australia) at Anglo American Metallurgical Coal Pty Ltd. Susan is the former Chair of the Children's Health Queensland Hospital and Health Service Board having held the position for just over 3 years. Susan has degrees in Arts and Law from the University of Queensland and is a Graduate of the Australian Institute of Company Directors. |
| Appointed  | 1 September 2011  |
| Current directorships of listed entities and dates of office                   | Nil   |
| Directorships of listed entities over the past three years and dates of office | Nil   |
| Other current principal directorships  | Director, Seymour Whyte Constructions Pty Ltd (from 1 September 2011)<br>Chair, Kennelly Constructions Advisory Board   |
| Legal or disciplinary action   | Nil   |
| Insolvent companies  | Nil   |

| CHRISTOPHER GREIG  |  |
|--|--|
| Role   | Independent, Non-executive Director<br>Chairman, Nomination and Remuneration Committee<br>Member, Transaction Committee (from 2 November 2016)   |
| Biography  | Chris has held senior executive and director roles in construction, mining and clean energy industries both in Australia and abroad over a career spanning 25 years including STG-FCB (as founder), JJ McDonald Group, Ensham Resources, ZeroGen, Western Metals, International Energy Centre, LogiCamms and Golding Contractors. He has bachelors, masters and PhD degrees in Engineering from the University of Queensland and is a Fellow of the Academy of Technological Sciences and Engineering. |
| Appointed  | 1 January 2014   |
| Current directorships of listed entities and dates of office                   | Nil  |
| Directorships of listed entities over the past three years and dates of office | Nil  |
| Other current principal directorships  | Director Seymour Whyte Constructions Pty Ltd (from 1 January 2014)<br>Haald Engineering Pty Ltd (from 20 October 2008)   |
| Legal or disciplinary action   | Nil  |
| Insolvent companies  | Nil  |

| DAVID WILSON |   |
|--------------|---|
| Role         | Independent, Non-executive Director<br>Member, Audit and Risk Committee (from 26 October 2015)<br>Member, Transaction Committee (from 23 May 2017)  |
| Biography    | David Wilson is a civil engineer with over 40 years' experience across the resources, utilities and transport infrastructure sectors which was gained through senior executive roles with a number of recognised multinational companies. This includes more than 14 years as General Manager and Executive General Manager at Leighton Contractors across various divisions including Engineering, Services, Building, Civil Infrastructure and Special Tasks in both Australia and New Zealand. In this capacity David was also responsible for major interim management roles for the West Australian businesses, including the sale of a mining business to BHP Billiton. With the Concor Group of Companies, a public company incorporated in the Republic of South Africa, David spent 12 years in various senior roles including 5 years as Group Managing Director and CEO. David is currently the sole Director of Dew Course Pty Ltd, which provides a broad range of commercial, contract management and leadership services to the infrastructure industry focusing on acquisition and sales, dispute resolution and interim executive management services. |

| DAVID WILSON   |  |
|--|--|
| Appointed  | 1 July 2015  |
| Current directorships of listed entities and dates of office                   | Nil  |
| Directorships of listed entities over the past three years and dates of office | Nil  |
| Other current principal directorships  | Director Seymour Whyte Constructions Pty Ltd (from 1 July 2015)<br>Director Dew Course Pty Ltd |
| Legal or disciplinary action   | Nil  |
| Insolvent companies  | Nil  |

| ROBERT CARR  |  |
|--|--|
| Role   | Executive Director, Chief Executive, Rob Carr Pty Ltd (until 13 December 2016)   |
| Biography  | Rob is the business founder, and former Chief Executive of Rob Carr Pty Ltd, a wholly owned subsidiary of Seymour Whyte Limited, acquired in February 2014. His work to date has involved the delivery of water, sewer and drainage infrastructure projects for close to 25 years. His direct experience and involvement with microtunnelling projects now runs to just over 10 years.<br><br>Rob has been directly involved with the construction of hundreds of kilometres of pipeline (sewer, water and drainage) and various civil (deep shaft and concrete structures), mechanical and electrical work involving a range of public authorities and private entities throughout Australia. |
| Appointed  | Non-executive Director (from 14 December 2016)<br>Executive Director (from 29 April 2014 until 13 December 2016)<br>Chief Executive, Rob Carr Pty Ltd (from 25 February 2014 until 13 December 2016)   |
| Current directorships of listed entities and dates of office                   | Nil  |
| Directorships of listed entities over the past three years and dates of office | Nil  |
| Other current principal directorships  | Director, Rob Carr Pty Ltd (from 19 April 1989)<br>Director, Seymour Whyte Constructions Pty Ltd (from 29 April 2014)  |
| Legal or disciplinary action   | Nil  |
| Insolvent companies  | Nil  |

### ALTERNATE DIRECTOR

John Ready is a former Independent, Non-executive Director of the Company. He retired as Non-executive Director on 26 November 2014 and was appointed as an alternate director to John Seymour on that date. John Ready retired as alternative director on 16 November 2016 following the retirement of John Seymour.

### COMPANY SECRETARY

On 13 December 2016, Julie Tealby FGIA FCIS CPA CIA, was appointed as company secretary. Julie holds a Graduate Diploma in Corporate Governance, Bachelor of Business (Accountancy) and a Graduate Certificate in Internal Audit. Julie is a Fellow of the Governance Institute of Australia and Chartered Secretaries, a member of CPA Australia and a professional member of the Institute of Internal Auditors. Julie has over 10 years' experience as a Company Secretary and her previous positions included Chief Risk Officer, Internal Audit Manager and CFO/Finance Manager.

Amy Deeb LLB (Hons), B Comm held the position of company secretary from 26 July to 13 December 2016.

Lisa Dalton (B.App.Sc, M.App.Sc, LLB (Hons), FAICD, FCIS, FGIA) held the position of company secretary until 26 July 2016.



MEETINGS OF DIRECTORS

The number of meetings of directors and committees held during the year ended 30 June 2017 and the number of meetings attended by each director were:

|                            | Full Board |      | Audit & Risk Committee |      | Nomination and Remuneration Committee |      | Transaction Committee <sup>4</sup> |      |
|----------------------------|------------|------|------------------------|------|---------------------------------------|------|------------------------------------|------|
| Appointed                  | Attended   | Held | Attended               | Held | Attended                              | Held | Attended                           | Held |
| Mac Drysdale               | 18         | 18   | 4                      | 5    | -                                     | -    | 6                                  | 7    |
| John Kirkwood <sup>1</sup> | 18         | 18   | -                      | -    | -                                     | -    | 7                                  | 7    |
| Don Mackay <sup>2</sup>    | 17         | 18   | 5                      | 5    | 3                                     | 3    | 6                                  | 7    |
| John Seymour <sup>3</sup>  | 4          | 4    | -                      | -    | 2                                     | 3    | -                                  | -    |
| Susan Johnston             | 16         | 18   | -                      | -    | 6                                     | 6    | -                                  | -    |
| Christopher Greig          | 18         | 18   | -                      | -    | 6                                     | 6    | 6                                  | 7    |
| David Wilson <sup>5</sup>  | 14         | 18   | 5                      | 5    | -                                     | -    | 1                                  | 1    |
| Robert Carr                | 17         | 18   | -                      | -    | -                                     | -    | -                                  | -    |

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

1.

John Kirkwood is Managing Director and attended meetings of the Audit and Risk Committee and the Nomination and Remuneration Committee as an invitee.
2.

Don Mackay was appointed to the Nomination and Remuneration Committee on 25 October 2016.
3.

Meetings attended by John Seymour include two meeting attended by Mr Seymour’s alternate, Mr John Ready. John Seymour resigned from the Board and the Nomination and Remuneration Committee on 16 November 2016.
4.

The Transaction Committee was formed on 2 November 2016. The Transaction Committee was formed as a result of an unsolicited approach the Company received in relation to a potential corporate transaction.
5.

David Wilson was appointed to the Transaction Committee on 23 May 2017.

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the directors of the Company support and have followed the third edition of the ASX Corporate Governance Principles and Recommendations. The Company’s Corporate Governance Statement for the period ending 30 June 2017, will be available on the corporate governance section of the Company’s website at [www.seymourwhyte.com.au](http://www.seymourwhyte.com.au) post the release of the Group’s Annual Report which will be available in late September 2017.

PRINCIPAL ACTIVITIES

During the year, the Group’s principal activities consisted of civil and utilities infrastructure construction across a number of industries. There has been no change to the nature of these activities during the year.

The Group has two distinct operating segments.

| Civil Infrastructure  |           | Utilities Infrastructure   |             |
|---|-----------|--|-------------|
| Delivering creative and innovative civil infrastructure solutions for complex projects. |           | Advanced technical capabilities within the utilities infrastructure sector providing a multidisciplinary utilities service offering to drive new business opportunities. |             |
| ■ Rail  | ■ Bridges | ■ Water  | ■ Power     |
| ■ Aviation  | ■ Marine  | ■ Wastewater   | ■ Resources |
| ■ Roads   |           | ■ Energy   |             |

OPERATING AND FINANCIAL REVIEW

|                     |     | FY17  | FY16  |
|---------------------|-----|-------|-------|
| Revenue             | \$m | 433.1 | 360.7 |
| EBITDA <sup>1</sup> | \$m | 2.3   | 5.9   |
| EBITDA Margin       | %   | 0.5%  | 1.6%  |
| NPAT <sup>2</sup>   | \$m | (1.3) | 1.3   |

|                     |       | FY17   | FY16 |
|---------------------|-------|--------|------|
| NPAT Margin         | %     | (0.3)% | 0.4% |
| Earnings Per Share  | (cps) | (1.5)  | 1.4  |
| Dividends Per Share | (cps) | -      | 1.75 |

1.

EBITDA: Earnings before interest, tax, depreciation and amortisation
2.

NPAT: Net profit/(loss) after tax

OVERVIEW

The Group ended the financial year with total revenue of \$433.1 million—an increase of 20% on the prior year, and the highest revenue in the Group’s history. The increase was achieved through a record order book at the start of the financial year and significant revenue from five large civil projects across Queensland and New South Wales contributing aggregate revenue of \$208 million.

The Group’s *2020 Strategic Plan*, developed in the prior financial year, outlines a shift in the tendering strategy of the civil infrastructure segment to invest in the pursuit of selective design and construct (D&C) type contracts where there are more opportunities for innovation and improved margins. The success of this investment was evidenced by the award of three design and construct projects during the year. These contracts consisted of a 50% interest in the \$450 million Bruce Highway Upgrade Project in Queensland and two projects by the recently established Victorian operations.

The Group was awarded \$410 million in new contracts during the year with approximately 75% of these being design and construct contracts.

The civil infrastructure segment performed well during the year, given the impact of the prior year’s low margin projects that continued into the first half of this year. Unfortunately, the utilities infrastructure segment generated a significant loss. This impacted heavily on the Group’s overall financial performance and resulted in a consolidated net loss after tax of \$1.3 million for the year.

SEGMENT PERFORMANCE

|                         |     | Civil Infrastructure |       | Utilities Infrastructure <sup>1</sup> |       |
|-------------------------|-----|----------------------|-------|---------------------------------------|-------|
|                         |     | FY17                 | FY16  | FY17                                  | FY16  |
| Revenue                 | \$m | 385.3                | 306.9 | 57.0                                  | 71.3  |
| EBITDA                  | \$m | 18.4                 | 4.4   | (5.8)                                 | 11.2  |
| Operating Profit        | \$m | 16.8                 | 2.9   | (8.5)                                 | 8.7   |
| Operating Profit Margin | %   | 4.4%                 | 0.9%  | (14.9%)                               | 12.2% |

1.

Revenue in utilities segment shown prior to intercompany elimination of \$9.5 million (2016: \$18.1 million)

Civil Infrastructure

The civil infrastructure segment revenue increased by 25% compared to the prior year, driven by a strong order book at the commencement of the year. The segment also successfully recovered a legacy problematic project to a positive margin position at completion. These factors contributed to the segment achieving an operating profit of \$16.8 million—its strongest financial performance in the past three financial years.

The result is notable given the impact of the prior year’s low margin projects continuing into the current financial year, the effect of significant weather events including Cyclone Debbie and a \$3 million investment over the year to establish the Group’s entry into the Victorian roads market.

NSW surpassed Queensland for the first time in the Group’s history, contributing 56% of segment revenue compared to 39% from Queensland. This was driven by the segment’s high contract win rate in NSW in the prior year. With rising government infrastructure investment in the NSW and Victoria markets, there is a trend for packages of work to be consolidated into mega projects. To maintain the current levels of activity in NSW, Seymour Whyte will continue to pursue strategic partnerships in order to participate in these opportunities.

The strategy to diversify into Victoria is showing early signs of success with the segment having secured three strategically important VicRoads contracts during the year. Victoria offers significant prospects for the segment, mainly consisting of design and construct contracts. The segment is currently waiting on the outcomes of two substantial D&C tenders in Victoria.

Utilities Infrastructure

Revenue from the utilities infrastructure segment decreased from FY16, which had seen strong project activity and increased scope on the Green Square Stormwater project in NSW. This year in the Eastern states there were reduced tendering opportunities coupled with limited success in project awards, particularly during the second half of the year. In contrast, Western Australia appears to be gradually recovering with revenue of \$20.9 million, or 37% of the segment revenue—the highest revenue by state.

Further to the decline in revenue, a sizable negative margin project along with the recognition of a provision for forecast painshare on the Green Square Stormwater Alliance contract, resulted in the segment generating a disappointing operating loss of \$8.5 million for the year.

The segment’s performance has necessitated the need to undertake an operational review that is currently in progress at the date of this report. Preliminary findings indicate that process improvements and efficiencies are required to increase the segment’s competitiveness in the Queensland, New South Wales and Victorian utility markets.



## FINANCIAL POSITION

At 30 June 2017, the net assets of the Group were \$63.2 million with net tangible assets of \$48.5 million representing a net tangible asset backing of 55.1 cents per share.

The Group ended the year with \$34.3 million of cash in the bank, relatively consistent with the prior year. The Group carries low levels of borrowings with \$3.8 million of finance lease liabilities outstanding at 30 June 2017 resulting in net cash maintained above \$30.0 million.

Cashflow is managed on a project by project basis, with project net cash to date and forecast cash reviewed at each monthly project review meeting. The Group's strategy is to retain appropriate levels of cash to support national pre-qualification requirements, funding of upfront tendering costs and early project mobilisation costs until projects are in a net cash positive position.

During the first half of the year, the Group borrowed \$10 million in short-term funding through the available working capital facility to maintain appropriate cash levels following the contractual agreement to provide extended credit terms to a major customer. The borrowings were repaid during the second half of the year following client approvals and the subsequent receipt of several substantial variations. The working capital facility was subsequently closed prior to the end of the financial year due to historical low utilisation and increased costs.

Receivables have risen substantially since the prior year due to increased project activity, however net working capital has remained relatively steady due to a corresponding increase in payables.

A significant proportion of the Group's plant and equipment (relating to specialist micro-tunnelling equipment and heavy machinery) is held within the utilities infrastructure segment. Given the segment's financial result for the year and lower levels of activity, capital expenditure has been deferred whilst awaiting further project awards.

With over half of the net assets held in cash, the Group remains in a sufficient position to see through the current challenges.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 26 June 2017, Seymour Whyte announced that it had entered into a Scheme Implementation Agreement (the Scheme) with Vinci Construction International Network (VCIN), under which, subject to the satisfaction or waiver of a number of conditions, it is proposed that VCIN or its nominee will acquire all of the issued shares in Seymour Whyte pursuant to a Scheme.

If the Scheme is approved by both the Seymour Whyte Shareholders and the Court, then Seymour Whyte shareholders will receive, for each Seymour Whyte Share held by them, the Scheme Consideration of \$1.285 for each Seymour Whyte Share.

Shareholders will receive a Scheme Booklet (expected late August), which will contain a notice of the shareholder meeting to consider and, if appropriate, approve the Scheme, together with explanatory material including an Independent Expert's report.

If the Scheme is approved, shareholders will be required to transfer shares to VCIN (or its nominee) for the Scheme Consideration. The Scheme Consideration of \$1.285 per share will be reduced by the cash amount of any dividends that are determined and paid as part of the Scheme.

If the Scheme is approved by Seymour Whyte Shareholders and by the Court, and all other conditions are satisfied or (where permitted) waived, Seymour Whyte will become a wholly-owned subsidiary of VCIN or its nominee and applications will be completed to delist Seymour Whyte from the ASX. The existing Seymour Whyte Board will be reconstituted in accordance with the instructions of VCIN on and from the Implementation Date.

If the Scheme is not implemented, Seymour Whyte will continue as an independent entity listed on the ASX and Seymour Whyte Shareholders will not receive the cash payment of \$1.285 per Seymour Whyte Share. If the Scheme does not proceed and no alternative proposal emerges, the Directors consider the market price of Seymour Whyte Shares is likely to trade at levels below \$1.285 per Seymour Whyte Share.

Other than matters dealt with in this report there were no other significant changes in the state of affairs of the Group during the Reporting Period.

## OUTLOOK

If the Scheme does not proceed, Seymour Whyte will continue to implement its *2020 Strategic Plan*, which has been previously communicated to the market. Across the medium term, the pipeline of projects in the Group's core roads market in the Eastern states remains strong. To capitalise on these opportunities, the Group will continue to invest in design capabilities and project personnel to pursue more D&C contracts and leverage strategic partnerships to compete for projects in the \$200 million – \$500 million range.

With a current order book of \$505 million, of which approximately \$360 million is estimated to contribute to FY18, the Group has confidence it will deliver a return to profitability going forward.

## DIVIDENDS

There have been no dividends declared or paid by the Company since the end of the previous financial year.

The Board has not declared a final ordinary dividend for the year ended 30 June 2017.

## EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

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

## LIKELY DEVELOPMENTS, BUSINESS STRATEGIES, DEVELOPMENTS AND EXPECTED RESULTS

In FY16, the Group developed a '2020 Strategic Plan' with the vision of becoming a major infrastructure business by the year 2020, competing in the Tier One space while leveraging its competitive advantages as a Tier Two contractor. Underpinning the strategy is the substantial growth that is forecast to be spent over the next 4 years in the Group's core business offering in the road market.

The Group revisited the 2020 Strategic Plan during the year and determined to continue the implementation of the plan to invest in its civil infrastructure design capabilities and personnel to pursue more design and construct contracts and leverage strategic partnerships. The strategic direction of the utilities segment will be refocussed on key projects in its core technical specialisation of micro-tunnelling.

The Group continues to seek diversification into new regions and sectors, pursue strategic joint ventures with reputable contractors and focus on opportunities for internal joint ventures between the civil and utilities businesses. The objective is to achieve profitable, sustainable growth to deliver improved shareholder returns, a more robust fixed cost structure and greater opportunities for employees.

Further information on business strategies and prospects for future financial years and likely developments in operations and anticipated results of operations have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

## ENVIRONMENTAL REGULATION

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

The Group was compliant with environmental regulations during the year, as well as the specific requirements of site environmental licences. The Directors are not aware of any material breaches or any prosecutions under the environmental regulations as a result of the Group's operations during the financial year under review.

## INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors, company secretary and executive officers for costs incurred, in their capacity as a Director, company secretary or executive officer, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid insurance premiums in respect of a contract to insure the Directors, company secretary and executive officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The insurance contract prohibits disclosure of the nature of liability and the amount of the premium.



PERFORMANCE RIGHTS OUTSTANDING

As at 30 June 2017 the total Performance Rights outstanding in relation to Seymour Whyte ordinary shares and associated terms and conditions under the Group's Long Term Incentive Plan (LTIP) are summarised in the table below.

All Performance Rights are issued pursuant to the Employee Share Option Plan (ESOP) approved by shareholders at the 2011, 2014 and 2016 Annual General Meetings. Performance Rights are granted with a zero exercise price. Further information on the ESOP, hurdles, vesting profiles and fair value of the grants for Key Management Personnel is summarised in the Remuneration Report on pages 14-25.

| LTIP <sup>1</sup>      | Performance Rights Outstanding | Key Dates  |              |             | Hurdles                          |                           | Service                 |
|------------------------|--------------------------------|------------|--------------|-------------|----------------------------------|---------------------------|-------------------------|
|                        |                                | Grant Date | Vesting Date | Expiry Date | Performance                      |                           |                         |
|                        |                                |            |              |             | Total Shareholder Return Ranking | Earnings per Share Growth | Continually employed to |
| Performance Rights     |                                |            |              |             |                                  |                           |                         |
| FY15 LTIP <sup>2</sup> | 405,678                        | 10-Feb-15  | 1-Sep-17     | 1-Mar-18    | 50%                              | 50%                       | 15-Aug-17               |
| FY16 LTIP              | 1,211,871                      | 6-Jan-16   | 1-Sep-18     | 1-Mar-19    | 50%                              | 50%                       | 15 Aug-18               |
| FY17 LTIP              | 2,272,990                      | 25-Nov-16  | 1-Sep-19     | 1-Mar-20    | 50%                              | 50%                       | 15-Aug-19               |

1.

Under the terms of the Scheme Implementation Agreement signed with Vinci and announced to the ASX on 26th June 2017, the Group is restricted from granting any options or rights over its shares. As such any grant for the FY18 LTIP will not be determined until the outcome of the scheme meeting is known. Performance conditions for the current outstanding LTIP's are summarised on page 19.
2.

The performance outcome of the FY15 LTIP was assessed as at 30 June 2017 being the end of the performance period. All outstanding performance rights were forfeited subsequent to the reporting date for not meeting performance conditions.

The five most highly remunerated officers during the Reporting Period based on annualised fixed remuneration were the Managing Director and four of the five Senior Executives whose remuneration arrangements, including equity grants, are described in the Remuneration Report on pages 14-25.

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SECURITIES PURCHASED ON MARKET TO SATISFY REQUIREMENTS OF EMPLOYEE INCENTIVE SCHEME

At the end of the prior financial year, the Seymour Whyte Share Plan Trust (the 'Trust') held 1,317,500 shares in trust for the purpose of satisfying the future vesting of performance and retention rights issued under the Employee Share Option Plan. During the Reporting Period the Trust purchased on-market over a three-day open trading window a further 187,762 ordinary shares. There are nil ordinary shares remaining in the trust at the date of this report with 1,505,262 ordinary shares transferred to participants during the reporting period upon the exercise of rights.

The average price per share at which the 187,762 fully paid ordinary shares were purchased during the Reporting Period was \$1.30 per share. The average price per share of those ordinary shares transferred to participants during the Reporting Period was \$0.88 per share.

DIRECTORS' INTERESTS

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

| Director                   | Ordinary shares | Performance Rights over ordinary shares |
|----------------------------|-----------------|---|
| Mac Drysdale               | 200,000         | -                                       |
| John Kirkwood <sup>1</sup> | 118,335         | 883,899                                 |
| Don Mackay                 | 40,000          | -                                       |
| Susan Johnston             | -               | -                                       |
| Christopher Greig          | -               | -                                       |
| David Wilson               | 5,000           | -                                       |
| Robert Carr <sup>2</sup>   | 4,948,780       | -                                       |

1.

271,371 of the Performance Rights over ordinary shares (FY16 LTIP Options) owned by John Kirkwood are capable of exercise on and from 1 September 2018, subject to continued service and performance measures. 612,528 of the Performance Rights over ordinary shares (FY17 LTIP Options) owned by John Kirkwood are capable of exercise on and from 1 September 2019, subject to continued service and performance measures.
2.

Robert Carr ceased employment as Chief Executive on 13 December 2016 and forfeited 230,640 Performance Rights over ordinary shares due to failure to meet service conditions.



REMUNERATION REPORT (Audited)

CONTENTS

| Section   | Description  | Page |
|---|--|------|
| Introduction  | Outlines the scope of the Remuneration Report and the individuals disclosed.   | 14   |
| Remuneration Governance                               | Describes the role of the Board, the Nomination and Remuneration Committee (NRC)   | 15   |
| FY17 Executive Remuneration Framework                 | Outlines the 2017 remuneration framework and changes to remuneration plans   | 15   |
| Company Performance and Link to Remuneration Outcomes | Details information on performance against key result areas and hurdles that are used for measuring variable pay outcomes  | 16   |
| Senior Executive Remuneration                         | Provides Managing Director/CEO remuneration, Annual Bonus and Long Term Incentive (LTI) Plan details and Executive remuneration outcomes for the year.                               | 17   |
| Non-executive Director Remuneration                   | Provides details regarding the fees paid to Non-Executive Directors  | 21   |
| Key Management Personnel (KMP) Remuneration Table     | Detailed remuneration table of each KMP for current and prior reporting periods  | 22   |
| Other information                                     | Includes additional remuneration information such as contractual information, shareholding of KMP, key transactions and results of voting on the Remuneration Report at the 2016 AGM | 24   |

INTRODUCTION

The Directors of Seymour Whyte Limited present the FY17 Remuneration Report in accordance with section 300A of the Corporations Act. The information provided in this Remuneration Report has been audited as required by section 308 (3C) of the *Corporations Act 2001 (Cth)*.

KEY MANAGEMENT PERSONNEL

The remuneration report outlines remuneration for those people considered to be Key Management Personnel (KMP) of the Group during the Reporting Period. KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly, including any Director (whether executive or otherwise).

- KMP consist of:
- Non-Executive Directors; and
  - Executive Directors and Senior Executives (Senior Executives).

There were six Non-Executive Directors and seven Senior Executives who held office at the end of the Reporting Period. The table below summarises details of KMP who held office during the Reporting Period and those holding office at 30 June 2017, their roles and appointment / cessation dates.

| Key Management Personnel during the Reporting Period     |                                  |   |
|--|----------------------------------|---|
| Name   | Role                             | Appointment Date  |
| Non-Executive Directors at 30 June 2017                  |                                  |   |
| Mac Drysdale   | Chairman, Non-executive Director | 1 July 2007   |
| Don Mackay   | Non-executive Director           | 1 February 2009   |
| Susan Johnston   | Non-executive Director           | 1 September 2011  |
| Christopher Greig  | Non-executive Director           | 1 January 2014  |
| David Wilson   | Non-executive Director           | 1 July 2015   |
| Robert Carr  | Non-executive Director           | 29 April 2014 (Executive Director up to 13 December 2016) |
| Executive Director and Senior Executives at 30 June 2017 |                                  |   |
| John Kirkwood  | Managing Director and CEO        | 26 October 2015   |
| Steve Davies-Evans                                       | National Pre-Contracts Manager   | 25 July 2003  |
| Nicola Padget  | Chief Financial Officer          | 30 September 2013   |
| Julie Tealby   | Company Secretary                | 13 December 2016  |
| Steve Lambert  | Regional Manager – Southern      | 12 January 2015<br>Appointed KMP: 7 August 2015           |
| Will MacDonald   | Operations Manager - Northern    | 6 January 2014<br>Appointed KMP: 7 August 2015            |

| Key Management Personnel during the Reporting Period |                                    |   |
|--|------------------------------------|---|
| Name   | Role                               | Appointment Date  |
| Angelo Soumboulidis <sup>1</sup>                     | General Manager – Rob Carr Pty Ltd | 25 February 2014<br>Appointed KMP: 1 January 2017       |
| Former Directors                                     |                                    |   |
| John Seymour   | Non-executive Director             | Appointed: 16 July 2003<br>Ceased: 16 November 2016     |
| John Ready <sup>2</sup>                              | Alternate Non-executive Director   | Appointed: 26 November 2014<br>Ceased: 16 November 2016 |
| Former Senior Executive                              |                                    |   |
| Lisa Dalton  | Company Secretary                  | Appointed: 25 February 2014<br>Ceased: 26 July 2016     |
| Amy Deeb   | Company Secretary                  | Appointed: 26 July 2016<br>Ceased: 13 December 2016     |

1. Angelo Soumboulidis appointed to KMP following resignation of Rob Carr as Executive Director. Appointment Date of 25 February 2014 represents date Rob Carr Pty Ltd joined the Group.  
2. John Ready ceased as John Seymour’s alternate upon the retirement of John Seymour.

REMUNERATION GOVERNANCE

The following table represents the framework the Board has in place to establish and review remuneration for KMP and employees of the Group.

|                                       |   |
|---------------------------------------|---|
| Board                                 | Approves the overall remuneration framework and policy, ensuring it is fair, transparent and aligned with long term outcomes.   |
| Nomination and Remuneration Committee | NRC is delegated to review and make recommendations to the Board on remuneration policies for Non-Executive Directors, Senior Executives and all employees including incentive arrangements and awards. The NRC can appoint remuneration consultants and other external advisors to provide independent advice. |
| Management                            | Management provides information relevant to remuneration decisions and makes recommendations to the NRC.  |

FY17 EXECUTIVE REMUNERATION FRAMEWORK

| Key Management Personnel during the Reporting Period              |  |   |
|---|--|---|
| Provide for both <b>fixed and performance</b> based remuneration. | Provide a remuneration package based on an annual review of employment <b>market conditions</b> , the <b>Group's performance</b> and <b>individual performance</b> . | Obtain <b>independent external</b> remuneration advice when required. |

Align remuneration practices with shareholder value

| Components of Executive Remuneration   |   |  |
|--|---|--|
| Total Fixed Remuneration (TFR)   | At Risk Remuneration  |  |
| <b>Comprises:</b> <ul style="list-style-type: none"><li>■ Cash salary;</li><li>■ Salary sacrificed items; and</li><li>■ Employer superannuation contributions in line with statutory obligations</li></ul> | <b>Annual Bonus</b> <ul style="list-style-type: none"><li>■ Cash incentive based on meeting a predetermined net profit after tax ("NPAT") target which is set annually.</li><li>■ MD/CEO Annual Bonus opportunity is set at a maximum 40% of TFR.</li><li>■ Senior Executives opportunity is set at a maximum between 20-30% of TFR</li></ul> <b>Employee Share Plan (excluding Executive Directors)</b> <ul style="list-style-type: none"><li>■ Participation in the \$1000 Share Plan subject to Plan Rules</li></ul> | <b>Long Term Incentive Plan</b> <ul style="list-style-type: none"><li>■ Performance hurdles include Earning Per Share growth and Total Shareholder Return</li><li>■ MD/CEO LTIP opportunity is set at a maximum 60% of TFR.</li><li>■ Senior Executives opportunity is set to a maximum of 30% of TFR.</li></ul> |

|                   |                     |                                       |                    |
|-------------------|---------------------|---------------------------------------|--------------------|
| Managing Director | Fixed 50.0%         | At Risk – Annual Bonus 20.0%          | LTI 30.0%          |
| Senior Executives | Fixed 62.5% - 66.7% | At Risk – Annual Bonus 13.3% - 18.75% | LTI 18.75% - 20.0% |



| TFR                 |   | Annual Bonus  | Long Term Incentive   |
|---------------------|---|---|---|
| Performance Measure | Executive Employment Agreement  | <div><div>■ Profit gate – minimum NPAT is to be reached before operation of the annual bonus plan</div><div>■ Corporate goals outlined in the strategic plan (summarised on page 16-17 of the Remuneration Report) = 60%</div><div>■ Personal goals relevant to area of accountability linked to Corporate goals = 40%</div></div>  | <div><div>■ Total Shareholder Return (TSR) ranking against the S&amp;P ASX 200 over the performance period = 50%</div><div>■ Earnings Per Share (EPS) growth over the performance period = 50%</div></div>  |
| Link to performance | <div>Group's remuneration policy objectives:<div><div>■ Align remuneration practices with sustainable shareholder value</div><div>■ Provide fair, consistent and competitive remuneration to attract and retain the best employees</div><div>■ Motivate employees to perform in the best interests of the Company and our stakeholders</div><div>■ Ensure gender pay equity</div></div></div> | <div><div>■ Rewards corporate financial and non-financial performance.</div><div>■ The NPAT gate and financial performance measures were chosen principally because Group profit should drive dividends and share price growth over time.</div><div>■ Aligns to Group's strategic goals. Recognises and rewards achievement of strategy implementation relevant to area of accountability</div><div>■ Drives leadership performance and behaviours consistent with the Group's values</div></div> | <div><div>■ TSR ranking was chosen because it provides a relative, external market performance measure having regard to members of the S&amp;P ASX 200, an aspirational group of peers for Seymour Whyte. This is a key measure for institutional investors.</div><div>■ EPS was chosen because it represents a measure of the Company's performance which is more aligned to the management's line of sight and less exposed to externally influenced factors</div><div>■ In combination TSR and EPS provide a balance of external and internal measures</div></div> |

COMPANY PERFORMANCE AND LINK TO REMUNERATION OUTCOMES

An underlying principle of the Company’s approach to Executive remuneration is that ‘at risk’ remuneration should demonstrate strong links to the Company’s strategy and performance against these objectives which in turn are designed to generate shareholder returns.

When setting targets and determining the quantum of the remuneration increases and the proportion of fixed and performance linked remuneration components, the Board refers to remuneration benchmarking reports provided by independent sources and remuneration consultants from time to time. The Board retains an overarching discretion to award an annual bonus or to vest Performance Rights under the LTIP. In exercising that discretion they have regard to the remuneration policy, market conditions and Company performance.

The table below summarises the Company’s performance for FY17 and the previous 4 years.

| Metric                               | 2013      | 2014       | 2015      | 2016      | 2017        |
|--------------------------------------|-----------|------------|-----------|-----------|-------------|
| Net profit after tax (NPAT) \$       | 9,265,834 | 10,882,231 | 9,910,179 | 1,250,000 | (1,347,000) |
| Full year dividend per share (cents) | 8.00      | 7.50       | 8.00      | 1.75      | -           |
| Change in share price \$             | 0.06      | 0.84       | (0.79)    | (0.38)    | 0.64        |
| Return on equity %                   | 20.1%     | 20.0%      | 14.4%     | 1.9%      | (2.1%)      |
| Earnings per share (cents)           | 11.9      | 13.4       | 11.3      | 1.4       | (1.5)       |
| KMP Remuneration \$                  | 3,139,147 | 3,705,485  | 3,743,353 | 3,461,634 | 3,932,414   |

The remuneration paid to all KMP including Directors over the past four years has increased by an average of approximately 5.8% per annum. Over the same period, the annualised return to a shareholder who purchased shares on 30 June 2013 (\$1.05/share) and reinvested the dividends paid by the Company was 12.5%. Given the NPAT result for the reporting period and its impact on certain indices disclosed above, there were no annual performance based cash bonuses awarded to Executive Directors or Senior Executives for the year.

Company-wide Key Result Areas (KRAs) are set at the beginning of the financial year. Senior Managers' performance objectives are linked to the Company strategic and business goals. Payment of bonuses is directly aligned with the Company performance against the Company KRAs and the individual's performance. A summary of the FY17 achievements against the objectives is outlined below:

| Corporate Key Performance Indicators for FY17 |   |  |
|---|---|--|
| KPI   | Target  | FY17 Outcome                             |
| NPAT Gate                                     | \$8.6 million (before bonus provision)                                  | Not achieved                             |
| Safety  | TRIFR reduced by ≥20% on prior year result                              | Achieved at Group level                  |
| People  | 100% completion of appraisals<br>Employee Retention target exceeded     | Partially Achieved<br>Partially Achieved |
| Projects                                      | Group Gross Margin target exceeded<br>Loss making projects: Nil         | Not Achieved<br>Not achieved             |
| Shareholder                                   | Group EPS growth > 6%<br>TSR: top 25th percentile of defined peer group | Not achieved<br>Not achieved             |
| Diversification                               | Group New Sector and Geographic growth                                  | Achieved                                 |

Assessment of these targets is subject to qualitative and quantitative assessment made by the Nomination and Remuneration Committee and approved by the Board. The Board retains an overall discretion on whether to pay all, a portion of, or no annual bonus. Incentives may be granted, at the discretion of the Board, in cash, by way of shares or a combination of both. As a consequence of the Company’s outcomes against targets in FY17, no annual performance bonus has been paid to KMP relating to the Reporting Period.

LONG-TERM INCENTIVE PLAN

The FY14 LTIP tranche vested in September 2016, assessed on NPAT, EPS and TSR over a one-year performance period; being 1 July 2013 to 30 June 2014 followed by a two-year service condition to 15 August 2016. The assessment of the FY14 LTIP performance rights vested relative to each KMP is disclosed on page 20.

The performance period for the FY15 LTIP was assessed over the three years from 1 July 2014 to 30 June 2017 against EPS and TSR. The performance outcome was assessed as at 30 June 2017 with the outcome summarised below:

| Tranche   | Performance Period                         | Performance Hurdle              | Performance Hurdle Outcome | Weighting | % Rights Subject to Vest |
|-----------|--|---------------------------------|----------------------------|-----------|--------------------------|
| FY15 LTIP | 3 years<br>(FY15 to FY17)                  | Earnings Per Share Growth       | 0%                         | 50%       | -                        |
|           |  | Total Shareholder Return Rating | 0%                         | 50%       | -                        |
|           | Weighted Average of Rights subject to vest |                                 |                            |           | -                        |

All outstanding FY15 performance rights have been forfeited subsequent to the end of the reporting period due to performance conditions not being met.

OVERVIEW OF KEY CHANGES TO STRUCTURE OF REMUNERATION DURING REPORTING PERIOD

Other than as outlined below, there have been no material changes to the structure of remuneration for KMP during the Reporting Period:

|   |
|---|
| Non-Executive Directors   |
| ■ There were no increases to the annual base fee for Non-Executive Directors during the Reporting Period  |
| Executive Directors and Senior Executives   |
| Fixed Remuneration  |
| ■ All Senior Executives employed on 1 July 2016 received a remuneration increase which was based on remuneration benchmarking undertaken for similar roles.   |
| Annual Bonus  |
| ■ Annual bonuses were not awarded to the Senior Executives for the Reporting Period as a result of failure to meet the profit gate established by the Board at the beginning of the Reporting Period. |
| Long Term Incentive (LTI)   |
| ■ The FY14 LTI award was exercised by participants from 1 September 2016. The FY15 LTI award will not be eligible for exercise due to performance hurdles not being met.                              |

REMUNERATION CONSULTANTS

The Board did not retain remuneration consultants during the Reporting Period.

SENIOR EXECUTIVE REMUNERATION

Seymour Whyte’s mix of fixed and at risk remuneration for the Managing Director and other Senior Executives for FY17 was as follows:

FIXED REMUNERATION

Fixed remuneration is a function of size and complexity of the role, individual responsibilities, experience, skills and market pay levels. This consists of cash salary, salary sacrifice items and employer superannuation. Superannuation is capped at the relevant concessional contribution limit. The opportunity to salary sacrifice motor vehicle and superannuation benefits on a tax-compliant basis is available upon request.

The Board determines an appropriate level of fixed remuneration for the Senior Executives with recommendations from the Nomination and Remuneration Committee. Fixed remuneration is reviewed annually following performance reviews at the end of the financial year and takes into account role and accountabilities, relevant market benchmarks and attraction, retention and motivation of Executives in the context of the talent market. Upon the recommendation of the Nomination and Remuneration Committee and approval of the Board, Senior Executives received remuneration increases to their fixed remuneration from 1 July 2016.

ANNUAL BONUS

The Senior Executives are eligible to participate in the annual bonus each financial year. There are two components to the annual bonus:

- A Cash bonus is awarded, at the discretion of the Board, upon the meeting of both financial and non-financial short term targets; and
- An offer to subscribe for \$1,000 worth of shares pursuant to the Exempt Employee Share Plan (EESP) (excluding the Executive Directors).

Annual Bonus Plan: Cash

The annual bonus consists of a discretionary cash incentive that varies with annual performance. There is a pre-determined NPAT target set annually by the Board that must be reached in order for the Annual Bonus to be eligible to be paid. In addition, the Board also determines a number of non-financial gates outlining circumstances where a bonus will be paid.

Analysis of cash bonuses included in remuneration

Based on Company performance, no annual cash bonuses were paid in FY17. A cash retention payment of \$25,022 was made to Angelo Soumboulidis, which relates to the long term retention plan provided to key Executives of Rob Carr Pty Ltd following the acquisition in February 2014. This was earned during the FY17 Reporting Period and paid in August 2017.

Exempt Employee Share Plan (EESP)

|                         |   |
|-------------------------|---|
| Purpose of the EESP     | The EESP was adopted by the Board in June 2011 and approved by Members at the 2011 and 2014 AGMs. The EESP is a key part of the employee retention and incentive strategy of the Seymour Whyte Group. The EESP encourages shareholder participation and the alignment of interests between the Company and a broad pool of employees.   |
| Eligibility             | Persons who may be eligible to participate in the EESP are permanent full-time or part-time employees, with one or more companies in the Seymour Whyte Group. Directors are not eligible to participate in the EESP.  |
| Grant of Shares         | <p>Shares may be offered to Eligible Employees as the Directors determine. Offers under the EESP must be made by the Company on a ‘non-discriminatory’ basis consistent with the tax requirements (and other applicable requirements) to at least 75% of Australian resident permanent employees with three years’ service with the essential features of the EESP being offered to all such employees on the same terms.</p> <p>A maximum of \$1,000 worth of Shares may be issued to eligible employees for which no tax will be payable (subject to individual circumstances). The issue of Shares under the EESP are offered as an incentive to employees and therefore assists the Company to minimise its cash expenditure compared to the alternative of cash based bonuses. The issue of Shares is also a long-term incentive designed to align the interests of employees with the Company and its Members. The offer must be in writing and specify, amongst other things, the date of the invitation, the number of Shares available to the employee, the price of the Shares, the number of Shares for which the Eligible Employees may apply or be granted and any conditions attaching to the Shares.</p> |
| Quotation               | The Company must apply for official quotation on the ASX of any Shares issued under the EESP.   |
| Interest restriction    | No Eligible Employee may continue to participate in the EESP if, immediately after the acquisition of the Share, the Eligible Employee would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company.   |
| Disposal                | Shares may be subject to conditions specified by the Board or contained in the EESP rules, including a restriction on disposal of Shares for a period of the earlier of three years after their issue, termination, or cessation of employment.   |
| Rights of Participants  | <p>Shares will rank equally with other ordinary shares. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.</p> <p>Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Shares will be correspondingly changed to the extent necessary to comply with the Listing Rules.</p>   |
| Administration          | The EESP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the EESP.  |
| Termination / Amendment | The EESP may be amended, terminated or suspended at any time by the Board (subject to the Listing Rules).   |

LONG TERM INCENTIVE PLAN

The Senior Executives are eligible to participate in the Group’s Long Term Incentive Plan (LTIP). The LTIP is an equity-based incentive designed to provide participants with the incentive to deliver growth in shareholder value. The vehicle used to deliver the long term incentive is the Employee Share Option Plan approved by shareholders at the 2011, 2014 and 2016 AGMs.

|                             |  |
|-----------------------------|--|
| Eligibility                 | The ESOP is open to eligible employees (including Executive Directors) of the Company who are permanent full-time or part-time employees, with one or more companies in the Seymour Whyte Group but excludes (unless the Company determines otherwise) (i) a person who, immediately after the acquisition of Shares under the ESOP, would hold a legal or beneficial interest in more than 5% of the Shares on issue or would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company or (ii) a Non-executive Director. |
| Grant of Performance Rights | All Performance Rights are to be offered to eligible employees for no consideration. The offer must be in writing and specify, amongst other things, the number of Performance Rights for which the eligible employee may apply; the period within which the Performance Rights may be exercised and any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise price of the Performance Rights.   |

|                         |   |
|-------------------------|---|
| Exercise                | The Performance Rights may be exercised, subject to any exercise conditions, by the participant providing notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any Performance Rights.  |
| Lapse                   | The Performance Rights shall lapse upon the earlier of the date specified by the Board or events contained in the ESOP rules, including termination of employment or resignation, redundancy, death or disablement.   |
| Rights of Participants  | <p>Once shares are allotted upon exercise of the Performance Rights the participant will hold the Shares free of restrictions. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Performance Rights (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged.</p> <p>In the event of a change of control, the Board shall have discretion to deal with the Performance Rights, including allowing accelerated vesting or the issue of Performance Rights in the substituted corporation.</p> <p>A holder of Performance Rights is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds Performance Rights. However, if a pro-rata bonus or cash issue of securities is awarded, the Company in its absolute discretion may adjust the number of Shares over which an option exists and the exercise price in the manner specified in Listing Rule 6.22, in which case written notice will be given to the option holder.</p> |
| Assignment              | The Performance Rights are not transferable or assignable without the prior written approval of the Board.  |
| Administration          | The ESOP is administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP. On 30 June 2015, the Board established an Employee Share Plan Trust and appointed Computershare Plan Administrators as the Trustee of the Trust. The Trustee will subscribe for, or acquire shares on market to satisfy the vesting of the Performance Rights under the LTIP.   |
| Termination / Amendment | The ESOP may be terminated or suspended at any time by the Board. The ESOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of Performance Rights, including a change to reduce the exercise price, increase the number of Shares to which an eligible employee is entitled or change the exercise period, unless required by the Corporations Act or the Listing Rules.  |

SENIOR EXECUTIVE LONG TERM INCENTIVE PLAN

Senior Executives participate in the company’s LTIP and receive Performance Rights on an annual basis as part of their remuneration. Performance Rights convert to ordinary shares in the Company on a one-for-one basis at the end of a three-year performance period depending on the extent to which performance hurdles are achieved and service conditions met.

Performance Rights granted under the FY17 LTIP during the Reporting Period were assigned two performance hurdles over a three-year performance period being the achievement of Total Shareholder Return (TSR) ranking criteria relative to the TSR of constituents of the S&P/ ASX200 and Earnings Per Share (EPS) relative to a target set by the Board. Participants must remain continually employed with the Group for three years to remain eligible for Performance Rights to vest.

The Board believes that performance hurdles, in combination, serve to align the interests of the individual executives with the interests of the Company’s shareholders. These performance hurdles combine the market-based measure of TSR with the non-market measure of EPS. Relative TSR compared to the ASX 200 provides a direct measure of share price performance against potential alternative shareholder investments.

Earnings Per Share (FY17 LTIP)

|                               |  |                  |
|-------------------------------|--|------------------|
| Earnings Per Share assessment | The percentage of the Performance Rights linked to the EPS hurdle is 50%. Vesting is determined by the growth in EPS from the financial year immediately prior to the start of the Performance Period (base year) to the end of the third year of the Performance Period, measured against specific EPS targets. |                  |
| Base Target                   | >4% EPS growth to less than or equal to 8% growth  | Pro-rata vesting |
| Stretch Target                | >12% EPS growth  | 100%             |
| Performance Period            | 3 years  |                  |
| Service Period                | Continually employed to 15 August 2019 following the end of the 3-year performance period  |                  |

Total Shareholder Return Ranking (FY17 LTIP)

|                               |   |                  |
|-------------------------------|---|------------------|
| Earnings Per Share assessment | The percentage of Performance Rights linked to TSR is 50%. TSR is calculated by an independent third party comparing Seymour Whyte’s TSR percentile rank that Seymour Whyte holds or would hold relative to all ASX 200 constituent companies for the relevant 3-year performance period. |                  |
| Base Target                   | TSR is more than 25% but less than 75%  | Pro-rata vesting |
| Stretch Target                | TSR is 75% or more  | 100% vesting     |
| Performance Period            | 3 years   |                  |
| Service Period                | Continually employed to 15 August 2019 following the end of the performance period  |                  |

There were no performance hurdles requiring assessment during the Reporting Period.



Retention Plan

The Board put in place a retention plan in FY13 and FY14 for key employees including eligible Senior Executives. The Retention Plan used the ESOP as its delivery vehicle. Its purpose was to retain key employees and to maintain continuity and expertise within the Company. The Retention Plan operated for FY13 (FY13 Retention) and FY14 (FY14 Retention). Eligible Senior Executives and other key personnel received Performance Rights under the Retention Plan as part of their remuneration. Performance Rights convert to ordinary shares in the Company on a one-for-one basis at the end of the retention period (generally three years) provided the recipient remained continually employed with the Group during the retention period. The FY14 Retention vested on 1 March 2017.

Following the acquisition of the Rob Carr Pty Ltd business, a retention scheme was implemented for key employees and the Executive Director, Robert Carr. This retention scheme had two components. The first component was an option based plan which was approved by shareholders at the 2014 AGM. This component has now been finalised with all outstanding options vesting in September 2016. The second component was a cash bonus based on individual performance and continued service. The second and final tranche of which was paid on 1 August 2017.

RIGHTS VESTED IN THE REPORTING PERIOD

During the reporting period the FY14 LTIP vested. The performance period for these performance rights was for 12 months from 1 July 2013 to 30 June 2014 followed by a further two year service condition. The outcome of the assessment of the performance hurdles, NPAT, EPS and TSR is summarised below:

| Tranche <sup>1</sup> | Performance Period                | Performance Hurdle       | Performance Hurdle Outcome | Weighting | % Rights Subject to Vest |
|----------------------|-----------------------------------|--------------------------|----------------------------|-----------|--------------------------|
| FY14 LTIP            | 1 year (FY14)                     | NPAT assessment          | 88.4%                      | 25.0%     | 22.1%                    |
|                      |                                   | Earnings Per Share       | 100%                       | 37.5%     | 37.5%                    |
|                      |                                   | Total Shareholder Return | 100%                       | 37.5%     | 37.5%                    |
|                      | Weighted Average of Rights Vested |                          |                            |           | 97.1%                    |

1. Rights not meeting performance conditions being 2.9% were forfeited following the finalisation of the financial results for the year ended 30 June 2014.

All outstanding retention rights awarded in FY14 and FY15 also vested during the reporting period. The table below details the performance rights and retention rights that vested during the year relative to each KMP:

|                           | Tranche                           | No. of Rights Vested | % Vested | Exercised      |
|---------------------------|-----------------------------------|----------------------|----------|----------------|
| Senior Executives         |                                   |                      |          |                |
| Steve Davies-Evans        | FY14 LTIP                         | 113,733              | 97.1%    | September 2016 |
|                           | FY14 Retention                    | 50,410               | 100%     | March 2017     |
| Nicola Padget             | FY14 LTIP                         | 56,931               | 97.1%    | September 2016 |
|                           | FY14 Retention                    | 25,820               | 100%     | March 2017     |
| Will MacDonald            | FY14 LTIP                         | 21,954               | 97.1%    | September 2016 |
|                           | FY14 Retention                    | 22,500               | 100%     | March 2017     |
| Angelo Soumboulidis       | RCPL Retention – Tranche 2        | 20,682               | 100%     | September 2016 |
| Former Executive Director |                                   |                      |          |                |
| Robert Carr               | Robert Carr Retention – Tranche 2 | 74,390               | 100%     | September 2016 |
| Total                     |                                   | 386,420              |          |                |

All rights exercised were settled with shares purchased on-market by the Seymour Whyte Employee Share Trust. See page 12 of this report for details in relation to the shares purchased on market by the Seymour Whyte Employee Share Trust.

ANALYSIS OF MOVEMENTS IN THE VALUE OF RIGHTS

The table below sets out the value of Performance Rights granted to Executive Directors and Senior Executives under the ESOP during the year as well as the value of any rights forfeited or exercised. There were no alterations to the terms and conditions of Performance Rights granted as remuneration to KMP, since their grant dates.

Value of Performance and Retention Rights (\$)

|                    | Value Granted in year <sup>1</sup> | Value of Rights Forfeited in year <sup>2</sup> | Value of Rights Exercised in year <sup>3</sup> | Average amount paid per Share <sup>4</sup> |
|--------------------|------------------------------------|--|--|--|
| Executive Director |                                    |  |  |  |
| John Kirkwood      | 340,882                            | -  | -  | -  |
| Senior Executives  |                                    |  |  |  |
| Steve Davies-Evans | 98,955                             | -  | 147,867  | 0.94                                       |

|                           | Value Granted in year <sup>1</sup> | Value of Rights Forfeited in year <sup>2</sup> | Value of Rights Exercised in year <sup>3</sup> | Average amount paid per Share <sup>4</sup> |
|---------------------------|------------------------------------|--|--|--|
| Nicola Padget             | 88,254                             | -  | 73,342   | 0.94                                       |
| Steve Lambert             | 93,770                             | -  | -  | -  |
| Will MacDonald            | 88,695                             | -  | 44,275   | 1.01                                       |
| Angelo Soumboulidis       | 73,913                             | -  | 16,132   | 0.83                                       |
| Former Executive Director |                                    |  |  |  |
| Robert Carr <sup>5</sup>  | -                                  | 152,024  | 58,024   | 0.83                                       |
| Former Senior Executive   |                                    |  |  |  |
| Lisa Dalton <sup>6</sup>  | -                                  | 54,141   | -  | -  |
| Total                     | 784,469                            | 206,165  | 339,640  |  |

1. The value of rights granted in the year is the fair value of the performance rights calculated as at the grant date. This value is allocated to remuneration over the vesting period, (i.e. across years FY16 to FY19).

2. The value of rights forfeited represents the benefit forgone and is calculated at the date the right lapsed using the Monte Carlo option-pricing model assuming the performance criteria had been achieved.

3. The value of rights exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the rights were exercised.

4. Shares were purchased on market to satisfy the exercise of performance and retention rights during the year. The amount paid per share represents the weighted average of the shares purchased relating to each KMP.

5. Robert Carr ceased employment on 13 December 2016 and forfeited 230,640 Performance Rights for failing to meet service conditions.

6. Lisa Dalton ceased employment on 29 July 2016 and forfeited 82,534 Performance Rights for failing to meet service conditions.

SUMMARY OF PERFORMANCE RIGHTS HELD BY KMP UNDER SEYMOUR WHYTE’S ESOP

The movement during the reporting period by number of rights over ordinary shares in the Company held directly, indirectly or beneficially, by each KMP is as follows:

| No. of Rights <sup>1</sup> | Held at 1 July 2016 | Granted as Compensation <sup>2</sup> | Vested and Exercised during FY17 | Forfeited during FY17 <sup>3</sup> | Held at 30 June 2017 | Vested and exercisable at 30 June 2017 |
|----------------------------|---------------------|--------------------------------------|----------------------------------|------------------------------------|----------------------|--|
| Executive Director         |                     |                                      |                                  |                                    |                      |  |
| John Kirkwood              | 271,371             | 612,528                              | -                                | -                                  | 883,899              | -                                      |
| Senior Executives          |                     |                                      |                                  |                                    |                      |  |
| Steve Davies-Evans         | 343,495             | 177,811                              | (164,143)                        | -                                  | 357,163              | -                                      |
| Nicola Padget              | 238,533             | 158,583                              | (82,751)                         | -                                  | 314,365              | -                                      |
| Steve Lambert              | 123,970             | 168,494                              | -                                | -                                  | 292,464              | -                                      |
| Will MacDonald             | 185,068             | 159,376                              | (44,454)                         | -                                  | 299,990              | -                                      |
| Angelo Soumboulidis        | 153,564             | 132,813                              | (20,682)                         | -                                  | 265,695              | -                                      |
| Former Executive Director  |                     |                                      |                                  |                                    |                      |  |
| Robert Carr <sup>4</sup>   | 305,030             | -                                    | (74,390)                         | (230,640)                          | -                    | -                                      |
| Former Senior Executive    |                     |                                      |                                  |                                    |                      |  |
| Lisa Dalton <sup>5</sup>   | 82,534              | -                                    | -                                | (82,534)                           | -                    | -                                      |
| Total                      | 1,703,565           | 1,409,605                            | (386,420)                        | (313,174)                          | 2,413,576            | -                                      |

1. All Performance Rights were granted as compensation under the ESOP, the terms of which are summarised on page 19. The Performance Rights granted apply to the FY17 LTIP and were allocated to participants on 25 November 2016. The number of Performance Rights awarded was determined based on the 30 day VWAP of Seymour Whyte’s shares at 30 June 2016. The performance period for the FY17 LTIP is 1 July 2016 to 30 June 2019. Participants must remain continually employed during this period and up to 15 August 2019. Shares allocated on exercise/ vesting of the Performance Rights after the three-year performance period are not subject to any additional restrictions except compliance with the Company’s share trading policy

2. The fair value of Performance Rights granted in the year is the fair value of the Performance Rights calculated at grant date. The amount is allocated to remuneration over the vesting period. For details on the valuation of the Performance Rights, including assumptions used, refer to note 19 to the financial statements.

3. The number of Performance Rights forfeited represents the number of Performance Rights that lapsed during the Reporting Period for failure to meet service conditions.

4. Robert Carr ceased employment on 12 December 2016 and forfeited 230,640 Performance Rights for failing to meet service conditions.

5. Lisa Dalton ceased employment on 29 July 2016 and forfeited 82,534 Performance Rights for failing to meet service conditions.

NON-EXECUTIVE DIRECTOR REMUNERATION

POLICY

A copy of the remuneration policy for Non-Executive Directors is available on the Company’s website. The Board’s Non-executive Director remuneration policy, which remains unchanged, is to:

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

Non-Executive Directors receive remuneration for undertaking their role. They do not participate in the Company’s annual bonus or Long Term Incentive plans or receive any variable remuneration. Non-Executive Directors are not entitled to retirement payments. The aggregate Non-executive Director remuneration cap approved by shareholders in 2013 is \$700,000 per annum (exclusive of superannuation contributions). The Board determines the distribution of Non-executive Director fees within the approved remuneration cap.

REMUNERATION OF NON-EXECUTIVE DIRECTORS DURING REPORTING PERIOD

The following table sets out the annual Board and Committee fees (inclusive of superannuation) as at the date of this report:

|                        | Board Member | Board Chairman | Audit and Risk Committee Chairman | Nomination and Remuneration Committee Chairman | Total        |
|------------------------|--------------|----------------|-----------------------------------|--|--------------|
| Non-executive Director | \$ per annum | \$ per annum   | \$ per annum                      | \$ per annum                                   | \$ per annum |
| Mac Drysdale           | 80,000       | 70,000         | -                                 | -  | 150,000      |
| Don Mackay             | 80,000       | -              | 20,000                            | -  | 100,000      |
| Susan Johnston         | 80,000       | -              | -                                 | -  | 80,000       |
| Christopher Greig      | 80,000       | -              | -                                 | 10,000   | 90,000       |
| David Wilson           | 80,000       | -              | -                                 | -  | 80,000       |
| Robert Carr            | 80,000       | -              | -                                 | -  | 80,000       |
| Total                  | 480,000      | 70,000         | 20,000                            | 10,000   | 580,000      |

KEY MANAGEMENT PERSONNEL REMUNERATION TABLE

Details of the nature and amount of each major element of remuneration of each Director and Senior Executive for the Reporting Period are:

|  |      | Short-term Benefits |                         |                   |           | Post Employment Benefits | Termination Benefits | Long-term benefits | Share-based Benefits <sup>2</sup> | Total     | Proportion of remuneration performance related |
|--|------|---------------------|-------------------------|-------------------|-----------|--------------------------|----------------------|--------------------|-----------------------------------|-----------|--|
|  |      | Cash Salary & Fees  | Cash Bonus <sup>1</sup> | Non Cash Benefits | Total     | Super Benefits           |                      | Long Service Leave | Performance Rights                |           |  |
|  |      | \$                  | \$                      | \$                | \$        | \$                       | \$                   | \$                 | \$                                | \$        | %  |
| DIRECTORS  |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| Non-Executive Directors                                    |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| Mac Drysdale<br><i>Non-executive Director</i>              | 2017 | 150,000             | -                       | -                 | 150,000   | -                        | -                    | -                  | -                                 | 150,000   | -  |
|  | 2016 | 150,000             | -                       | -                 | 150,000   | -                        | -                    | -                  | -                                 | 150,000   | -  |
| Don Mackay<br><i>Non-executive Director</i>                | 2017 | 100,000             | -                       | -                 | 100,000   | -                        | -                    | -                  | -                                 | 100,000   | -  |
|  | 2016 | 100,000             | -                       | -                 | 100,000   | -                        | -                    | -                  | -                                 | 100,000   | -  |
| Susan Johnston<br><i>Non-executive Director</i>            | 2017 | 73,060              | -                       | -                 | 73,060    | 6,940                    | -                    | -                  | -                                 | 80,000    | -  |
|  | 2016 | 73,060              | -                       | -                 | 73,060    | 6,940                    | -                    | -                  | -                                 | 80,000    | -  |
| Chris Greig<br><i>Non-executive Director</i>               | 2017 | 82,192              | -                       | -                 | 82,192    | 7,808                    | -                    | -                  | -                                 | 90,000    | -  |
|  | 2016 | 82,192              | -                       | -                 | 82,192    | 7,808                    | -                    | -                  | -                                 | 90,000    | -  |
| David Wilson<br><i>Non-executive Director</i>              | 2017 | 73,060              | -                       | -                 | 73,060    | 6,940                    | -                    | -                  | -                                 | 80,000    | -  |
|  | 2016 | 73,060              | -                       | -                 | 73,060    | 6,940                    | -                    | -                  | -                                 | 80,000    | -  |
| Robert Carr <sup>3</sup><br><i>Non-executive Director</i>  | 2017 | 40,403              | -                       | -                 | 40,403    | 3,838                    | -                    | -                  | -                                 | 44,241    | -  |
|  | 2016 | -                   | -                       | -                 | -         | -                        | -                    | -                  | -                                 | -         | -  |
| Subtotal   | 2017 | 518,715             | -                       | -                 | 518,715   | 25,526                   | -                    | -                  | -                                 | 544,241   | -  |
|  | 2016 | 478,312             | -                       | -                 | 478,312   | 21,688                   | -                    | -                  | -                                 | 500,000   | -  |
| Executive Directors  |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| John Kirkwood <sup>4</sup><br><i>Managing Director</i>     | 2017 | 754,013             | -                       | 3,268             | 757,281   | 19,616                   | -                    | 1,369              | 58,564                            | 836,830   | 7.0%   |
|  | 2016 | 485,448             | -                       | 1,007             | 486,455   | 12,872                   | -                    | 886                | 7,111                             | 507,324   | 1.4%   |
| Robert Carr <sup>3</sup><br><i>Chief Executive (RCPL)</i>  | 2017 | 224,551             | -                       | 15,269            | 239,820   | 9,808                    | -                    | (53,922)           | 8,652                             | 204,358   | 4.2%   |
|  | 2016 | 390,937             | 42,187                  | 18,570            | 451,694   | 19,308                   | -                    | 5,537              | 78,006                            | 554,545   | 14.1%  |
| Former Director  |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| John Seymour <sup>5</sup><br><i>Non-executive Director</i> | 2017 | 38,842              | -                       | -                 | 38,842    | 1,158                    | -                    | -                  | -                                 | 40,000    | -  |
|  | 2016 | 74,215              | -                       | -                 | 74,215    | 5,785                    | -                    | -                  | -                                 | 80,000    | -  |
| Total Directors' Remuneration                              |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| Total  | 2017 | 1,536,121           | -                       | 18,537            | 1,554,658 | 56,108                   | -                    | (52,553)           | 67,216                            | 1,625,429 | -  |
|  | 2016 | 1,428,912           | 42,187                  | 19,577            | 1,490,676 | 59,653                   | -                    | 6,423              | 85,117                            | 1,641,869 | -  |

|  |      | Short-term Benefits |                         |                   |           | Post Employment Benefits | Termination Benefits | Long-term benefits | Share-based Benefits <sup>2</sup> | Total     | Proportion of remuneration performance related |
|--|------|---------------------|-------------------------|-------------------|-----------|--------------------------|----------------------|--------------------|-----------------------------------|-----------|--|
|  |      | Cash Salary & Fees  | Cash Bonus <sup>1</sup> | Non Cash Benefits | Total     | Super Benefits           |                      | Long Service Leave | Performance Rights                |           |  |
| SENIOR EXECUTIVES  |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| Steve Davies-Evans<br><i>Pre-Contracts Manager</i>                 | 2017 | 442,067             | -                       | 1,694             | 443,761   | 19,616                   | -                    | 15,196             | 44,918                            | 523,491   | 8.6%   |
|  | 2016 | 430,808             | 15,940                  | 2,526             | 449,274   | 19,308                   | -                    | 26                 | 95,811                            | 564,419   | 17.0%  |
| Nicola Padget<br><i>Chief Financial Officer</i>                    | 2017 | 384,891             | -                       | 1,355             | 386,246   | 19,616                   | -                    | 4,216              | 34,837                            | 444,915   | 7.8%   |
|  | 2016 | 369,691             | 16,000                  | 4,624             | 390,315   | 19,308                   | -                    | 2,371              | 58,416                            | 470,410   | 12.4%  |
| Julie Tealby <sup>6</sup><br><i>Company Secretary</i>              | 2017 | 78,304              | -                       | -                 | 78,304    | 6,866                    | -                    | 210                | -                                 | 85,380    | -  |
|  | 2016 | -                   | -                       | -                 | -         | -                        | -                    | -                  | -                                 | -         | -  |
| Steve Lambert <sup>7</sup><br><i>Regional Manager, Southern</i>    | 2017 | 423,491             | -                       | 5,968             | 429,459   | 19,616                   | -                    | 2,562              | 18,925                            | 470,562   | 4.0%   |
|  | 2016 | 342,276             | 10,000                  | 2,752             | 355,028   | 19,206                   | -                    | 547                | 3,506                             | 378,287   | 0.9%   |
| Will MacDonald <sup>7</sup><br><i>Operations Manager, Northern</i> | 2017 | 378,066             | -                       | 12,487            | 390,553   | 19,616                   | -                    | 3,823              | 28,470                            | 442,462   | 6.4%   |
|  | 2016 | 332,018             | 16,000                  | 7,969             | 355,987   | 19,308                   | -                    | 2,039              | 30,492                            | 407,826   | 7.5%   |
| Angelo Soumboulidis <sup>8</sup><br><i>General Manager (RCPL)</i>  | 2017 | 175,282             | 25,022                  | 1,381             | 201,685   | 9,808                    | -                    | 13,904             | 11,532                            | 236,929   | 4.8%   |
|  | 2016 | -                   | -                       | -                 | -         | -                        | -                    | -                  | -                                 | -         | -  |
| FORMER EXECUTIVES  |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| Lisa Dalton <sup>9</sup><br><i>Company Secretary</i>               | 2017 | 12,168              | -                       | -                 | 12,168    | 1,857                    | -                    | (3,688)            | -                                 | 10,337    | -  |
|  | 2016 | 169,427             | 12,000                  | -                 | 181,427   | 19,308                   | -                    | 2,515              | (1,529)                           | 201,721   | (0.8)%   |
| Amy Deeb <sup>10</sup><br><i>Company Secretary</i>                 | 2017 | 85,378              | -                       | -                 | 85,378    | 7,531                    | -                    | -                  | -                                 | 92,909    | -  |
|  | 2016 | -                   | -                       | -                 | -         | -                        | -                    | -                  | -                                 | -         | -  |
| Gary Georgiou <sup>11</sup><br><i>General Manager, Operations</i>  | 2017 | -                   | -                       | -                 | -         | -                        | -                    | -                  | -                                 | -         | -  |
|  | 2016 | 13,931              | -                       | 557               | 14,488    | 3,218                    | -                    | 5,549              | (226,153)                         | (202,898) | -  |
| Total Executives Remuneration                                      | 2017 | 1,979,647           | 25,022                  | 22,885            | 2,027,554 | 104,526                  | -                    | 36,223             | 138,682                           | 2,306,985 | -  |
|  | 2016 | 1,658,151           | 69,940                  | 18,428            | 1,746,519 | 99,656                   | -                    | 13,047             | (39,457)                          | 1,819,765 | -  |
| TOTAL REMUNERATION   |      |                     |                         |                   |           |                          |                      |                    |                                   |           |  |
| Total  | 2017 | 3,515,768           | 25,022                  | 41,422            | 3,582,212 | 160,634                  | -                    | (16,330)           | 205,898                           | 3,932,414 | -  |
|  | 2016 | 3,087,063           | 112,127                 | 38,005            | 3,237,195 | 159,309                  | -                    | 19,470             | 45,660                            | 3,461,634 | -  |

1. Given the failure to meet performance objectives, no annual performance bonuses were awarded or paid during the year. The cash bonus awarded to Angelo Soumboulidis during the year relates to a long-term retention incentive plan provided to certain Senior Executives of Rob Carr Pty Ltd following the acquisition of the company in February 2014.
2. Remuneration disclosed in the form of share-based payments relates to the fair value of performance rights recognised as an expense in the reporting period and also includes negative amounts for rights forfeited during the year. The fair value of performance rights is calculated at the grant date and allocated over the vesting period e.g. grant date to vesting date, whilst considering the likelihood of vesting.
3. Robert Carr ceased employment as the Executive Director of Rob Carr Pty Ltd on 13th December 2016 and continued in office as Non-executive Director from that date. Amounts have been disclosed separately between Executive and Non-Executive remuneration.
4. John Kirkwood commenced as Managing Director and Chief Executive Officer on 26 October 2015.
5. John Seymour retired as Non-executive Director on 16th November 2016. For disclosure purposes, amounts paid to John Ready acting as John Seymour’s alternate during the period have been disclosed as paid to John Seymour.
6. Julie Tealby commenced as Company Secretary under a part-time employment contract from 13 December 2016.
7. Steve Lambert and Will MacDonald recognised as KMP from 6 August 2015 following the cessation of employment of Gary Georgiou.
8. Angelo Soumboulidis recognised as KMP from 1 January 2017 following resignation of Robert Carr.
9. Lisa Dalton resigned and ceased as Company Secretary on 26 July 2016.
10. Amy Deeb was appointed as Company Secretary on 26 July 2016 on part-time employment contract. Amy Deeb resigned and ceased as Company Secretary on 13 December 2016.
11. Gary Georgiou ceased employment as General Manager Operations on 6 August 2015.



## OTHER INFORMATION

### CONTRACT DURATION AND TERMINATION REQUIREMENTS

The Company has contracts of employment with no fixed tenure requirements with the Executive Director and Senior Executives. The notice period for each is outlined in the table below. Termination with notice may be initiated by either party. The contracts contain customary clauses dealing with immediate termination for gross misconduct and restraint of trade provisions.

| Name                       | Position                                      | Notice Period |
|----------------------------|---|---------------|
| <b>Executive Directors</b> |   |               |
| John Kirkwood              | Managing Director and Chief Executive Officer | 6 months      |
| <b>Senior Executives</b>   |   |               |
| Steve Davies-Evans         | Pre-Contracts Manager                         | 3 months      |
| Nicola Padget              | Chief Financial Officer                       | 6 months      |
| Julie Tealby               | Company Secretary                             | 3 months      |
| Steve Lambert              | Regional Manager – Southern                   | 1 month       |
| Will MacDonald             | Operations Manager - Northern                 | 3 months      |
| Angelo Soumboulidis        | General Manager – Rob Carr Pty Ltd            | 3 months      |

### OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Rental payments of \$755,000 (GST exclusive) were paid to a related entity of Executive Director Robert Carr, for premises used by Rob Carr Pty Ltd for offices, workshop and plant storage.

### SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

The movement during the year in the number of ordinary shares in Seymour Whyte Limited held, directly, indirectly or beneficially, by each member of the Key Management Personnel, including their related parties, is as follows:

| Name                           | Shareholdings of KMP           |                                    |  |                                       |                                 |
|--------------------------------|--------------------------------|------------------------------------|--|---------------------------------------|---------------------------------|
|                                | Opening Balance<br>1 July 2016 | Shares acquired<br>during the year | Shares received from<br>employee share schemes | Shares disposed of<br>during the year | Closing Balance<br>30 June 2017 |
| <b>Non-Executive Directors</b> |                                |                                    |  |                                       |                                 |
| Mac Drysdale                   | 175,000                        | 25,000                             | -  | -                                     | 200,000                         |
| Don Mackay                     | 40,000                         | -                                  | -  | -                                     | 40,000                          |
| Susan Johnston                 | -                              | -                                  | -  | -                                     | -                               |
| Christopher Greig              | -                              | -                                  | -  | -                                     | -                               |
| David Wilson                   | 5,000                          | -                                  | -  | -                                     | 5,000                           |
| Robert Carr                    | 4,874,390                      | -                                  | 74,390   | -                                     | 4,948,780                       |
| <b>Executive Director</b>      |                                |                                    |  |                                       |                                 |
| John Kirkwood                  | 118,335                        | -                                  | -  | -                                     | 118,335                         |
| <b>Senior Executives</b>       |                                |                                    |  |                                       |                                 |
| Steve Davies-Evans             | 619,979                        | -                                  | 164,143  | (70,000)                              | 714,122                         |
| Nicola Padget                  | 5,901                          | -                                  | 82,751   | -                                     | 88,652                          |
| Will MacDonald                 | 1,901                          | -                                  | 44,454   | -                                     | 46,355                          |
| Steve Lambert                  | 44,611                         | -                                  | -  | -                                     | 44,611                          |
| Angelo Soumboulidis            | 22,583                         | -                                  | 20,682   | -                                     | 43,265                          |
| <b>Former Directors</b>        |                                |                                    |  |                                       |                                 |
| John Seymour                   | 17,183,981                     | -                                  | -  | -                                     | 17,183,981                      |
| John Ready                     | 20,000                         | -                                  | -  | -                                     | 20,000                          |

### EMPLOYEE SHARE PLANS

In addition to the Employee Share Option Plan described on page 19, the Company also has in place an Exempt Employee Share Plan, approved by shareholders in 2011 and 2014. The Company was not able to issue ordinary shares this year due to the potential control transaction in progress.

### VOTING AND COMMENTS MADE AT THE COMPANY'S 2016 ANNUAL GENERAL MEETING

The Company received more than 75% of "yes" votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

— END REMUNERATION REPORT —

## AUDITOR

On 26 November 2015, shareholders approved the appointment of Deloitte Touche Tohmatsu (Deloitte) as the Group's auditor. Deloitte continues to act in office in accordance with section 327 of the *Corporations Act 2001*.

## INDEMNITY AND INSURANCE OF AUDITOR

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

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

## NON-AUDIT SERVICES

There were no amounts paid or are payable to the Group's auditor (Deloitte) for non-audit services provided to the Company during the year ended 30 June 2017.

## AUDITOR'S INDEPENDENCE DECLARATION

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

## ROUNDING OFF

The Company is a kind referred to in Australian Securities and Investments Commission (ASIC) Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars where indicated.

## PROCEEDINGS ON BEHALF OF COMPANY

No proceedings have been brought on behalf of the company, nor have any applications been made in respect of the company under s237 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors



**Mac Drysdale**  
Chairman

18 August 2017  
Brisbane



**Don Mackay**  
Chairman, Audit and Risk Committee



Deloitte Touche Tohmatsu  
ABN 74 490 121 060  
Level 25 and 26, Riverside Centre  
123 Eagle Street  
Brisbane, QLD, 4000  
Australia

Phone: +61 7 3308 7000  
[www.deloitte.com.au](http://www.deloitte.com.au)

The Board of Directors  
Seymour Whyte Limited  
12 Electronics St, Technology Park  
Eight Mile Plains QLD 4113

18 August 2017

Dear Board Members

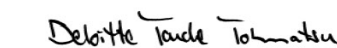
**Seymour Whyte Limited**

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

As lead audit partner for the audit of the consolidated financial statements of Seymour Whyte Limited for the financial year ended 30 June 2017, 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



R.G. Saayman

Partner

Chartered Accountants

Brisbane, 18 August 2017

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited.





# FINANCIAL REPORT

# CONSOLIDATED FINANCIAL STATEMENTS

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## GENERAL INFORMATION

The consolidated financial statements relate to Seymour Whyte Limited as a consolidated entity consisting of Seymour Whyte Limited and the subsidiaries it controlled at the end of, or during the year ended 30 June 2017.

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

Brisbane Technology Park  
12 Electronics Street  
Eight Mile Plains QLD 4113

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report.

The financial statements were authorised for issue by the Directors on 18 August 2017. The Directors have the power to amend and re-issue the financial statements.



**Seymour Whyte Limited**  
**Consolidated Statement of Profit & Loss and Other Comprehensive Income**  
**For the year ended 30 June 2017**

|   | Note | 2017<br>\$'000 | 2016<br>\$'000 |
|---|------|----------------|----------------|
| <b>Revenue and other income</b>   |      |                |                |
| Revenue   | 4    | 433,149        | 360,690        |
| Other Income  |      | 35             | 76             |
| <b>Expenses</b>   |      |                |                |
| Construction materials and consumables used   |      | (347,910)      | (290,158)      |
| Employee benefits expense   | 5    | (73,524)       | (54,681)       |
| Depreciation and amortisation expense   | 5    | (4,498)        | (4,421)        |
| Finance costs   |      | (702)          | (561)          |
| Rental expense  | 5    | (1,556)        | (1,887)        |
| Other expenses  |      | (7,567)        | (7,550)        |
| <b>Profit/(loss) before income tax</b>  |      | (2,573)        | 1,508          |
| Income tax benefit/(expense)  | 6    | 1,226          | (258)          |
| <b>Profit/(loss) for the year</b>   |      | (1,347)        | 1,250          |
| Other comprehensive income  |      | -              | -              |
| <b>Total comprehensive income/(loss) for the year attributable to the shareholders of the company</b> |      | (1,347)        | 1,250          |
|   |      | <b>Cents</b>   | <b>Cents</b>   |
| <b>Earnings per share</b>   |      |                |                |
| Basic   | 21   | (1.54)         | 1.42           |
| Diluted   | 21   | (1.53)         | 1.39           |

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

**Seymour Whyte Limited**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2017**

|                                      | Note | 2017<br>\$'000 | 2016<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                        |      |                |                |
| <b>Current assets</b>                |      |                |                |
| Cash and cash equivalents            | 7    | 34,299         | 35,293         |
| Trade and other receivables          | 8    | 64,223         | 55,579         |
| Other assets                         | 9    | 2,727          | 2,569          |
| Current tax assets                   |      | 980            | 379            |
| <b>Total current assets</b>          |      | 102,229        | 93,820         |
| <b>Non-current assets</b>            |      |                |                |
| Other receivables                    | 10   | 365            | 413            |
| Equity accounted investments         | 11   | -              | 130            |
| Property, plant and equipment        | 12   | 27,175         | 29,165         |
| Intangible assets and goodwill       | 13   | 14,679         | 15,187         |
| <b>Total non-current assets</b>      |      | 42,219         | 44,895         |
| <b>TOTAL ASSETS</b>                  |      | 144,448        | 138,715        |
| <b>LIABILITIES</b>                   |      |                |                |
| <b>Current liabilities</b>           |      |                |                |
| Trade and other payables             | 15   | 66,407         | 58,383         |
| Finance lease liabilities            | 25   | 1,415          | 1,735          |
| Employee benefit liabilities         | 16   | 4,005          | 3,407          |
| <b>Total current liabilities</b>     |      | 71,827         | 63,525         |
| <b>Non-current liabilities</b>       |      |                |                |
| Finance lease liabilities            | 25   | 2,384          | 2,891          |
| Deferred tax liabilities             | 17   | 6,191          | 7,612          |
| Employee benefit liabilities         | 16   | 826            | 687            |
| <b>Total non-current liabilities</b> |      | 9,401          | 11,190         |
| <b>TOTAL LIABILITIES</b>             |      | 81,228         | 74,715         |
| <b>NET ASSETS</b>                    |      | 63,220         | 64,000         |
| <b>EQUITY</b>                        |      |                |                |
| Share capital                        | 18   | 22,671         | 22,671         |
| Reserves                             |      | 1,059          | 492            |
| Retained earnings                    |      | 39,490         | 40,837         |
| <b>TOTAL EQUITY</b>                  |      | 63,220         | 64,000         |

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

**Seymour Whyte Limited****Consolidated Statement of Changes in Equity  
For the year ended 30 June 2017**

|  | Note | Share<br>capital<br>\$'000 | Share<br>option<br>reserve<br>\$'000 | Treasury<br>share<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>equity<br>\$'000 |
|--|------|----------------------------|--------------------------------------|--|--------------------------------|---------------------------|
| <b>Balance at 1 July 2015</b>  |      | 22,493                     | 2,385                                | -                                      | 46,609                         | 71,487                    |
| Total comprehensive income for the year                                      |      | -                          | -                                    | -                                      | 1,250                          | 1,250                     |
| Sub-total  |      | 22,493                     | 2,385                                | -                                      | 47,859                         | 72,737                    |
| <i>Other equity transactions</i>   |      |                            |                                      |  |                                |                           |
| Recognition of equity-settled share-based payments                           |      | -                          | 336                                  | -                                      | -                              | 336                       |
| Shares issued under the exempt employee share scheme                         | 18   | 178                        | -                                    | -                                      | -                              | 178                       |
| Treasury shares purchased  |      | -                          | -                                    | (2,229)                                | -                              | (2,229)                   |
| Settlement of exercised performance rights through employee share plan trust |      | -                          | (1,141)                              | 1,141                                  | -                              | -                         |
| Dividends  | 20   | -                          | -                                    | -                                      | (7,022)                        | (7,022)                   |
| <b>Balance at 30 June 2016</b>   |      | 22,671                     | 1,580                                | (1,088)                                | 40,837                         | 64,000                    |
| <b>Balance at 1 July 2016</b>  |      | 22,671                     | 1,580                                | (1,088)                                | 40,837                         | 64,000                    |
| Total comprehensive income for the year                                      |      | -                          | -                                    | -                                      | (1,347)                        | (1,347)                   |
| Sub-total  |      | 22,671                     | 1,580                                | (1,088)                                | 39,490                         | 62,653                    |
| <i>Other equity transactions</i>   |      |                            |                                      |  |                                |                           |
| Recognition of equity-settled share-based payments                           |      | -                          | 811                                  | -                                      | -                              | 811                       |
| Treasury shares purchased  |      | -                          | -                                    | (244)                                  | -                              | (244)                     |
| Settlement of exercised performance rights through employee share plan trust |      | -                          | (1,332)                              | 1,332                                  | -                              | -                         |
| Shares issued under the exempt employee share scheme                         | 18   | -                          | -                                    | -                                      | -                              | -                         |
| Dividends  | 20   | -                          | -                                    | -                                      | -                              | -                         |
| <b>Balance at 30 June 2017</b>   |      | 22,671                     | 1,059                                | -                                      | 39,490                         | 63,220                    |

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

**Seymour Whyte Limited****Consolidated Statement of Cash Flows  
For the year ended 30 June 2017**

|  | Note | 2017<br>\$'000 | 2016<br>\$'000 |
|--|------|----------------|----------------|
| <b>Cash flows from operating activities</b>            |      |                |                |
| Receipts from customers                                |      | 470,597        | 383,851        |
| Payments to suppliers and employees                    |      | (467,928)      | (380,885)      |
| Net receipts from operations                           |      | 2,669          | 2,966          |
| Interest received                                      |      | 348            | 401            |
| Interest and other finance costs paid                  |      | (702)          | (561)          |
| Income taxes received/(paid)                           |      | (386)          | 3,108          |
| Net cash from operating activities                     | 31   | 1,929          | 5,914          |
| <b>Cash flows from investing activities</b>            |      |                |                |
| Payments for property, plant and equipment             |      | (1,051)        | (1,413)        |
| Payments for other intangible assets                   |      | (6)            | (257)          |
| Proceeds from sale of property, plant and equipment    |      | 96             | 125            |
| Capital distribution from equity accounted investments |      | 130            | -              |
| Net cash used in investing activities                  |      | (831)          | (1,545)        |
| <b>Cash flows from financing activities</b>            |      |                |                |
| Repayment of finance lease liability                   |      | (1,896)        | (2,109)        |
| Proceeds from repayment of employee share loans        |      | 48             | 88             |
| Proceeds from drawdown of working capital facility     |      | 10,000         | -              |
| Repayment of working capital facility                  |      | (10,000)       | -              |
| Purchase of treasury shares                            |      | (244)          | (2,229)        |
| Dividends paid   |      | -              | (7,022)        |
| Net cash used in financing activities                  |      | (2,092)        | (11,272)       |
| Net decrease in cash and cash equivalents              |      | (994)          | (6,903)        |
| Cash and cash equivalents at the beginning of the year |      | 35,293         | 42,196         |
| Cash and cash equivalents at the end of the year       | 7    | 34,299         | 35,293         |

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



Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
30 June 2017

Note 1. Significant accounting policies

Seymour Whyte Limited and its controlled entities’ (the Group) significant accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Amendments to AASBs and new interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that were relevant to the operations for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the consolidated financial statements that are relevant to the Group include:

- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

The new standards and amendment to standards above do not materially impact on the amounts or disclosures recognised in the consolidated financial statements.

B. Impact of new accounting standards issued but not yet effective

New accounting standards and interpretations that are not mandatory for the annual reporting period have not been early adopted by the Group. The new standards and amendments to standards that are not mandatory for the consolidated financial statements are not expected to have a material impact on the Group in the current or future reporting periods except for the following whereby the Group is yet to undertake a detailed assessment:

- AASB 9 *Financial Instruments* (applicable for reporting periods beginning on or after 1 January 2018)
- AASB 15 *Revenue from Contracts with Customers* (applicable for reporting periods beginning on or after 1 January 2018)
- AASB 16 *Leases* (applicable for reporting periods beginning on or after 1 January 2019)
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for reporting periods beginning on or after 1 January 2017)
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle* (applicable for reporting periods beginning on or after 1 January 2017)

C. Basis of preparation

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

i) Historical cost convention

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

ii) Critical accounting estimates

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

D. Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information relating to the parent entity, Seymour Whyte Limited, is disclosed in Note 28. The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below:

i) Tax consolidation legislation

In addition to its own current and deferred tax amounts, Seymour Whyte Limited also recognises the current tax liabilities (or assets) assumed from controlled entities in the tax consolidated Group.

ii) Share based payments

The grant of performance rights by Seymour Whyte Limited over its equity instruments to the employees of subsidiaries in the Group are treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity.

Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
30 June 2017

Note 1. Significant accounting policies (continued)

iii) Investment in subsidiaries

Investments in subsidiaries are accounted for on a historical cost basis.

E. Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company and its controlled entities.

F. Principles of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an entity, it has power over the entity when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the entity unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an entity are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements.

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

ii) Joint arrangements

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint operations only.

For joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

For joint ventures, ownership interests are accounted for using the equity method (see note below on equity method of accounting), after initially being recognised at cost in the consolidated balance sheet.

iii) Interests in equity-accounted investments

The Group's interests in equity accounted investments related to an interest in an associate over which the Group had significant influence but not control. Under the equity method of accounting, the investments were initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures were recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group did not recognise further losses, unless it had incurred obligations or made payments on behalf of the other entity.

iv) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains arising from intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
30 June 2017

Note 1. Significant accounting policies (continued)

v) *Change in ownership interests*

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

vi) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value 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 Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, 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.

G. Impairment of tangible and intangible assets (other than goodwill)

Assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

H. Segment reporting

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

I. Revenue recognition

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below:

i) *Construction revenue*

When the outcome of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured 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 incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Claims are recognised when they are in an advanced stage of negotiation and they can be measured reliably.

Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
30 June 2017

Note 1. Significant accounting policies (continued)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to 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.

ii) *Interest revenue*

Interest revenue on term deposits and cash at bank is recognised as it accrues or is paid.

Interest income in relation to shareholder loan receivable is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the shareholder loan to the net carrying amount on initial recognition.

J. Finance costs

The Group's finance costs include:

- Interest expense;
- Loss on financial assets at fair value through profit or loss; and
- Bank fees and charges.

Interest expense is recognised using the effective interest method. Other finance costs are expensed in the period in which they are incurred.

K. Employee benefits

i) *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Annual leave expected to be settled later than 12 months from the reporting date is discounted.

ii) *Long service leave*

The liability for long service leave is recognised as both current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date.

iii) *Defined contribution superannuation expense*

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

iv) *Share-based payments*

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or rights over shares, which are provided to employees in exchange for the rendering of services. The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte Carlo simulation pricing model that takes into account the exercise price, the term of the performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right.

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

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

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

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



Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
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Note 1. Significant accounting policies (continued)

v) Bonus

The Group recognises an expense for bonuses where there is a history of past practise that has created a constructive obligation or if the bonuses are approved at the discretion of the Board of Directors.

vi) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

L. Income tax

Income tax expense comprises current and deferred tax.

i) Current tax

The current tax balance is the expected income tax payable or refundable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. It is measured using the tax rate enacted or substantively enacted at the reporting date.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on temporary differences arising from:

- The initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- Investments in subsidiaries or interests in jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- The initial recognition of goodwill.

Deferred tax assets are recognised only to the extent it is probable future taxable profits will be available against which those assets can be utilised. The carrying amount of recognised and unrecognised deferred tax assets (if any) are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxable authority and the Group intends to settle its current tax assets and liabilities on a net basis.

iii) Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated Group with effect from 10 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Seymour Whyte Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using a 'Group allocation' approach based on the allocation specified in the tax funding arrangement.

Under this approach a notional current and deferred tax calculation is prepared for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated Group are treated as having no tax consequence. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated Group are recognised by Seymour Whyte Limited (as head entity in the tax-consolidated Group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated Group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated Group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
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Note 1. Significant accounting policies (continued)

iv) Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated Group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Seymour Whyte Limited and each of the entities in the tax-consolidated Group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

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 under the tax funding arrangement.

M. Non-derivative financial instruments

Non-derivative financial instruments comprise of cash and cash equivalents, trade and other receivables and trade and other payables which are measured at amortised cost using the effective interest rate method. Accounting policies around recognition and measurement of the non-derivative financial instruments are included in the respective sections of Note 1 to the financial statements.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

N. Cash and cash equivalents

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

O. Trade and other receivables

Trade and other receivables consist of all receivables from construction contracts.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other non-current receivables are loans offered to shareholders to fully pay up partly paid shares (PPS) as part of an employee incentive program. These loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The effective interest rate is the rate that exactly discounts future cash receipts from a financial asset or liability to the asset or liabilities carrying amount on initial recognition.

P. Property, plant and equipment

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

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

The useful lives for each class of depreciable assets are:

|                                      |                                  |
|--------------------------------------|----------------------------------|
| Freehold land                        | Freehold land is not depreciated |
| Furniture, fittings and IT equipment | 3-7 years                        |
| Heavy plant and equipment            | 3-30 years                       |
| Motor vehicles                       | 5-10 years                       |

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
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Note 1. Significant accounting policies (continued)

Q. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A leased asset and liability are established at the fair value of the leased asset, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

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

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

R. Intangible assets

i) Goodwill

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the initial allocation of goodwill acquired in a business combination cannot be completed before the end of the annual period in which the business combination is effected, the initial recognition is completed before the end of the first annual period after the acquisition date. The cash-generating unit is then tested for impairment annually, once goodwill has been allocated.

ii) Software and systems

Costs incurred in developing systems and costs incurred in acquiring software are capitalised. Amortisation is calculated on a straight-line basis over 5 years. Development costs include only those costs directly attributable to the development phase and where the Group has an intention and ability to use the asset.

S. Construction contracts in progress

For construction contracts in progress, where amounts have been billed for work performed but not yet paid by the customer, the billed amounts are included in the consolidated statement of financial position under trade and other receivables.

When 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.

For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position as a liability.

T. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts future cash receipts from a financial asset or liability to the asset or liabilities carrying amount on initial recognition.

U. Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a pre-tax rate specific to the liability.

Seymour Whyte Limited  
Notes to the Consolidated Financial Statements  
30 June 2017

Note 1. Significant accounting policies (continued)

V. Equity

i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of tax.

ii) Treasury share reserve

Ordinary shares recognised as equity that are purchased by the Company's Share Plan Trust for the benefit of employees are classified as treasury shares. The trust was established for the purpose of subscribing, acquiring and holding shares for the benefit of employees invited to participate in the Seymour Whyte Limited Employee Share Option Plan (ESOP).

The amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity and is presented in the treasury share reserve.

When the shares are transferred to participants upon the exercise of performance rights, this is recognised as an increase to equity at the initial cost of the shares.

iii) Dividends

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

iv) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

W. Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

X. Rounding of amounts

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission relating to "rounding off". Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases to the nearest dollar.

Y. Comparative figures

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

Z. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.



**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the related actual results. Estimates and underlying assumptions are reviewed on an on-going basis with revisions recognised prospectively. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

*i) Revenue*

Construction revenue is recognised based on the percentage of completion method for construction contracts after assessing all factors relevant to each contract, including specifically estimating the following as applicable:

- The stage of completion of the project and the project completion date;
- Costs, including the estimation of forecast cost to complete and the estimation of cost contingencies; and
- The determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims.

The assumptions used by management to measure percentage of completion are in accordance with the accounting policy stated in Note 1. Changes in these methods could have a material impact on the financial statements of the Group

*ii) Impairment of Goodwill*

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash generating unit to which goodwill has been allocated. In calculating the recoverable amount, a 'value in use' discounted cash flow model has been prepared by management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Refer to Note 13 for further details of the significant judgements and assumptions applied within the model.

*iii) Share-based payment transactions*

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

*iv) Estimation of useful lives of assets*

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

*v) Long service leave provision*

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

**Note 3. Segment information***Identification of reportable operating segments*

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports that are regularly reviewed and used by the Chief Operating Decision Makers in assessing performance and in determining the allocation of resources.

The Board examines the Group's performance from an industry sector perspective and has identified two reportable segments of the business:

- Civil Infrastructure: Segment is responsible for construction projects in transport infrastructure including roads and bridges
- Utilities Infrastructure: Segment is responsible for micro-tunnelling and pipeline infrastructure projects in the water and energy utilities market

Information regarding these segments is presented below. The accounting policies of the reporting segments are the same as the Group's accounting policies.

*Major customers*

The Group generates all its revenue from external customers which includes state government road and transport departments, business enterprises owned by state governments, local governments (councils) and private companies. For the year ended 30 June 2017, external customers representing more than 10% of the Group's revenue were state government road and transport authorities accounting for 84% of external revenue (2016: 79%).

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 3. Segment information (continued)***Revenues and non-current assets by geographical areas*

All revenues from external customers during the year are attributed to Australia. All non-current assets are attributed to Australia.

*Segment results*

The following segment information provides an analysis of the Group's revenue and results by reportable operating segment for the year ended 30 June 2017:

|   | <b>30 June 2017<br/>Infrastructure</b> |                             |                         | <b>30 June 2016<br/>Infrastructure</b> |                             |                         |
|---|--|-----------------------------|-------------------------|--|-----------------------------|-------------------------|
|   | <b>\$'000<br/>Civil</b>                | <b>\$'000<br/>Utilities</b> | <b>\$'000<br/>Total</b> | <b>\$'000<br/>Civil</b>                | <b>\$'000<br/>Utilities</b> | <b>\$'000<br/>Total</b> |
| <b>Revenue</b>  |  |                             |                         |  |                             |                         |
| Reportable segment revenue                                | 385,267                                | 57,013                      | 442,280                 | 306,933                                | 71,319                      | 378,252                 |
| Intersegment revenue                                      | -                                      | (9,470)                     | (9,470)                 | -                                      | (18,123)                    | (18,123)                |
| Revenue from external customers                           | 385,267                                | 47,543                      | 432,810                 | 306,933                                | 53,196                      | 360,129                 |
| Unallocated Revenue                                       |  |                             | 339                     |  |                             | 561                     |
| Total Revenue – Note 4                                    |  |                             | 433,149                 |  |                             | 360,690                 |
| <b>Specific segment expenses</b>                          |  |                             |                         |  |                             |                         |
| Depreciation/amortisation                                 | (1,335)                                | (2,474)                     | (3,809)                 | (1,309)                                | (2,351)                     | (3,660)                 |
| Finance costs   | (324)                                  | (145)                       | (469)                   | (232)                                  | (181)                       | (413)                   |
| <b>Reconciliation of segment profit before income tax</b> |  |                             |                         |  |                             |                         |
| Reportable segment profit/loss before tax                 | <b>16,761</b>                          | <b>(8,464)</b>              | <b>8,297</b>            | <b>2,904</b>                           | <b>8,686</b>                | <b>11,590</b>           |
| Unallocated amounts                                       |  |                             |                         |  |                             |                         |
| Interest revenue  |  |                             | 339                     |  |                             | 561                     |
| Other income  |  |                             | 35                      |  |                             | 58                      |
| Employee benefits expense                                 |  |                             | (5,816)                 |  |                             | (5,977)                 |
| External consultants                                      |  |                             | (1,130)                 |  |                             | (390)                   |
| Director's fees   |  |                             | (612)                   |  |                             | (610)                   |
| Rental payments   |  |                             | (501)                   |  |                             | (493)                   |
| Other corporate expenses                                  |  |                             | (3,185)                 |  |                             | (3,231)                 |
| Profit/(loss) before income tax                           |  |                             | (2,573)                 |  |                             | 1,508                   |
| <b>Reconciliation of reportable assets</b>                |  |                             |                         |  |                             |                         |
| Reportable segment assets                                 | <b>68,033</b>                          | <b>38,702</b>               | <b>106,735</b>          | <b>56,229</b>                          | <b>43,781</b>               | <b>100,010</b>          |
| Unallocated amounts                                       |  |                             |                         |  |                             |                         |
| Cash and cash equivalents                                 |  |                             | 34,272                  |  |                             | 35,293                  |
| Corporate fixed assets                                    |  |                             | 1,949                   |  |                             | 2,501                   |
| Other receivables   |  |                             | 389                     |  |                             | 447                     |
| Current tax assets  |  |                             | 980                     |  |                             | 379                     |
| Other assets  |  |                             | 123                     |  |                             | 85                      |
| Total assets  |  |                             | 144,448                 |  |                             | 138,715                 |
| <b>Reconciliation of reportable liabilities</b>           |  |                             |                         |  |                             |                         |
| Reportable segment liabilities                            | <b>68,124</b>                          | <b>6,067</b>                | <b>74,191</b>           | <b>56,711</b>                          | <b>9,830</b>                | <b>66,541</b>           |
| Unallocated liabilities                                   |  |                             |                         |  |                             |                         |
| Deferred tax liabilities                                  |  |                             | 6,191                   |  |                             | 7,612                   |
| Other payables  |  |                             | 846                     |  |                             | 562                     |
| Total liabilities   |  |                             | 81,228                  |  |                             | 74,715                  |

Segment assets and liabilities are measured in the same way as in the financial statements – refer Note 1. The assets and liabilities are allocated based on the operations of the segment.

**Seymour Whyte Limited**  
**Notes to the Consolidated Financial Statements**  
**30 June 2017**

**Note 4. Revenue**

|   | <b>2017</b>    | <b>2016</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| <i>Revenue from continuing operations</i>   |                |                |
| Civil and engineering construction services | 430,814        | 359,473        |
| <i>Other revenue</i>                        |                |                |
| Interest revenue                            | 339            | 561            |
| Sundry revenue                              | 1,996          | 656            |
|   | <u>2,335</u>   | <u>1,217</u>   |
| Total revenue                               | <u>433,149</u> | <u>360,690</u> |

**Note 5. Expenses**

|  | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |

Profit/(loss) before income tax includes the following specific expenses which are significant because of their size or nature:

*Employee benefits expense*

|                            |               |               |
|----------------------------|---------------|---------------|
| Share based payments       |               |               |
| Employee Share Option Plan | 401           | 336           |
| Exempt Employee Share Plan | -             | 178           |
| Bonuses                    | 127           | 166           |
| Superannuation expense     | 5,118         | 4,098         |
| Other employee benefits    | 67,878        | 49,903        |
|                            | <u>73,524</u> | <u>54,681</u> |

*Depreciation and amortisation*

|   |              |              |
|---|--------------|--------------|
| Furniture, fittings and IT equipment      | 555          | 600          |
| Heavy plant, machinery and motor vehicles | <u>3,429</u> | <u>3,296</u> |
|   | 3,984        | 3,896        |
| Amortisation of software                  | <u>514</u>   | <u>525</u>   |
|   | <u>4,498</u> | <u>4,421</u> |

|   |              |              |
|---|--------------|--------------|
| Rental expense relating to operating leases | <u>1,556</u> | <u>1,887</u> |
|---|--------------|--------------|

|  |              |              |
|--|--------------|--------------|
| Finance costs and usage fees for bank guarantees and insurance bonds | <u>1,337</u> | <u>1,075</u> |
|--|--------------|--------------|

*Other expenses includes:*

|   |     |     |
|---|-----|-----|
| Net loss on disposal of property, plant and equipment | 30  | 106 |
| Transaction advisory fees                             | 535 | -   |

**Note 6. Income Tax Expense**

|  | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |

*Recognised in the statement of profit and loss and other comprehensive income*

**Continued operations**

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Adjustments for prior periods       | 16           | (959)        |
| Research and development tax credit | <u>(370)</u> | <u>-</u>     |
| Total income tax benefit            | <u>(354)</u> | <u>(959)</u> |

|                                       |                |              |
|---------------------------------------|----------------|--------------|
| Deferred tax on continuing operations | (872)          | 258          |
| Adjustments for prior periods         | <u>-</u>       | <u>959</u>   |
| Total deferred tax expense            | <u>(872)</u>   | <u>1,217</u> |
| Total income tax (benefit)/expense    | <u>(1,226)</u> | <u>258</u>   |

**Seymour Whyte Limited**  
**Notes to the Consolidated Financial Statements**  
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**Note 6. Income Tax Expense (continued)**

|  | <b>2017</b>    | <b>2016</b>   |
|--|----------------|---------------|
|  | <b>\$'000</b>  | <b>\$'000</b> |
| <b><i>Reconciliation between income tax expense and profit before income tax</i></b> |                |               |
| Profit/(loss) before income tax  | <u>(2,573)</u> | <u>1,508</u>  |
| Prima facie income tax at 30% (2016: 30%)  | (771)          | 452           |
| Increase/(decrease) in income tax expense due to:                                    |                |               |
| Adjustments in relation to current income tax of previous years                      | (21)           | 1             |
| Share based payment expense  | (103)          | -             |
| Research and development tax credit  | (370)          | -             |
| Non-assessable income  | -              | (217)         |
| Other non-deductible expenses  | <u>39</u>      | <u>22</u>     |
| Income tax (benefit)/expense   | <u>(1,226)</u> | <u>258</u>    |

*Tax consolidation*

The company and its wholly-owned Australian resident entities have formed a tax-consolidated Group and are therefore taxed as a single entity. The head entity within the tax-consolidated Group is Seymour Whyte Limited and the other members of the tax consolidated Group are Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd.

**Note 7. Cash and Cash Equivalents**

|                            | <b>2017</b>   | <b>2016</b>   |
|----------------------------|---------------|---------------|
|                            | <b>\$'000</b> | <b>\$'000</b> |
| Cash at bank               | 34,299        | 35,056        |
| Cash on deposit or at call | <u>-</u>      | <u>237</u>    |
|                            | <u>34,299</u> | <u>35,293</u> |

*Reconciliation to cash and cash equivalents at the end of the year*

The above figures are reconciled to cash and cash equivalents at the end of the year as shown in the statement of cash flows as follows:

|  |               |               |
|--|---------------|---------------|
| Balance as per statement of cash flows | <u>34,299</u> | <u>35,293</u> |
|--|---------------|---------------|

*Restriction on cash and cash equivalents*

In the reporting period, the group terminated bank guarantee facilities secured by a right of set-off in relation to term deposits. At the end of the prior reporting period there were \$237,352 in deposits held against this facility. In June 2017, the Group entered a variation agreement where drawn bank guarantees are to be secured by a right of set-off on deposited funds. As at the reporting date the provision of cash security was not yet effected.

**Note 8. Trade and Other Receivables**

|   |             | <b>2017</b>   | <b>2016</b>   |
|---|-------------|---------------|---------------|
|   | <b>Note</b> | <b>\$'000</b> | <b>\$'000</b> |
| Trade receivables (a)                                 |             | 14,144        | 4,239         |
| Amounts due from customers for construction contracts | 14          | 49,428        | 50,044        |
| Other receivables                                     |             | <u>651</u>    | <u>1,296</u>  |
|   |             | <u>64,223</u> | <u>55,579</u> |

*(a) Impairment exposure*

Information about the assessment of impairment of trade and other receivables, their credit quality and the Group's exposure to credit risk is disclosed in Note 23. There were \$755,283 (2016: \$1,003,779) receivables past due as at 30 June 2017 which is considered to be fully recoverable and therefore no provision for doubtful debts has been recognised (2016: \$Nil).

**Note 9. Other Assets**

|                   | <b>2017</b>   | <b>2016</b>   |
|-------------------|---------------|---------------|
|                   | <b>\$'000</b> | <b>\$'000</b> |
| Prepayments       | 2,320         | 2,140         |
| Security deposits | 29            | 119           |
| Inventory         | <u>378</u>    | <u>310</u>    |
|                   | <u>2,727</u>  | <u>2,569</u>  |

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 10. Other Non-Current Receivables**

|                       | 2017<br>\$'000 | 2016<br>\$'000 |
|-----------------------|----------------|----------------|
| Loans to shareholders | 365            | 413            |

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

Key terms of the loan agreement are:

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

**Note 11. Equity Accounted Investments**

Seymour Whyte Constructions Pty Ltd has an interest in SWS Plant Pty Ltd (Associate) which was established for the purpose of acquiring a barge for dredging work required for a project which is now completed. The barge was sold in April 2014 with the settlement in October 2014. The company is currently in the process of being de-registered and the investment in the company is \$Nil (2016: \$130,483)

The Group's share of net profit of SWS Plant Pty Ltd was \$Nil (2016: \$Nil).

**Note 12. Property, Plant and Equipment**

|                                 | Freehold Land | Furniture, fittings and IT equipment | Heavy plant, machinery and motor vehicles | Total    |
|---------------------------------|---------------|--------------------------------------|---|----------|
|                                 | \$'000        | \$'000                               | \$'000                                    | \$'000   |
| <b>Cost</b>                     |               |                                      |   |          |
| Balance at 1 July 2015          | 3,278         | 3,283                                | 30,689                                    | 37,250   |
| Additions                       | -             | 321                                  | 3,701                                     | 4,022    |
| Disposals                       | -             | (3)                                  | (484)                                     | (487)    |
| Balance at 30 June 2016         | 3,278         | 3,601                                | 33,906                                    | 40,785   |
| Additions                       | -             | 494                                  | 1,627                                     | 2,121    |
| Disposals                       | -             | -                                    | (390)                                     | (390)    |
| Balance at 30 June 2017         | 3,278         | 4,095                                | 35,143                                    | 42,516   |
| <b>Accumulated Depreciation</b> |               |                                      |   |          |
| Balance at 1 July 2015          | -             | (1,663)                              | (6,327)                                   | (7,990)  |
| Depreciation expense            | -             | (600)                                | (3,296)                                   | (3,896)  |
| Disposals                       | -             | 2                                    | 264                                       | 266      |
| Balance at 30 June 2016         | -             | (2,261)                              | (9,359)                                   | (11,620) |
| Depreciation expense            | -             | (555)                                | (3,429)                                   | (3,984)  |
| Disposals                       | -             | -                                    | 263                                       | 263      |
| Balance at 30 June 2017         | -             | (2,816)                              | (12,525)                                  | (15,341) |
| <b>Carrying Amounts</b>         |               |                                      |   |          |
| At 30 June 2016                 | 3,278         | 1,340                                | 24,547                                    | 29,165   |
| At 30 June 2017                 | 3,278         | 1,279                                | 22,618                                    | 27,175   |

Included in heavy plant, machinery and motor vehicles are finance leased assets with a net book value of \$6,568,266 (2016: \$7,309,535). Financiers have either ownership of or a fixed charge secured over the funded asset.

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 13. Intangible Assets and Goodwill**

|                                 | Goodwill | Software and systems | Total   |
|---------------------------------|----------|----------------------|---------|
|                                 | \$'000   | \$'000               | \$'000  |
| <b>Cost or Valuation</b>        |          |                      |         |
| Balance at 1 July 2015          | 13,873   | 2,595                | 16,468  |
| Additions                       | -        | 257                  | 257     |
| Balance at 30 June 2016         | 13,873   | 2,852                | 16,725  |
| Additions                       | -        | 6                    | 6       |
| Balance at 30 June 2017         | 13,873   | 2,858                | 16,731  |
| <b>Accumulated Amortisation</b> |          |                      |         |
| Balance at 1 July 2015          | -        | (1,013)              | (1,013) |
| Amortisation expense            | -        | (525)                | (525)   |
| Balance at 30 June 2016         | -        | (1,538)              | (1,538) |
| Amortisation expense            | -        | (514)                | (514)   |
| Balance at 30 June 2017         | -        | (2,052)              | (2,052) |
| <b>Carrying Amounts</b>         |          |                      |         |
| At 30 June 2016                 | 13,873   | 1,314                | 15,187  |
| At 30 June 2017                 | 13,873   | 806                  | 14,679  |

*Impairment testing for the Utilities division Cash Generating Unit containing Goodwill*

The Group has recognised goodwill of \$13.87 million relating to the acquisition of Rob Carr Pty Ltd in February 2014, which makes up the Utilities division of the Group, a separate cash generating unit (CGU). Management has assessed the recoverable amount of the Utilities division CGU by preparing a 'value-in-use' discounted cash flow model, based on the financial budget approved by the Directors for the 2018 financial year and management's assessment of cash flow projections for a further four-year period together with a terminal value. Cash flow projections beyond the budget period are based on the following key assumptions to which the recoverable amount of the Utilities division CGU is most sensitive, including:

1. A post-tax discount rate of 10.3% (2016: 9.9%) reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the Utilities division, the risk free rate and the volatility of the share price relative to market movements.
2. Terminal value growth rate of 2% (2016: 3%), which is line with industry forecasts.
3. Average projected revenue growth of 4.0% (2016: 9.3%) per annum over a five year period. Management have reduced the projected revenue growth based on general market conditions, particularly in the East Coast of Australia.
4. Average EBITDA margin of 11.4% (2016: 16.2%), which is reflective of projected revenue growth and costs.

Based on the above assumptions, no impairment loss has been recognised as the carrying amount of the Utilities division CGU is below its recoverable amount.

As disclosed in Note 2, the Directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill may vary in carrying amount. The Directors are of the opinion that any reasonable possible change in a key assumption of which management has based its determination of the carrying value of the Utilities division CGU would not cause the carrying value to exceed its recoverable value.



**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 14. Construction Contracts in Progress**

|  | <b>Note</b> | <b>2017<br/>\$'000</b> | <b>2016<br/>\$'000</b> |
|--|-------------|------------------------|------------------------|
| <i>Contracts in progress</i>   |             |                        |                        |
| Construction costs incurred plus recognised profits                              |             | 448,851                | 316,782                |
| Less progress billings   |             | <u>(412,124)</u>       | <u>(271,359)</u>       |
|  |             | <u>36,727</u>          | <u>45,423</u>          |
| Recognised and included in the consolidated financial statements as amounts due: |             |                        |                        |
| - from customers for construction contracts                                      | 8           | 49,428                 | 50,044                 |
| - to customers under construction contracts                                      | 15          | <u>(12,701)</u>        | <u>(4,621)</u>         |
|  |             | <u>36,727</u>          | <u>45,423</u>          |

**Note 15. Trade and Other Payables**

|   | <b>Note</b> | <b>2017<br/>\$'000</b> | <b>2016<br/>\$'000</b> |
|---|-------------|------------------------|------------------------|
| Trade payables  |             | 18,521                 | 13,203                 |
| Other payables and accruals                           |             | 35,185                 | 40,559                 |
| Amounts due to customers under construction contracts | 14          | <u>12,701</u>          | <u>4,621</u>           |
|   |             | <u>66,407</u>          | <u>58,383</u>          |

**Note 16. Employee Benefit Liabilities**

|                    | <b>2017<br/>\$'000</b> | <b>2016<br/>\$'000</b> |
|--------------------|------------------------|------------------------|
| <b>Current</b>     |                        |                        |
| Annual leave       | 3,030                  | 2,453                  |
| Long service leave | <u>975</u>             | <u>954</u>             |
|                    | <u>4,005</u>           | <u>3,407</u>           |
| <b>Non-Current</b> |                        |                        |
| Long service leave | <u>826</u>             | <u>687</u>             |
|                    | <u>826</u>             | <u>687</u>             |

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 17. Deferred Tax Assets and Deferred Tax Liabilities**

The net deferred tax liability in the statement of financial position is attributable to the following deferred tax assets and deferred tax liabilities:

|                             | <b>Assets</b>          |                        | <b>Liabilities</b>     |                        | <b>Net</b>             |                        |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                             | <b>2017<br/>\$'000</b> | <b>2016<br/>\$'000</b> | <b>2017<br/>\$'000</b> | <b>2016<br/>\$'000</b> | <b>2017<br/>\$'000</b> | <b>2016<br/>\$'000</b> |
| Employee benefits           | 2,234                  | 1,624                  | -                      | -                      | 2,234                  | 1,624                  |
| Construction contracts      | 1,496                  | 545                    | (13,031)               | (12,711)               | (11,535)               | (12,166)               |
| Property, plant & equipment | -                      | -                      | (1,215)                | (1,097)                | (1,215)                | (1,097)                |
| Other payables and accruals | 43                     | 73                     | (39)                   | (24)                   | 4                      | 49                     |
| Tax loss                    | 4,070                  | 4,009                  | -                      | -                      | 4,070                  | 4,009                  |
| Sundry items                | 251                    | 62                     | -                      | (93)                   | 251                    | (31)                   |
|                             | <u>8,094</u>           | <u>6,313</u>           | <u>(14,285)</u>        | <u>(13,925)</u>        | <u>(6,191)</u>         | <u>(7,612)</u>         |

Movement in temporary differences during the year ended 30 June 2017:

|                             | <b>Balance at the<br/>beginning of the<br/>year<br/>\$'000</b> | <b>Recognised in<br/>profit or loss<br/>\$'000</b> | <b>Recognised in<br/>equity<br/>\$'000</b> | <b>Balance at the<br/>end of the year<br/>\$'000</b> |
|-----------------------------|--|--|--|--|
| Employee benefits           | 1,624  | 200  | 410  | 2,234  |
| Constructions contracts     | (12,166)   | 631  | -  | (11,535)   |
| Property, plant & equipment | (1,097)  | (118)  | -  | (1,215)  |
| Other payables and accruals | 49   | (45)   | -  | 4  |
| Tax loss                    | 4,009  | 61   | -  | 4,070  |
| Sundry items                | (31)   | 282  | -  | 251  |
|                             | <u>(7,612)</u>   | <u>1,011</u>                                       | <u>410</u>                                 | <u>(6,191)</u>                                       |

Movement in temporary differences during the year ended 30 June 2016:

|                             | <b>Balance at the<br/>beginning of the<br/>year<br/>\$'000</b> | <b>Recognised in<br/>profit or loss<br/>\$'000</b> | <b>Recognised in<br/>equity<br/>\$'000</b> | <b>Balance at the<br/>end of the year<br/>\$'000</b> |
|-----------------------------|--|--|--|--|
| Employee benefits           | 2,245  | (621)  | -  | 1,624  |
| Constructions contracts     | (8,923)  | (3,243)  | -  | (12,166)   |
| Property, plant & equipment | -  | (1,097)  | -  | (1,097)  |
| Other payables and accruals | 243  | (194)  | -  | 49   |
| Tax loss                    | -  | 4,009  | -  | 4,009  |
| Sundry items                | 40   | (71)   | -  | (31)   |
|                             | <u>(6,395)</u>   | <u>(1,217)</u>                                     | <u>-</u>                                   | <u>(7,612)</u>                                       |

**Note 18. Equity - Issued capital**

|                              | <b>Consolidated</b>  |                      | <b>Consolidated</b> |               |
|------------------------------|----------------------|----------------------|---------------------|---------------|
|                              | <b>2017</b>          | <b>2016</b>          | <b>2017</b>         | <b>2016</b>   |
|                              | <b>No. of Shares</b> | <b>No. of Shares</b> | <b>\$'000</b>       | <b>\$'000</b> |
| Ordinary shares - fully paid | <u>87,976,230</u>    | <u>87,976,230</u>    | <u>22,671</u>       | <u>22,671</u> |

*Movements in ordinary share capital*

| <b>Details</b>                                   | <b>Date</b>   | <b>No. of shares</b> | <b>\$'000</b> |
|--|---------------|----------------------|---------------|
| 1 July 2015                                      |               | 87,769,869           | 22,493        |
| Shares issued under exempt employee share scheme | 21 March 2016 | <u>206,361</u>       | <u>178</u>    |
| 1 July 2016                                      |               | 87,976,230           | 22,671        |
| Shares issued under exempt employee share scheme |               | <u>-</u>             | <u>-</u>      |
| 30 June 2017                                     |               | <u>87,976,230</u>    | <u>22,671</u> |

Share capital has no par value.

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 18. Equity - Issued capital (continued)***Shareholder rights*

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

*Dividend reinvestment plan*

The company has established a dividend reinvestment plan (DRP) under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. No shares were issued under the DRP during the FY2017 financial year (2016: Nil).

*Exempt Employee share scheme*

The exempt employee share scheme is an equity based plan on which \$1,000 worth of shares is offered to Australian resident qualifying employees. Employees must have worked at least three months prior to issue to qualify for the relevant year's issue. Shares are pro-rata based on partial year worked. These are granted free of charge and are not subject to any company performance hurdles.

Shares issued under the plan will be subject to a holding lock for three years from the date of issue or cessation of employment with the Group. No shares were issued under the exempt employee share scheme during the FY2017 financial year (2016: \$177,747).

**Note 19. Share Based Payments**

During the year, the Group had the following share based payment arrangements:

- (i) Performance and Retention Rights (Equity-settled)

The Employee Share Option Plan (ESOP) is a long-term incentive plan (LTIP) designed to provide participants with the incentive to deliver growth in shareholder value.

Rights issued to employees are classed as either retention incentive rights or long-term incentive rights. Vesting of retention rights are subject to the achievement of a service condition that the employee remains with the Group for a specific period of time.

Vesting of the long-term incentive rights is subject to performance hurdles and the achievement of a service condition. Participants must remain continuously employed with the Group for up to three years to remain eligible for rights to vest.

Performance rights granted to employees do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date. The principal terms of the performance rights are:

- An entitlement to one fully paid ordinary share for each right that vests
- All performance rights have a zero exercise price; and
- Rights that do not vest will lapse.

The performance period and the proportion of rights subject to the achievement of each performance hurdle are as follows:

|  | Performance Period | Performance Hurdles                 |   |                                     |
|--|--------------------|-------------------------------------|---|-------------------------------------|
|  |                    | Net Profit After Tax (NPAT)         | Total Shareholder Return (TSR)                                      | Earnings per Share (EPS)            |
|  |                    | Relative to target set by the Board | Ranking criteria relative to TSR of constituents of the S&P/ASX 200 | Relative to target set by the Board |
| FY14 LTIP (Tranche 1 and 2) <sup>1</sup> | 1 year             | 25%                                 | 37.5%   | 37.5%                               |
| FY15, FY16 and FY17 LTIP                 | 3 years            | -                                   | 50%   | 50%                                 |

1. FY14 LTIP vested on the 1 September 2016.

The weighted average remaining contractual life of all performance rights outstanding at the end of the financial year is 2.1 years (2016: 1.7 years).

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 19. Share Based Payments (continued)**

The number of performance and retention rights over ordinary shares of Seymour Whyte Limited granted to employees of the Group are as follows:

| Employee Performance Rights Plan (No. of Rights) | 2016                            |                            |                              |                              |                               | 2017                       |                              |                              |                               |
|--|---------------------------------|----------------------------|------------------------------|------------------------------|-------------------------------|----------------------------|------------------------------|------------------------------|-------------------------------|
|  | Rights at the start of the year | Rights granted in the year | Rights forfeited in the year | Rights exercised in the year | Rights at the end of the year | Rights granted in the year | Rights forfeited in the year | Rights exercised in the year | Rights at the end of the year |
| <b>Long Term Incentive Plan</b>                  |                                 |                            |                              |                              |                               |                            |                              |                              |                               |
| FY13 LTIP  | 685,114                         | -                          | (124,822)                    | (560,292)                    | -                             | -                          | -                            | -                            | -                             |
| FY14 LTIP (Tranche 1)                            | 1,433,928                       | -                          | (445,574)                    | -                            | 988,354                       | -                          | -                            | (988,354)                    | -                             |
| FY14 LTIP (Tranche 2) <sup>1</sup>               | 147,726                         | -                          | (10,307)                     | -                            | 137,419                       | -                          | -                            | (137,419)                    | -                             |
| FY15 LTIP  | 611,351                         | -                          | (132,782)                    | -                            | 478,569                       | -                          | (72,891)                     | -                            | 405,678                       |
| FY15 LTIP (Executive Directors)                  | 66,489                          | -                          | -                            | -                            | 66,489                        | -                          | (66,489)                     | -                            | -                             |
| FY16 LTIP  | -                               | 1,572,532                  | (221,783)                    | -                            | 1,350,749                     | -                          | (138,878)                    | -                            | 1,211,871                     |
| FY17 LTIP  | -                               | -                          | -                            | -                            | -                             | 2,345,404                  | (72,414)                     | -                            | 2,272,990                     |
| <b>Retention Incentive Plan</b>                  |                                 |                            |                              |                              |                               |                            |                              |                              |                               |
| FY13 Retention                                   | 357,500                         | -                          | (152,500)                    | (205,000)                    | -                             | -                          | -                            | -                            | -                             |
| FY14 Retention                                   | 394,291                         | -                          | (143,730)                    | -                            | 250,561                       | -                          | (6,842)                      | (243,719)                    | -                             |
| RCPL Retention 1 <sup>2</sup>                    | 61,385                          | -                          | -                            | (61,385)                     | -                             | -                          | -                            | -                            | -                             |
| RCPL Retention 2 <sup>2</sup>                    | 61,385                          | -                          | -                            | -                            | 61,385                        | -                          | -                            | (61,385)                     | -                             |
| Robert Carr Retention 1 <sup>3</sup>             | 74,390                          | -                          | -                            | (74,390)                     | -                             | -                          | -                            | -                            | -                             |
| Robert Carr Retention 2 <sup>3</sup>             | 74,390                          | -                          | -                            | -                            | 74,390                        | -                          | -                            | (74,390)                     | -                             |
| <b>Total all rights</b>                          | 3,967,949                       | 1,572,532                  | (1,231,498)                  | (901,067)                    | 3,407,916                     | 2,345,404                  | (357,514)                    | (1,505,267)                  | 3,890,539                     |

1. A tranche of FY14 LTIP's was also granted to new starters on 7 May 2014.
2. FY14 Retention Rights granted to executives of Rob Carr Pty Ltd (excluding the Executive Director) were issued across two tranches to provide for two separate vesting dates.
3. FY15 Retention rights issued to Robert Carr relate to FY14 however were issued following receipt of shareholder approval on 26th November 2014. Rights issued across two tranches to provide for two separate vesting dates.

There were no performance rights available for exercise at 30 June 2017 (2016: Nil).

- (i) Fair value of performance rights granted

The fair value at grant date is independently determined using a Monte-Carlo option pricing model that takes into account the term of the right, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right.

For the rights granted during the current and comparative years, the model inputs used to determine the fair value at the grant date, are as follows:

| Employee Performance Rights Plan       | Grant date  | Expiry date | Share price at grant date | Expected price volatility | Expected dividend yield | Risk-free interest rate | Fair value at grant date |
|--|-------------|-------------|---------------------------|---------------------------|-------------------------|-------------------------|--------------------------|
| <b>Long Term Incentive Plan (LTIP)</b> |             |             |                           |                           |                         |                         |                          |
| FY16 LTIP                              | 6 Jan 2016  | 1 Mar 2019  | \$1.00                    | 40.0%                     | 6.5%                    | 1.995%                  | \$0.595                  |
| FY17 LTIP                              | 25 Nov 2016 | 1 Mar 2020  | \$0.83                    | 45.0%                     | 3.5%                    | 1.960%                  | \$0.557                  |

The expected price volatility is based on historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility.

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Note 19. Share Based Payments (continued)

- (ii) Exempt Employee Share Scheme (Equity-settled)

The Exempt Employee Share Plan (EESP) was established to encourage shareholder participation and the alignment of interest between the Company and a broad pool of employees.

Further discussion of the plan can be found in the Group’s remuneration report on page 14. Refer to Note 5 for details relating to employee benefit expenses.

During the year, the Group did not issue shares to employees under the Exempt Employee Share Plan.

Note 20. Equity - Dividends

|                | 2017<br>\$’000 | 2016<br>\$’000 |
|----------------|----------------|----------------|
| Dividends paid | -              | 7,022          |

The Company has not declared or paid a dividend for the year ended 30 June 2017.

Dividend payments for the year ended 30 June 2016 were in respect of the final dividend in for the year ended 30 June 2015 of 6.25 cents and the interim dividend for the year ended 30 June 2016 of 1.75 cents.

Dividend reinvestment plan

No shares were issued under the Dividend Reinvestment Plan during the year (2016: Nil).

Franking credits

|   | 2017<br>\$’000 | 2016<br>\$’000 |
|---|----------------|----------------|
| Amount of franking credits at the reporting date, available to shareholders in future financial years is: | 17,222         | 17,460         |

Note 21. Earnings Per Share

|   | 2017<br>\$’000 | 2016<br>\$’000 |
|---|----------------|----------------|
| Profit/(loss) after income tax  | (1,347)        | 1,250          |
| The weighted average number of ordinary shares used in the calculation of earnings per share calculations are as follows: |                |                |
|   | 2017<br>No:    | 2016<br>No:    |
| Issued ordinary shares at 1 July  | 87,976,230     | 87,769,869     |
| Effect of shares issued through employee share scheme   | -              | 57,510         |
| Effect of movement in treasury shares   | (259,454)      | -              |
| Weighted average number of ordinary shares used in calculating earnings per share   | 87,716,776     | 87,827,379     |
| Adjustments for calculation of diluted earnings per share:  |                |                |
| Effect of performance rights on issue   | 377,582        | 2,139,553      |
| Weighted average number of ordinary shares after adjustment for the effect of dilutive potential ordinary shares          | 88,094,358     | 89,966,932     |
|   | 2017<br>Cents  | 2016<br>Cents  |
| Earnings per share  |                |                |
| Basic earnings from continuing operations   | (1.54)         | 1.42           |
| Diluted earnings from continuing operations   | (1.53)         | 1.39           |

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Notes to the Consolidated Financial Statements  
30 June 2017

Note 22: Capital Risk Management

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

The Group also maintains a low level of debt in order to ensure sufficient capacity exists for bank guarantee and bonding facilities. These facilities provide head contract securities that are required by traditional contracts.

The leverage for the year ended 30 June 2017 and 30 June 2016 are as follows:

|   | 2017<br>\$’000 | 2016<br>\$’000 |
|---|----------------|----------------|
| Total cash and cash equivalents (Note 7)  | 34,299         | 35,293         |
| Less: finance lease liabilities (Note 25) | (3,799)        | (4,626)        |
| Net cash                                  | 30,500         | 30,667         |
| Total equity                              | 63,220         | 64,000         |
| Net cash to equity %                      | 48%            | 48%            |

Note 23. Financial Risk Management

Financial risk management policies

The Group’s activities expose it to a number of risks including:

- (i) market risks (including foreign exchange risk, price risk and interest rate risk)
- (ii) credit risk; and
- (iii) liquidity risk

The Group adopts conservative risk management practices as per approval by the Board of Directors and are aimed at ensuring adequate cash flows and minimising capital risks.

(i) Market Risks

Foreign currency risk

The Group may hedge its foreign exchange risk exposure using forward exchange contracts depending on the nature and value of the transaction. Consideration is given to the duration of the delivery period and hence timing of settlement along with the historical and forecast volatility of the currency that is required for settlement. Board approval is obtained prior to any forward exchange contracts being entered into. Derivatives are used exclusively by the Group for hedging purposes i.e. not as speculative trading.

As at 30 June 2017, the Group had no forward exchange contracts (2016: Nil), the Group’s net exposure to currency risk at reporting date is \$Nil (2016: \$Nil) and the Group and had no other derivative financial instruments as at 30 June 2017 (2016: \$Nil).

Price risk

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

Interest rate risk

Interest rate risk represents the possibility that unfavourable interest rate movements may adversely affect the Group’s financial performance. The Group’s exposure to interest rate risk is evaluated by comparing cash and borrowing levels to indicative interest rate movements. Interest rate risk on deposits is managed by negotiating optimal deposit rates. Interest rate risk on borrowings is managed by ensuring the Group borrows for purchases of self-securing capital items at fixed interest rates, thereby minimising the overall quantum of borrowings and the cost of funds.

(ii) Credit risk

Trade and Other Receivables

Credit risk represents the possibility that a counter-party to a customer contract may fail to meet its contractual obligations and default on payment leading to a financial loss. The maximum credit exposure is the carrying amount of the asset, as disclosed in the financial statements (net of any provision for impairment). Major customers are assessed for credit worthiness and the Group closely monitors the ageing of receivables. Customers that fall outside the Group’s strict credit guidelines may face legal action.

There were \$755,283 receivables past due as at 30 June 2017 which is considered to be fully recoverable and therefore no provision for doubtful debts has been recognised (2016: \$Nil).



**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 23. Financial Risk Management (continued)***Cash and Cash Equivalents*

Credit risk is managed by ensuring banks and financial institutions holding the Group's cash have at least an 'A' grade credit rating. The Group held cash and cash equivalents with financial institutions of \$34,299,392 at 30 June 2017 (2016: \$35,293,382).

**(iii) Liquidity risk**

Liquidity risk represents the possibility that the Group may encounter difficulty in paying its debts or other financial obligations as and when they fall due. The likely exposure to liquidity risk is evaluated by making assessments based on inputs such as financial ratios (e.g. current ratio and debt to equity ratio) including monitoring forecast cash flows on a weekly, monthly and annual basis.

*Non-derivative financial instrument composition and maturity analysis*

The following are the remaining contractual maturities of financial assets and financial liabilities at 30 June 2017. The amounts are gross and undiscounted and includes interest payments on finance lease liabilities.

| <b>2017</b>                        | <b>Carrying amount<br/>\$'000</b> | <b>Less than 3 months<br/>\$'000</b> | <b>3 months to 1 year<br/>\$'000</b> | <b>1-5 years<br/>\$'000</b> | <b>More than 5 years<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|------------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|-----------------------------|-------------------------------------|-------------------------|
| <b>Financial Assets</b>            |                                   |                                      |                                      |                             |                                     |                         |
| Cash and cash equivalents          | 34,299                            | 34,299                               | -                                    | -                           | -                                   | 34,299                  |
| Trade and other receivables        | 64,223                            | 50,964                               | 13,259                               | -                           | -                                   | 64,223                  |
| <b>Total financial assets</b>      | <b>98,522</b>                     | <b>85,263</b>                        | <b>13,259</b>                        | <b>-</b>                    | <b>-</b>                            | <b>98,522</b>           |
| <b>Financial Liabilities</b>       |                                   |                                      |                                      |                             |                                     |                         |
| Trade and other payables           | 66,407                            | 57,894                               | 8,513                                | -                           | -                                   | 66,407                  |
| Finance lease liabilities          | 3,799                             | 412                                  | 1,159                                | 2,535                       | -                                   | 4,106                   |
| <b>Total financial liabilities</b> | <b>70,206</b>                     | <b>58,306</b>                        | <b>9,672</b>                         | <b>2,535</b>                | <b>-</b>                            | <b>70,513</b>           |
| <b>2016</b>                        | <b>Carrying amount<br/>\$'000</b> | <b>Less than 3 months<br/>\$'000</b> | <b>3 months to 1 year<br/>\$'000</b> | <b>1-5 years<br/>\$'000</b> | <b>More than 5 years<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
| <b>Financial Assets</b>            |                                   |                                      |                                      |                             |                                     |                         |
| Cash and cash equivalents          | 35,293                            | 35,293                               | -                                    | -                           | -                                   | 35,293                  |
| Trade and other receivables        | 55,579                            | 46,024                               | 9,555                                | -                           | -                                   | 55,579                  |
| <b>Total financial assets</b>      | <b>90,872</b>                     | <b>81,317</b>                        | <b>9,555</b>                         | <b>-</b>                    | <b>-</b>                            | <b>90,872</b>           |
| <b>Financial Liabilities</b>       |                                   |                                      |                                      |                             |                                     |                         |
| Trade and other payables           | 58,383                            | 48,794                               | 9,589                                | -                           | -                                   | 58,383                  |
| Finance lease liabilities          | 4,626                             | 549                                  | 1,373                                | 3,083                       | -                                   | 5,005                   |
| <b>Total financial liabilities</b> | <b>63,009</b>                     | <b>49,343</b>                        | <b>10,962</b>                        | <b>3,083</b>                | <b>-</b>                            | <b>63,388</b>           |

*Net fair values*

No financial assets and liabilities are readily traded on organised markets in standardised form. The carrying amounts of financial assets and liabilities equals their net fair value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

*Sensitivity analysis*

The Group holds cash as interest bearing assets, however at the reporting date any changes to interest rates would not have significantly affected the fair value of cash hence no sensitivity analysis has been performed.

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 24. Contingent Liabilities and Finance Facilities**

**2017  
\$'000**

**2016  
\$'000**

*Claims*

At the date of signing this report the Directors are not aware of any material contingent claims against the Group.

*Bank guarantee and insurance bonds*

Bank guarantee facility secured by a Mortgage Debenture and Corporate Guarantee and Indemnity over all assets of the Group. In June 2017, the Group entered a variation agreement to its current bank guarantee facility to provide cash security to the value of guarantees on issue. At the reporting date the provision of cash security was not yet in effect.

10,000

35,587

The total facility used was:

3,151

18,728

Insurance bond facility secured by Deeds of Indemnity and Guarantee:

75,000

50,000

The total facility used was:

50,372

32,871

Bank guarantees and insurance bonds are issued in the normal course of business to guarantee performance under traditional construction contracts and to secure leases on premises through the issue of rental guarantees. At reporting date, the Group was in compliance with all terms and conditions of the facilities.

**2017  
\$'000**

**2016  
\$'000**

*Asset finance facility*

Asset finance facility is used to fund the acquisition of plant and motor vehicles and is secured by providing ownership of or mortgages over assets purchased through the facility.

7,000

7,445

The total facility used was:

3,799

4,626

*Other finance facilities*

The Group has no other finance facilities. In the prior year the Group had a general corporate facility of \$10,000,000 which was undrawn at 30 June 2016. The facility closed in June 2017.

**Note 25. Commitments**

**2017  
\$'000**

**2016  
\$'000**

*Lease commitments - operating*

|                         |              |              |
|-------------------------|--------------|--------------|
| Within one year         | 2,133        | 1,785        |
| One to five years       | 2,522        | 3,602        |
| Greater than five years | -            | -            |
|                         | <u>4,655</u> | <u>5,387</u> |

The Group leases offices and storage yards under operating lease agreements expiring within one to three years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated. The Group also leases office machines under operating lease agreements expiring within four years.

**2017  
\$'000**

**2016  
\$'000**

*Lease commitments – finance*

Committed at the reporting date and recognised as liabilities:

|                   |              |              |
|-------------------|--------------|--------------|
| Within one year   | 1,571        | 1,922        |
| One to five years | <u>2,535</u> | <u>3,083</u> |

Total commitment

4,106

5,005

Less: future finance charges

(307)

(379)

Present value of minimum lease payments recognised as liabilities

3,799

4,626

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 25. Commitments (continued)**

|                               | <b>2017</b>   | <b>2016</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>\$'000</b> | <b>\$'000</b> |
| Representing:                 |               |               |
| Lease liability - current     | 1,415         | 1,735         |
| Lease liability - non-current | 2,384         | 2,891         |
|                               | <u>3,799</u>  | <u>4,626</u>  |

The chattel mortgages and hire purchase agreements on plant and motor vehicles have durations between 3 to 5 years.

*Purchase commitments*

Significant capital expenditure committed for at the end of the reporting date but not recognised as liabilities are as follows:

|                | <b>2017</b>   | <b>2016</b>   |
|----------------|---------------|---------------|
|                | <b>\$'000</b> | <b>\$'000</b> |
| <i>Capital</i> |               |               |
| Motor vehicles | -             | 232           |
| <i>Total</i>   | <u>-</u>      | <u>232</u>    |

**Note 26. Remuneration of Auditors**

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Group:

|  | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <i>Audit services</i>                        |               |               |
| Audit and review of the financial statements | 160           | 119           |

**Note 27. Related Party Transactions***Key management personnel compensation*

The aggregate compensation paid to Key Management Personnel of the Group is set out below:

|                              | <b>2017</b>   | <b>2016</b>   |
|------------------------------|---------------|---------------|
|                              | <b>\$'000</b> | <b>\$'000</b> |
| Short-term employee benefits | 3,582         | 3,237         |
| Post-employment benefits     | 161           | 159           |
| Long-term benefits           | (16)          | 20            |
| Termination benefits         | -             | -             |
| Share-based payments         | 206           | 46            |
|                              | <u>3,933</u>  | <u>3,462</u>  |

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 25.

|  | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |

*Transactions with related parties*

Transactions with related parties are on normal commercial terms and conditions which are no more favourable than those available to other parties on an arm's length basis unless otherwise stated.

## Payments:

- Rental and outgoing payments (GST exclusive) to a Director (Robert Carr) related entity for premises used by Rob Carr Pty Ltd for offices and plant storage.
- Payments to a related entity of Director (David Wilson) in relation to remuneration as Acting Managing Director and Chief Executive Officer (for the period 29 July 2015 until 26 October 2015)

755 746

- 99

## Receipts:

- Settlement of warranties from Robert Carr under the share sale agreement for Rob Carr Pty Ltd

- 231

*Balances with related parties*

- Principle amounts due from shareholder loans.

570 618

**Seymour Whyte Limited****Notes to the Consolidated Financial Statements****30 June 2017****Note 28. Parent Entity Disclosures**

The individual financial statements for the parent entity, Seymour Whyte Limited show the following aggregate amounts:

|                             | <b>2017</b>   | <b>2016</b>   |
|-----------------------------|---------------|---------------|
|                             | <b>\$'000</b> | <b>\$'000</b> |
| Profit after income tax     | 4,434         | 2,316         |
| Current assets              | 5,084         | 4,637         |
| Non current assets          | 50,374        | 49,527        |
| Total assets                | <u>55,458</u> | <u>54,164</u> |
| Current liabilities         | 14,935        | 17,554        |
| Non current liabilities     | 9,500         | 9,500         |
| Total liabilities           | <u>24,435</u> | <u>27,054</u> |
| Net assets                  | <u>31,023</u> | <u>27,110</u> |
| Issued capital              | 22,671        | 22,671        |
| Share based payment reserve | 1,059         | 1,580         |
| Retained earnings           | 7,293         | 2,859         |
| Total equity                | <u>31,023</u> | <u>27,110</u> |

Liabilities include an intercompany loan of \$9,500,000 (2016: \$19,500,000) from Seymour Whyte Constructions Pty Ltd in relation to an amount borrowed to acquire Rob Carr Pty Ltd on 25 February 2014. The loan is repayable at the discretion of Seymour Whyte Limited but no later than 30 June 2019.

**Note 29. Subsidiaries**

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

|  | <b>Country of Incorporation</b> | <b>Equity Interest</b> |             |
|--|---------------------------------|------------------------|-------------|
|  |                                 | <b>2017</b>            | <b>2016</b> |
|  |                                 | <b>%</b>               | <b>%</b>    |
| Seymour Whyte Constructions Pty Ltd        | Australia                       | 100                    | 100         |
| Rob Carr Pty Ltd                           | Australia                       | 100                    | 100         |
| Seymour Whyte Limited Employee Share Trust | Australia                       | 100                    | 100         |

**Note 30: Interests in Joint Operations**

Seymour Whyte Constructions Pty Ltd, a subsidiary, has the following material investments in joint operations:

|  | <b>Principal Activities</b> | <b>Equity Interest</b> |             |
|--|-----------------------------|------------------------|-------------|
|  |                             | <b>2017</b>            | <b>2016</b> |
|  |                             | <b>%</b>               | <b>%</b>    |
| Seymour Whyte Smithbridge Joint Venture  | Civil Construction          | 50                     | 50          |
| SWBJV Joint Venture                      | Civil Construction          | 50                     | 50          |
| GC Connect Joint Venture                 | Civil Construction          | 75                     | 75          |
| Drying Green Joint Venture               | Civil Construction          | 31.9                   | 31.9        |
| Fulton Hogan Seymour Whyte Joint Venture | Civil Construction          | 50                     | -           |
| Seymour Whyte Ostwald Joint Venture      | Civil Construction          | 50                     | -           |

The principal place of business for all joint operations is within Australia. These joint operations are an important element of the Group's strategy for growth and diversification.

**Seymour Whyte Limited**  
**Notes to the Consolidated Financial Statements**  
**30 June 2017**

**Note 31. Reconciliation of Profit after Income Tax to Net Cash from Operating Activities**

|  | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Profit/(loss) after income tax expense for the year                                      | (1,347)       | 1,250         |
| Adjustments for:   |               |               |
| Depreciation and amortisation  | 4,498         | 4,421         |
| Net loss on disposal of plant and equipment  | 30            | 39            |
| Effective interest income on PPS loan  | -             | (162)         |
| Share based payments expense (net of tax)  | 811           | 514           |
| Change in operating assets and liabilities, net of effect from acquisition of subsidiary |               |               |
| Increase in trade and other receivables  | (8,644)       | (8,298)       |
| Increase in other assets   | (158)         | (815)         |
| (Increase) / decrease in current tax assets  | (601)         | 2,149         |
| Increase in trade and other payables   | 8,024         | 5,865         |
| Increase / (decrease) in employee benefit liabilities                                    | 737           | (266)         |
| Increase / (decrease) in deferred tax liabilities  | (1,421)       | 1,217         |
| Cash flow from operations  | <u>1,929</u>  | <u>5,914</u>  |

*Non-cash transactions*

During the year the Group purchased plant and equipment of \$1,068,616 (2016: \$2,553,089) through finance leases.

**Note 32. Events after the Reporting Period**

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

**Seymour Whyte Limited**  
**Directors' Declaration**

In the opinion of the Directors of Seymour Whyte Limited:

- a) The consolidated financial statements and notes, as set out on pages 31 to 60 and the additional disclosures included in the Directors Report designated as audited are in accordance with the *Corporations Act 2001*, including:
  - i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - ii) Complying with International Financial Reporting Standards as disclosed in Note 1; and
  - iii) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of the performance for the year ended on that date.
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Executive Director and Chief Financial Officer for the financial year ended 30 June 2017.

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



**John Kirkwood**  
 Managing Director and Chief Executive Officer



**Mac Drysdale**  
 Chairman

18 August 2017  
 Brisbane



# Independent Auditor's Report to the Members of Seymour Whyte Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Seymour Whyte Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Key Audit Matter  | How the scope of our audit responded to the Key Audit Matter  |
|---|---|
| <p><b>Recognition of construction revenue</b></p> <p>Refer to Note 1(I) 'Revenue recognition' and Note 2 (i) 'Revenue' for accounting policy disclosures.</p> <p>The Group's largest source of revenue is from construction contracts. Construction revenues are derived from contracts where revenue is recognised based on the stage of completion. This is measured as the percentage of work performed up to the reporting date with respect to the total forecast contract cost.</p> <p>Construction revenue is recognised by management after assessing all factors relevant to each contract, including specifically estimating the following as applicable:</p> <ul style="list-style-type: none"><li>- the stage of completion of the project and the project completion date;</li><li>- costs, including the estimation of forecast cost to complete and the estimation of cost contingencies; and</li><li>- the determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims.</li></ul> <p>Construction revenue is a key audit matter due to the number and type of estimation events over the course of the contract life and the unique nature of individual contract terms leading to complex and judgemental revenue recognition from contracts.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Evaluating management's processes around the recognition of contract revenue including:<ul style="list-style-type: none"><li>- the review and approval process at the tendering phase by the Pre-contracts Manager and CEO;</li><li>- the review and approval of contract costs including the allocation of these costs to projects by the respective Project Managers; and</li><li>- the project reviews performed including the project forecast cost to complete and project valuation undertaken by senior management on a monthly basis.</li></ul></li><li>• Selecting contracts for testing based on a number of quantitative and qualitative risk factors, which may indicate that a greater level of judgement is required in measuring and recognising revenue, including:<ul style="list-style-type: none"><li>- projects with significant unapproved claims and variations;</li><li>- projects with significant revenue recorded in the current year;</li><li>- contracts with significant margin movement compared to tender margin;</li><li>- projects with delayed completion dates, which may indicate variations from budgeted cost or exposure to penalties; and</li><li>- loss-making contracts or contracts with forecast margins less than 5%, indicating that the project may be at risk of being loss making.</li></ul></li><li>• For the sample of contracts selected for testing:<ul style="list-style-type: none"><li>- obtained an understanding of the contract terms and conditions to evaluate whether the individual characteristics of each contract were reflected in management's estimate of forecast costs and revenue;</li><li>- held meetings with relevant project management teams in order to obtain an understanding of recent contract performance and any issues identified;</li><li>- tested a sample of costs incurred to date and agreed these to supporting documents, including invoices;</li><li>- where applicable, agreed certified revenue recorded for the year to the latest client certified progress claim;</li><li>- assessed and challenged management's estimate of costs to complete by reference to recent performance and consideration of work</li></ul></li></ul> |



| Key Audit Matter  | How the scope of our audit responded to the Key Audit Matter   |
|---|--|
|   | <p>completed to date versus work still outstanding;</p> <ul style="list-style-type: none"> <li>- where the outcome of the project indicated a revision to the estimated profit or loss, agreed the calculation of the revised project financial outcome and the recognition of that change including adjustments to revenue recognised. Where there was a forecast loss confirming that the losses had been recognised;</li> <li>- for significant variations and claims recognised, we agreed these to supporting documentation including ongoing communications with the customer or, if available, the subsequent written approval from the customer with reference to the underlying contract; and</li> <li>- evaluated the contract performance in the period since the year ended 30 June 2017 to assess whether there are any adverse movements.</li> </ul> <ul style="list-style-type: none"> <li>• Evaluating the adequacy of the disclosures in Note 1(I) and Note 2 (i).</li> </ul>   |
| <p><b>Recoverability of assets (Goodwill)</b></p> <p>Refer to Note 1(R) (i) 'Intangible assets', Note 2(ii) 'Impairment of Goodwill' and Note 13 'Intangible assets and Goodwill'.</p> <p>The Group has recognised goodwill of \$13.87 million relating to the acquisition of Rob Carr Pty Ltd in February 2014, which makes up the Utilities division of the Group, a separate cash generating unit (CGU).</p> <p>Management has assessed the recoverable amount of the Utilities division CGU by preparing a 'value-in-use' discounted cash flow model. This model incorporates significant judgements and assumptions, including a discount rate, terminal value growth rate, projected revenue and costs.</p> <p>We have focused on this area as a key audit matter due to the sensitivity involved in calculating the recoverable value of the Utilities division CGU.</p> | <p>In conjunction with our valuation experts, our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Evaluating management's processes around the development of the 'value in use' discounted cash flow model.</li> <li>• Agreeing the input in the model to board approved budgets.</li> <li>• Assessing management's model, including critically evaluating the following assumptions: <ul style="list-style-type: none"> <li>- discount rate applied against comparable companies;</li> <li>- forecast revenue and costs against historical results, board approved budgets and pipeline of prospective projects;</li> <li>- growth rates by reference to recent bid wins and the pipeline of prospective projects; and</li> <li>- the terminal value growth rate against long-term industry forecasts.</li> </ul> </li> <li>• We corroborated market related external data in respect of inputs into the discount rate and the terminal value growth rate to determine that these are reasonable and supportable given the current macroeconomic climate and expected future performance.</li> </ul> |



| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter   |
|------------------|--|
|                  | <ul style="list-style-type: none"> <li>• Testing on a sample basis the mathematical accuracy of the discounted cash flow model.</li> <li>• Assessing the historical accuracy of management's cash flow forecasts for the Utilities division CGU.</li> <li>• Performing a sensitivity analysis on the key assumptions, being discount rates, projected revenue and costs, and the terminal value growth rate of the Utilities division CGU.</li> <li>• Evaluating the adequacy of the disclosures in Note 1(R) (i), Note 2 (ii) and Note 13.</li> </ul> |

#### Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, the other information also includes the following documents which will be included in the annual report (but does not include the financial report and our auditor's report thereon): the Year in Review, the Chairman's Report, the CEO and Managing Director's Report, the Financial and Operations Report, the Map of Operations, 30 Years Strong – Featurette to celebrate the last 30 year history of the company and the Sustainable Delivery report, which are expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and accordingly we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Year in Review, the Chairman's Report, the CEO and Managing Director's Report, the Financial and Operations Report, the Map of Operations, 30 Years Strong – Featurette to celebrate the last 30 year history of the company and the Sustainable Delivery report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

#### Directors' Responsibilities 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.





### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on the Remuneration Report

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Seymour Whyte Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

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.

DELOITTE TOUCHE TOHMATSU

R.G. Saayman

Partner

Chartered Accountants

Brisbane, 18 August 2017



# CORPORATE DIRECTORY

|  |  |
|--|--|
| Directors  | Mac Drysdale<br>Don Mackay<br>Susan Johnston<br>Christopher Greig<br>Robert Carr<br>David Wilson<br>John Kirkwood                        |
| Company secretary                                    | Julie Tealby   |
| Registered office<br>and principal place of business | Brisbane Technology Park<br>12 Electronics Street<br>Eight Mile Plains QLD 4113<br>Phone: (07) 3340 4800<br>Fax: (07) 3340 4811          |
| Share register                                       | Computershare Investor Services Pty Ltd<br>117 Victoria Street<br>West End QLD 4101<br>Phone: (07) 3237 2100<br>www.computershare.com/au |
| Auditor  | Deloitte Touche Tohmatsu<br>Riverside Centre<br>123 Eagle Street<br>Brisbane Qld 4000<br>www.deloitte.com.au                             |
| Bankers  | Australia and New Zealand Banking Group Limited (ANZ)<br><a href="http://www.anz.com.au">www.anz.com.au</a>                              |
| Stock exchange listing                               | Seymour Whyte Limited shares are listed on the Australian Securities Exchange<br>(ASX code: SWL)   |
| Website  | www.seymourwhyte.com.au  |

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