

Brierty Limited

ABN 65 095 459 448

**Annual report
for the year ended 30 June 2013**

Results for announcement to the market

				\$
Revenue from ordinary activities	Up	16%	to	292,416,142
Profit from ordinary activities after tax attributable to members (Appendix 4E Item 2.2)	Up	8%	to	10,211,149
Net profit for the period attributable to members (Appendix 4E Item 2.3)	Up	8%	to	10,211,149

NTA Backing	30 June 2013	30 June 2012
Net tangible asset backing per ordinary security	\$0.48	\$0.41

Distributions

	Amount per security	Franked amount per security
Interim dividend (per share)	1.25	1.25
Final dividend (per share)	1.75	1.75

Record date for confirming entitlements to the final dividend 19 September 2013

Payment date 3 October 2013

Explanation of results

Explanation of figures reported above (Appendix 4E Item 2.6)

Brierty reported a net profit after tax of **\$10,211,149**, an 8% increase on the \$9,442,474 net profit recorded in 2012.

The profit growth was driven by increases in revenue from both contracts and land sales, which grew from \$252,305,246 to **\$292,416,142**. Brierty reported increases in civil construction and mining activity in the year, with contract mining at Karara, accommodation works for Rio Tinto, and rail and road contracts both within and outside the resources sector all major contributors.

Further detail on the FY 2013 results is included in the separate release to the market on 21 August 2013 and the operating and financial review included as part of this annual report.

Explanation of dividends (Appendix 4E Item 2.6)

The directors have declared a final dividend of 1.75 cents per share to be paid on Thursday 3 October 2013. The record date for entitlement to the dividend is 19 September 2013.

Performance trends

Refer to the operating and financial review in the Director's report and separate market release to the market on 21 August 2013.

Compliance statement

This Appendix 4E is based on financial statements that have been audited.

The 30 June 2013 Annual Financial Report forms part of and should be read in conjunction with this Preliminary Final Report (Appendix 4E).

Brierty Limited ABN 65 095 459 448
Annual report - 30 June 2013

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Directors	Dalton L Gooding Peter McBain Alan R Brierty Ken J Hellsten Richard J O'Shannassy
Secretary	Michael J Sicard
Principal registered office in Australia	Level 2, 72 Melville Parade South Perth, WA 6151
Share and debenture register	Computershare
Auditor	Ernst & Young 11 Mounts Bay Road Perth, Western Australia
Solicitors	Clifford Chance Level 7 190 St Georges Terrace Perth, Western Australia
Bankers	Commonwealth Bank Level 3, 150 St Georges Terrace Perth, Western Australia
Stock exchange listings	Brierty Limited shares are listed on the Australian Securities Exchange. ASX Code BYL
Website	www.brierty.com.au

Corporate governance statement

Brierty Limited ("Group" or "Brierty")

The Board of Brierty is committed to ensuring that effective corporate governance structures exist that encourage the Group to fulfil its Statement of Purpose and provide accountability and control systems commensurate with the risks involved.

The Group has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles") where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance principles.

Where the Group has considered that a recommendation is inappropriate to its particular circumstances and it has not adopted that recommendation, a statement to that effect has been made consistent with the "if not, why not" approach required by the ASX listing rules.

Principle 1: Lay solid foundations for management and oversight

Companies should establish and disclose the respective roles and responsibilities of Board and management.

ASX Principles Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board has adopted a formal Board Charter that details the respective roles and responsibilities of the Board and its members. The Board Charter has been published on the Group's website.

The central role of the Board is to set the strategic direction for the Group, to select and appoint the Chief Executive Officer and Managing Director and to oversee the Group's management and its business activities.

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Group.

Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include to:

- monitor and assess management's performance in carrying out strategies, achieving objectives and observing budgets, approved by the Board, and to ensure that all appropriate resources are available to management for those purposes;
- set criteria for, and to evaluate, at least annually, the performance of the Chief Executive Officer and Managing Director;
- encourage a culture that promotes ethical and responsible decision making throughout the Group;
- review the Group's policies on risk oversight and management and satisfy itself that management has developed a sound system of risk management and internal control;
- contribute to management's development of corporate strategy and performance objectives;
- set criteria for and approve acquisition, establishment, disposal or cessation of any significant business of the Group;
- formulate and adopt appropriate internal Board policies;
- review procedures and practices employed in relation to health, safety, and the environment and to assess their adequacy;
- satisfy itself, on a reasonable basis, that the financial statements and other financial disclosures of the Group are both fair and accurate;

Principle 1: Lay solid foundations for management and oversight (continued)

- satisfy itself, on a reasonable basis, that appropriate internal and external audit arrangements are in place and operating effectively;
- keep under review:
 - management succession planning (in particular as regards the office of Chief Executive Officer and Managing Director);
 - management development activities
 - outcomes of the Group's decisions and strategies and ensure that valuable lessons are identified and absorbed into the framework for making future decisions;
 - satisfy itself, on a reasonable basis, that the level and composition of management remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined;
 - assess and approve the Group's response to proposed transactions which would affect shareholder's positions and rights as shareholders, and where relevant to make recommendations thereon to shareholders;
 - satisfy itself that processes and plans are in place to maintain an orderly succession of appointments of non-executive Directors to the Board, and an appropriate balance of skills; and
 - corporate policy and standards which impact on the perception, standing and reputation of the organisation in the marketplace to include, but are not limited to:
 - Website;
 - Branding/logos;
 - Communications with the media; and
 - Corporate functions and events.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and senior executives as set out in the Board Charter. The powers that have been specifically reserved for the Board and the responsibilities of the Chair and individual directors are described in the Charter, a copy of which can be viewed on the Group's website.

ASX Principles: Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The performance of senior executives will be reviewed at least annually against performance measures determined by the Board, with the assistance of the Nomination and Remuneration Committee. A performance evaluation of senior executives was completed in the financial year in accordance with this process.

Induction procedures have been developed to allow new senior executives to participate fully and actively in management decision making at the earliest opportunity.

COMMITTEES

The Board has established three standing Committees to assist it to meet its responsibilities. The Committees are:

- Audit
- Nomination and Remuneration
- Risk and Compliance

These Committees are described in further detail under the relevant Principles below.

Principle 1: Lay solid foundations for management and oversight (continued)

COMMITMENT

All Directors understand the Group's expectations of them. The non-executive Directors have been provided with formal letters of appointment that set out the key terms and conditions of their appointment.

Similarly, the Group has employment agreements with its Chief Executive Officer/Managing Director, Executive Directors, and other key executives.

Prior to appointment or being submitted for re election, each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Group.

MEETINGS

The Board Charter provides for a minimum of 6 scheduled Board meetings per annum, although in a typical year, it is expected that the annual calendar will provide for more than this number (14 Board meetings were held during the 2013 financial year). Board committee meetings are held as required, generally prior to the scheduled Board meeting.

The Chairman sets the agenda for each meeting in conjunction with the Managing Director and Company Secretary. Any Director may request additional matters on the agenda. Members of senior management attend meetings of the Board and its Committees by invitation.

Principle 2: Structure the board to add value

Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

BOARD COMPOSITION

Details of the Directors in office at the date of this report, including their qualifications, experience, date of appointment and their status as non-executive, independent or executive Directors are set out in the Directors Report.

ASX Principles: Recommendation 2.1 recommends a majority of the Board should be independent Directors, Recommendation 2.2 recommends the Chairman should be an independent Director and Recommendation 2.3 recommends that the roles of the Chair and Managing Director should not be exercised by the same individual.

The Board Charter (a copy of which has been published on the Group's website) currently provides that at least one third of its Directors will be independent non-executive directors and that the Chairman must also be an independent non-executive director.

The Board currently has five Directors, four of whom are non-executive. Three of the four non-executive Directors including the Chairman D L Gooding, are considered to be independent.

The roles of the Chair and the Managing Director are exercised by different individuals.

Principle 2: Structure the board to add value (continued)

INDEPENDENT DECISION MAKING

The Board agrees that all Directors should bring an independent judgement to bear in decision making.

Accordingly, the Board:

- has adopted a procedure for Directors to take independent professional advice if necessary at the Group's expense (with the prior approval of the Chairman, which will not be unreasonably withheld);
- as much as is reasonably practicable within the constraints of its current Board size and structure, the Board sets aside sessions at its scheduled meetings to confer without management present;
- has described in the Board Charter the considerations it takes into account when determining independence.

DIRECTOR INDEPENDENCE

The Board's Charter lists relationships it takes into account when determining the independent status of Directors.

Criteria that the Board takes into account when determining Director independence include:

- substantial shareholdings in the Group;
- past or current employment in an executive capacity;
- whether or not the Director has been a principal of a material professional advisor or a material consultant to the Group in the past 3 years;
- material supplier or customer relationships with the Group;
- material contractual relationships or payments for services other than as a Director;
- family ties and cross directorships.

The Board considers materiality thresholds from time to time and discloses these in the Corporate Governance Statement contained on the website and in the Annual Report each year.

The thresholds currently applied by the Board to assist in its independence determinations include:

- where the services and/or products acquired or supplied represent more than 5% of the consolidated gross revenue of either party i.e. of Brierty or of the director (or person or organisation with which the director has an affiliation);
- contractual relationships with the Group valued at \$25,000 or greater.

The Board regularly reviews the independence status of its Directors and has determined the following Directors to be "independent" (in accordance with the criteria listed above):

- DL Gooding
- KJ Hellsten
- RJ O'Shannassy

Non-executive director AR Brierty is a substantial shareholder, has provided advisory services to the Group and in the past has been an employee in an executive capacity and as such does not meet the Board's criteria for "independence".

Principle 2: Structure the board to add value (continued)

DIRECTOR INDEPENDENCE (continued)

Director	Date Appointed	Period in Office	Due for Re-Election or Retirement
DL Gooding	27 October 2007	5 years	2013 AGM
P McBain	28 November 2011	2 years	N/A
AR Brierty	21 December 2000	12 years	
KJ Hellsten	23 February 2010	3 years	
RJ O'Shannassy	26 September 2011	2 years	2013 AGM

CONFLICTS OF INTEREST

A Director's obligations to avoid a conflict of interest are set out in the Board Charter and reinforced in the Code of Business Ethics and Conduct.

The Charter states that a Director must inform the Board or the Chair, as soon as the Director is aware of any conflict or potential conflict of interest which that Director may have in relation to any particular item of business. Unless decided otherwise by the other members of the Board, the Director should be absent from discussion and decision on that matter. Directors must comply strictly with Corporations Act requirements and the Board Charter for the avoidance of conflicts.

NOMINATION AND REMUNERATION COMMITTEE

ASX Principles: Recommendation 2.4: The Board should establish a Nomination Committee.

The Board has established a Nomination and Remuneration Committee and adopted a Charter that sets out the Committee's role and responsibilities, composition and membership requirements. That Charter has been published on the Company's website.

Nomination responsibilities:

The role of the Nomination and Remuneration Committee when carrying out its Nomination responsibilities includes:

- assessment of the necessary and desirable competencies of Board members;
- review of Board succession plans that assist in maintaining an appropriate mix of skills, experience, expertise and diversity on the Board;
- evaluation of the Board's and Managing Director's performance;
- recommendations for the appointment and removal of Directors.

The responsibilities of this Committee with respect to remuneration matters are set out under the discussion of Principle 8 later in this statement.

Composition of the Committee

The Committee Charter states that the composition should include:

- a minimum of three members, the majority of whom must be independent; and
- a Chairman who is an independent Director.

Committee membership is disclosed in the Directors' Report included as part of the Annual Report along with details of meetings attended. Membership is consistent with the composition requirements of the Charter and the recommendations of the ASXCGC Principles.

Principle 2: Structure the board to add value (continued)

SELECTION, APPOINTMENT, INDUCTION AND CONTINUING DEVELOPMENT PROCESSES

Directors must retire at the third AGM following their election or most recent re election. At least one third of Directors must stand for election each AGM. Any Director appointed to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Re appointment of Directors by rotation is not automatic (the above retirement and re election provisions do not apply to the Managing Director).

All Directors are subject to an annual performance evaluation process. All notices of meeting at which a Director is standing for election or re election are accompanied by information to enable shareholders to make an informed decision.

The Board has developed a structured process for selection and appointment of new Directors to the Board. As part of this procedure, the Board has committed to:

- the evaluation and identification of the diversity, skills, experience and expertise that will best complement Board effectiveness;
- the development of a competencies review process for identifying and assessing Director competencies;
- the conduct of a competencies review of the Board before a candidate is recommended for appointment;
- the periodic review of the Board's succession plan.

The Board has agreed that its membership should reflect a mix of:

- experience across relevant industries, including resources and infrastructure;
- involvement in relevant activities, for example, mining, constructing and investing activities;
- a variety of technical skills and expertise, for example, engineering, project management, accounting, finance, legal, risk management, human resources and business development; and
- a diversity of backgrounds, previous work roles and educational qualifications.

As part of the induction process, meetings are arranged with other Board members and key executives prior to the Director's appointment.

All Directors are expected to maintain the skills required to discharge their obligations to the Group. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the Group where appropriate.

The skills, experience and expertise relevant to the position of Director held by each Director in the office at the date of the Annual Report is set out in the Directors Report included in the Annual Report.

ASX Principles: Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

The Board will undertake an annual performance evaluation that reviews:

- performance of the Board against the requirements of the Board Charter;
- performance of the Board Committees against the requirements of their respective Charters;
- individual performances of the Chair, Managing Director, Directors, and Chief Executive Officer; and
- the Board Charter, the Committee Charters and the procedures of the Board with a view to continuous improvement.

The Board commences the annual performance evaluation in June each year in accordance with this process. The evaluation of Directors other than the Chief Executive Officer and Managing Director is concluded in July each year. The annual performance evaluation for the Chief Executive Officer and Managing Director is usually conducted in August each year.

Principle 2: Structure the board to add value (continued)

COMPANY SECRETARY

The Company Secretary plays an important role in supporting the effectiveness of the Board by monitoring that Board policy and procedures are followed, and coordinating the timely completion and dispatch of Board agenda and briefing material. The responsibilities of the Company Secretary are stated in the Board Charter.

All Directors have access to the Company Secretary.

The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

Principle 3: Promote ethical and responsible decision making

Companies should actively promote ethical and responsible decision making.

ASX Principles: Recommendation 3.1: Companies should establish and disclose a Code of Conduct or a summary of the Code as to certain specified matters.

CODE OF BUSINESS ETHICS AND CONDUCT

Brierty has adopted a Code of Business Ethics and Conduct that applies to its Directors, management and employees and which seeks to establish the minimum standards the Board believes are necessary to maintain the highest level of confidence for all stakeholders in the integrity of the Brierty Group. This Code also sets out the practices necessary to take into account Brierty's legal obligations and the reasonable expectations of the Group's stakeholders, as well as the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Brierty has also adopted a Whistle-blower Policy which provides employees, directors and sub-contractors with the means to report to an independent organisation work related conduct which they reasonably believe to be corrupt, unethical or illegal.

Both the Code of Business Ethics and Conduct and the Whistle-blower Policy are published on the Group's website.

The Board has adopted a Securities Dealing Policy that is binding on all Directors, employees, contractors, consultants and advisers to Brierty. The Policy is intended to assist in maintaining market confidence in the integrity of dealings in the Group's securities.

This Policy is provided to all new employees at induction. The Group will obtain a periodic acknowledgement from members of the management team of their compliance with this policy.

This Policy is published on the website.

Principle 3: Promote ethical and responsible decision making (continued)

ASX Principles: Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

ASX Principles: Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

ASX Principles: Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

Diversity policy

Brierty recognises and appreciates the value of having a diverse workforce.

Brierty has adopted a Diversity Policy which reflects the Group's objective to have a leadership and workforce that reflects the diversity of the broader communities in which we operate. The policy assists Brierty in achieving its goals and objectives by enabling it to attract and retain talented people, creating a sustainable competitive advantage.

Diversity is about recognising, respecting and valuing differences that occur in our community and workplace. These differences can relate to gender, ethnicity, colour, age, race, religion, disability, national origin and sexual orientation.

As an organisation Brierty aims to create an open and inclusive workplace environment where the diverse experiences, perspectives and backgrounds of our people are valued and utilised.

The objective of this diversity is having a more effective workplace.

This policy is consistent with and is supported by our Equal Employment Opportunity Policy and our Indigenous Affairs Policy.

KEY AREAS OF FOCUS

Brierty is focused on maintaining and increasing diversity in the following key areas:

- (a) gender diversity in senior roles and on the Board; and
- (b) the employment of Indigenous Australians.

RESPONSIBILITIES

Board responsibilities:

- (a) The Board will establish measurable objectives for achieving diversity at all levels within the organisation;
- (b) The Board will review these objectives each year; and
- (c) The Board will measure each year its progress toward achieving these objectives, and report on this in the Company's Annual Report.

Responsibilities of Management:

- (a) Management will be responsible for achieving the diversity objectives determined by the Board; and
- (b) Management will be responsible for reporting to the board on the progress toward and achievement of the diversity objectives.

Principle 3: Promote ethical and responsible decision making (continued)
Diversity policy (continued)

IMPLEMENTATION OF THIS POLICY

The Board and senior management of Brierty will develop, implement, maintain and continuously review the appropriate structures, systems and procedures to support our diversity objectives.

All employees are responsible for:

- (a) promoting Brierty diversity initiatives where appropriate; and
- (b) respecting difference and behaving in a manner that is consistent with the values and spirit of this Policy.

Principle 4: Safeguard integrity in financial reporting

Companies should have a structure to independently verify and safeguard the integrity of the Company's financial reporting.

This structure is required to be one of review and authorisation designed to ensure the truthful and factual presentation of the Group's financial position.

It is expected to include:

- the review and consideration of the financial statements by the Audit Committee;
- a process to ensure the independence and competence of the Group's external auditors.

Audit committee

ASX Principles: Recommendation 4.1: The Board should establish an Audit Committee.

ASX Principles: Recommendation 4.2 recommends the appropriate Committee structure.

ASX Principles: Recommendation 4.3 states that the Committee should have a formal Charter.

The Board has established an Audit Committee to assist the Board in discharging its oversight responsibilities and has adopted a formal Charter that sets out the Committee's role and responsibilities, composition and membership requirements.

The role of the Audit Committee includes to:

- review the integrity of management's presentation of the Group's financial position;
- review the integrity of management reporting on Group performance in all other key operational compliance areas subject to external audit, and
- ensure the independence and competence of the Group's external auditors.

COMPOSITION OF THE COMMITTEE

The Board has determined that the Audit Committee should comprise:

- at least three members;
- a majority of independent non-executive directors;
- an independent chair who is not the Chair of the Board.

In addition, the Audit Committee should include:

Principle 4: Safeguard integrity in financial reporting (continued)

COMPOSITION OF THE COMMITTEE (continued)

- members who are financially literate i.e. able to read and understand financial statements;
- at least one member with relevant qualifications and experience, i.e. a qualified accountant or other finance professional with experience of financial and accounting matters;
- at least one member with an understanding of the industry in which the entity operates.

Committee membership is disclosed in the Directors' Report included as part of the Annual Report along with details of meetings attended. Membership is consistent with the composition requirements of the Charter and the ASX Principles.

The Charter is published on the Group's website. The website also contains information on the procedure for the selection and appointment of the external auditor and for the rotation of external audit partners.

Principle 5: Make timely and balanced disclosures

Companies should promote timely and balanced disclosure of all material matters concerning the Company.

The Group is committed to ensuring that:

- all investors have equal and timely access to material information concerning the Group - including its financial situation, performance, ownership and governance
- Group announcements are factual and presented in a clear and balanced way.

ASX Principles: Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary thereof.

The Board has adopted a Continuous Disclosure Policy which has been published on the Group's website.

The Company Secretary is the principal person for communications with the ASX.

Principle 6: Respect the rights of shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

ASX Principles: Recommendation 6.1: Companies should design a communications policy for promoting effective communication with their shareholders and encouraging their participation at general meetings and disclose their policy or a summary thereof.

The Group is committed to effective communications with its shareholders, providing them with understandable and accessible information about the Group and facilitating shareholder participation at general meetings.

The Board has established a Shareholder Communications Policy, its purpose being to set out how the Group:

- communicates with its shareholders;
- provides ready access for shareholders and investors to balanced and understandable information about the Group and its corporate proposals;
- manages its communications with analysts or media;
- facilitates shareholder participation at its general meetings.

The Shareholder Communications Policy is published on the Group website.

Principle 6: Respect the rights of shareholders (continued)
ELECTRONIC COMMUNICATIONS

The Group will take advantage wherever practicable of new technologies to facilitate communications with shareholders. The Group maintains an up to date website on which all ASX and media announcements are posted.

EXTERNAL AUDITOR'S AGM ATTENDANCE

The external auditor is required to attend the Group's AGM and to respond to questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Principle 7: Recognise and manage risk

Companies should establish a sound system of risk oversight and management and internal control.

RISK MANAGEMENT POLICY

ASX Principles: Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of these policies.

The Group has adopted a Risk Management Policy, the primary objective of which is to ensure that the appropriate culture, processes and structures are established and maintained.

This Policy is published on the Group's website.

RISK AND COMPLIANCE COMMITTEE

ASX Principles: Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

The Group has established a Risk and Compliance Committee and adopted a Charter that sets out the committee's role and responsibilities, composition and membership requirements.

The responsibilities of this Committee include assisting the Board in its oversight role of:

- the implementation and review of risk management and related internal compliance and control systems throughout the Group
- the Group's policies, programs and procedures to ensure compliance with relevant laws, the Group's Code of Conduct and other relevant standards; and
- the establishment and ongoing review of the Group's corporate governance policies, procedures and practices.

Principle 7: Recognise and manage risk (continued)
RISK AND COMPLIANCE COMMITTEE (continued)

The Board require management to design and implement an appropriate risk management and internal control system and to report to it, directly, or through the Risk and Compliance Committee, as to the effectiveness of the Group's management of its material business risk.

The Chief Executive Officer/Managing Director is required to report on the progress of, and on all matters associated with, risk management as a standing item at each Board meeting. The Chief Executive Officer/Managing Director is to report to the Board as to the effectiveness of the Group's material business risks at least annually. Management have reported to the Board during the year in accordance with these requirements.

Brierty has established a sound risk management foundation that will be developed and enhanced over time to meet best practice standards.

COMPOSITION OF THE COMMITTEE

The Board has determined that the Risk and Compliance Committee should comprise:

- at least three members, with at least one being represented on the Audit Committee;
- an independent chair, who is not the Chair of the Board.

Committee membership is disclosed in the Directors' Report included as part of the Annual Report along with details of the meetings attended. Membership is consistent with the composition requirements of the Charter.

A copy of this Committee's Charter is on the Company's website.

ASX Principles: Recommendation 7.3: The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.

The Board has received an assurance from the Chief Executive Officer/Managing Director and Chief Financial Officer that there is a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

NOMINATION AND REMUNERATION COMMITTEE

ASX Principles: Recommendation 8.1: The Board should establish a Remuneration Committee.

The Board has established a Nomination and Remuneration Committee and adopted a Charter that sets out the committee's role and responsibilities, composition and membership requirements.

Remuneration responsibilities:

The role of the Nomination and Remuneration Committee when carrying out its Remuneration responsibilities includes:

- the remuneration of the Chief Executive Officer and Managing Director;
- the remuneration of any other executive director and the Company Secretary;

Principle 8: Remunerate fairly and responsibly (continued)

NOMINATION AND REMUNERATION COMMITTEE (continued)

Remuneration responsibilities: (continued)

- an appropriate executive remuneration and incentive policy that demonstrates a clear relationship between performance and remuneration;
- a review and recommendation on remuneration by gender;
- equity based executive and employee incentive plans including the reporting of valuations of equity issued under those plans;
- superannuation arrangements;
- recruitment, retention, succession planning, performance measurement and termination policies and procedures for the Chief Executive Officer/Managing Director, any other executive director, the Company Secretary and direct reports to the Chief Executive Officer/Managing Director;
- the remuneration of directors, including
 - compliance with the director remuneration disclosure obligations;
 - obtaining shareholder approval of total remuneration payable to non-executive directors;
 - determining when and if shareholder approval is required for equity components of executive director remuneration;
 - monitoring remuneration paid to non-executive directors to ensure the aggregate of remuneration paid does not exceed shareholder approved limits;
 - ensuring the nature of the remuneration paid to non-executive directors is consistent with the recommended good governance guidelines for non-executive director remuneration.
- compliance with the reporting requirements relating to the remuneration of directors and key executives as required by the ASX Listing Rules, Accounting Standards and the Corporations Act.

ASX Principles: Recommendation 8.2: The remuneration committee should be structured so that it consists of a majority of independent directors; is chaired by an independent director and has at least three members.

The composition requirements for and membership of this committee meet the above requirements.

Committee membership is disclosed in the Directors' Report included as part of the Annual Report along with the details of the meetings attended.

A copy of this Committee's Charter is on the Group's website.

ASX Principles: Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

EXECUTIVE REMUNERATION

The Board periodically reviews executive remuneration practices with a view to ensuring there is an appropriate balance between fixed and incentive pay, and that the balance reflects short and long term performance objectives appropriate to the Group's circumstances and goals.

The Group's Securities Dealing Policy (referred to above and available from the Group's website) contains a prohibition on certain designated officers entering into transactions in associated products which limit the economic risk of participating in unvested entitlements or any equity based remuneration schemes.

Executive remuneration will be published in the Remuneration Report in the Group's Annual Report each year (including the Remuneration Report contained in this Annual Report).

NON-EXECUTIVE DIRECTOR REMUNERATION

ASX guidelines for appropriate practice in non-executive director remuneration are that non-executive directors should:

Principle 8: Remunerate fairly and responsibly (continued)

NON-EXECUTIVE DIRECTOR REMUNERATION (continued)

- normally be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity);
- not normally participate in schemes designed for the remuneration of executives;
- not receive options or bonus payments;
- not be provided with retirement benefits other than superannuation.

The Group's current practice for remunerating non-executive directors is consistent with these guidelines.

The details of Directors' remuneration are set out in the Remuneration Report contained in the Annual Report.

REMUNERATION POLICY DISCLOSURES

Disclosure of the Group's remuneration policies is best served through a transparent and readily understandable framework for executive remuneration that details the costs and benefits.

The Group intends to meet its transparency obligations in the following manner:

- publishing a detailed Remuneration Report in the Annual Report each year;
- continuous disclosure of employment agreements with key executives where those agreements, or obligations falling due under those arrangements, may trigger a continuous disclosure obligation under ASX Listing Rule 3.1;
- presentation of the Remuneration Report to shareholders for their consideration and non binding vote at the Group's AGM;
- taking into account the outcome of the non binding shareholder vote when determining future remuneration policy; and
- responding to shareholder questions on policy and practice in a frank and open manner.

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Brierty Limited and the entities it controlled at the end of, or during, the year ended 30 June 2013.

Directors

The following persons were directors of Brierty Limited during the whole of the financial year and up to the date of this report:

Dalton L Gooding
Peter McBain
Alan R Brierty
Ken J Hellsten
Richard J O'Shannassy

Principal activities

The principal continuing activities of the Group are civil and mining contracting and land development activities.

- (a) Civil - Major highway and road construction, railway formation, airport runways, site works, concrete and pavement works, earthworks, drainage and service installation, sewer reticulation, roadworks and subdivisional infrastructure for the creation of housing lots.
- (b) Residential Land Development - The subsidiary company, Bellamack Pty Ltd, engages in residential land development activities in Darwin, Northern Territory.
- (c) Mining - Surface mining; site preparation including stripping overburden, site works for building infrastructure, road works, tailings dams, residue disposal areas and airstrips.

Dividends

Dividends paid to shareholders during the financial year were as follows:

Consolidated entity	2013 \$	2012 \$
Final dividend for the year ended 30 June 2012 (as recommended in the 2012 financial report) of 1.75 cents (2011: nil), fully franked based on tax paid @ 30%	1,925,000	-
Interim dividend for the year ended 30 June 2013 of 1.25 cents per share (2012: 1 cent), fully franked based on tax paid @ 30%	1,375,000	1,100,000
	3,300,000	1,100,000

The directors have declared a final dividend for the year ending 30 June 2013 be 1.75 cents per share (2012: 1.75 cents), fully franked based on tax paid @ 30%.

Operating and Financial Review

Highlights

- 16% increase in revenue to \$292,416,142
- 8% increase in profit before tax of \$14,641,266
- 8% increase in profit after tax to \$10,211,149
- 17% increase in cash generated from operations to \$26,776,404
- Final dividend declared of 1.75 cents per share

Financial Performance

	FY 2013	FY 2012	% Increase
Group Revenue	292,416,142	252,305,246	16%
Profit before tax	14,641,266	13,610,645	8%
Profit after tax	10,211,149	9,442,474	8%
Earnings per share (cents)	9.28	8.58	8%

The Group reported a full year profit result of \$10,211,149.

The strong result was driven by the Group consolidated position in the market and continually improved business processes, such as in tendering in the 2012 financial year.

Our operations over the 12 months remained consistent with previous years, in delivering contract mining and civil contracts for our clients, with growth in the civil and mining divisions.

There are no outstanding disputes arising from works completed in the 2013 financial year. A single outstanding dispute from FY 2011 remains, however the Group is confident of this concluding in the coming financial year (refer to note 29 - Contingencies).

Dividend

On 19 August 2013, the Board of Brierty Limited declared a final dividend of 1.75 cents per share, which brought the full year dividend to 3.0 cents per share fully franked.

Segment Results (Pre-corporate overheads)

	Civil	Mining	Bellamack	Total
Revenue - FY 2013	\$162,717,463	\$84,955,429	\$44,690,575	\$292,363,467
Segment result - FY 2013	\$18,562,811	\$3,920,246	\$2,873,752	\$25,356,809
Margin - FY 2013	11.4%	4.6%	6.4%	8.7%
Revenue - FY 2012	\$156,952,319	\$52,140,440	\$42,769,396	\$251,862,155
Segment result - FY 2012	\$20,105,657	\$4,324,836	\$3,038,746	\$27,469,239
Margin - FY 2012	12.8%	8.3%	7.1%	10.9%

Note that the segment revenue and results are considered non IFRS information. The basis of preparation is as per the segment note in the financial statements. The information above has been extracted from the audited financial statements and has been included to show the growth of the business across all segments.

For a reconciliation of segment results to profit from continuing operations before income tax for the period of \$14,641,266 please refer to note 4, segment information, within the notes to the consolidated financial statements.

Operating and Financial Review (continued)

CIVIL

The Civil result was supported by the continued development and recognition of Brierty as a service provider of the infrastructure services. This led to Brierty winning or commencing new work with Rio Tinto, Fremantle Port Authority and Atlas Iron. The division also benefitted from work driven by the high demand for residential land in Perth.

Major mining-related contracts completed by the Civil division in the year were rail, bulk earthworks, and drill and blast operations for FMG at Cloudbreak and Solomon. These were two important projects for FMG's expansion of its iron ore output, and the Group successfully delivered on these contracts.

In the year, work also commenced on building a haul road for Atlas Iron as part of its expansion project. Also during the year the division started work on the Wickham subdivision for Rio Tinto and successfully completed two other smaller projects for Rio Tinto, left incomplete by a different contractor.

Outside the mining sector, the Group also worked on a large number of contracts where important infrastructure was built at Fremantle Port and Perth Airport. The Group also performed civil works at a number of new residential developments in the Perth region, such as subdivisions at Alkimos and Lakelands, and urban infill projects for Landcorp at the Springs and Claremont Oval.

MINING

During the year the Mining division made significant progress in expanding its production of haematite at the Karara project, going from an annualised rate of one million tonnes per annum to three million tonnes per annum. In the year train loading of ore at Karara also commenced and the Group is now performing end to end drill and blast, mining, crushing and screening, road haulage and train loading on this major project.

BELLAMACK

Construction of the Bellamack project neared completion with only 41 more blocks of the 684 to be finished and titled. During the year, 178 lots were titled and 174 lots settled. Construction at Bellamack will be complete by October 2013 with all lots due to be sold and settled in early 2014.

RISK MANAGEMENT

The Group employs a multiple level risk management process that identifies, then treats and mitigates risk at the:

- Company level
- Project level; and
- Pre project (tender) level.

The company level risks and the activities and actions required to mitigate these risks are monitored and audited on a regular basis.

Project risks are established at the award of a new contract and reviewed on a bi-monthly basis. The project risk register is then used by management in reviewing the project during the frequent site visits.

Finally the tender risk process requires projects and clients to meet particular criteria prior to the tender submission being approved. This risk review may also determine changes to the conditions of contract required by the Group.

The major risk facing the Group at the moment is the reduction in opportunities and increased level of competition. The Group has a diverse range of service offerings and is not reliant on one area for the majority of its revenue. Tender activity remains strong and we are confident of maintaining our current levels of turnover.

Operating and Financial Review (continued)

Key achievements

SAFETY

The Group continued its focus on lead indicators with regard to safety with pleasing results in regard to safety statistics, specifically:

- TRIFR (Total Recordable Injury Frequency Rate) dropped from 15.17 to 6.16.
- LTIFR (Lost Time Injury Frequency Rate) dropped from 3.17 to 2.05.

PEOPLE

At 30 June 2013, the Group employed 532 people, an increase of 29 (6%) from the previous year.

INDIGENOUS

During the year the Group launched its Reconciliation Action Plan (RAP) to work together with Indigenous communities with the desire to create new pathways with strong foundations, enhancing opportunities for education and assisting in achieving gainful skills and employment.

At 30 June 2013, the Group employed 71 Indigenous Australians representing 13% of the workforce. 70% of those employed work in country and 20% are employed in white collar roles.

FINANCIAL POSITION

There have been no significant changes in the structure of the business or the financial arrangements of the business.

During the year, the Group continued to invest in plant equipment with the purchase of new dump trucks, scrapers and dozers. Equipment purchases are financed through hire purchase facilities generally over a three to five year term. Sufficient operating cash flow is generated to cover the repayments.

OUTLOOK

The Group is well placed to maintain the activity levels seen in FY 2012 and FY 2013 due to its diverse range of service offerings. The Group is not reliant on major contracts and has continued to win smaller projects in the urban environment that add a significant revenue stream.

The Group is not over-reliant on any one sector, with a diversity of earnings in mining and civil works. The scope to perform small jobs and a large number of clients, combined with the agility of a competent, self-performing contractor, leaves the Group in a position to successfully compete in this difficult environment.

CIVIL

Civil construction will continue at Wickham, Alkimos, Abydos Road, Bellamack, Rous Head and Northam.

Tender activity in the civil division remains strong with opportunities available in mine infrastructure, road and rail construction, as well as subdivision development. The Group is pursuing this work in Perth, regional Western Australia and the Northern Territory.

MINING

Mining will continue at Karara in the 2014 financial year, initially at increased production levels before reducing to previous production levels in the second half of the year.

The Group has the capacity to do more mining work in the 2014 financial year and is actively seeking opportunities with several potential clients. The company is tendering on several mining opportunities and expects the outcomes of these to be known in the first half of the financial year. There are also other opportunities that will be available in the second half of the year that the Group is currently targeting.

Operating and Financial Review (continued)

BELLAMACK

Construction of lots at Bellamack will be complete by October this year and it is expected all lots will be sold and settled early in 2014.

STRATEGY

The Group's strategy remains unchanged - the Company remains focused on delivering for clients and shareholders alike by being safe, professional, consistent and project-focused.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company or the Group during the financial year.

Matters subsequent to the end of the financial year

There have been no matters that have arisen since 30 June 2013 that have or may significantly affect the operations result or state of affairs of the Group in future financial periods.

Likely developments and expected results of operations

The Group will continue operations at Karara, Wickham, Alkimos, Rous Head, Bellamack and Northam. We are currently tendering on numerous opportunities in the civil and mining areas, specifically mining infrastructure, urban redevelopment and subdivisions. If successful, we will commence construction within the next year, significantly affecting future revenues.

Environmental regulation

The Group's operations are subject to significant environmental regulation under Commonwealth and State legislation. There have not been any breaches of significant environmental regulations and there were no fines or penalties imposed upon the Group during the year.

Diversity

At the end of the financial year the Group employed 532 people, of which 64 were women. During the year, the Group employed Christine Sindely in the role of Aboriginal Engagement Manager, a management position within the organisation. Overall there are 9 women employed in professional roles at Brierty.

The Group is committed to gender diversity and employs the most suitable candidate at all levels within the organisation, regardless of gender, race or religion.

Information on directors

D L Gooding. Chairperson & Non-executive director. Age 58.

Experience and expertise

Independent Chairman. Dalton was formerly a long standing partner at Ernst & Young and is a Fellow of the Institute of Chartered Accountants in Australia. He has over 30 years experience and is currently the Managing Partner of Gooding Partners where he advises a wide range of business with an emphasis on taxation and accounting issues, due diligence, feasibilities and general business advice. Dalton has completed a Bachelor of Business at Curtin University.

Other current directorships

Non-executive director of three other public companies. Chairman of Avita Medical Limited and Katana Capital Ltd and a Director of SIPA Resources Ltd.

Former directorships in last 3 years

Chairman of Anatolia Energy Ltd (formerly Australian Wine Holdings).

Special responsibilities

Chairman of the Board
Chairman of the Nomination and Remuneration Committee
Member of Audit Committee
Member of Risk and Compliance Committee

Interests in shares and options

1,562,500 ordinary shares in Brierty Limited (at the date of this report).

Information on directors (continued)

P McBain. Managing Director. Age 48.

Experience and expertise

Peter has over 20 years experience and knowledge in the civil infrastructure, construction and mining sectors from both a contractor and client's perspective. Most recently, Peter was General Manager - Development for the Gindalbie Metals' Karara Mining Project. Previously, Peter held general management roles at NRW and HWE Mining overseeing projects for clients including BHP Billiton, Fortesque Metals Group, Rio Tinto, Portman and Main Roads WA. His highly valued experience and unique set of skills is a great asset for Brierty's growth strategy.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

None.

Interests in shares and options

700,000 ordinary shares in Brierty Limited (at the date of the report).

3,863,542 options over ordinary shares in Brierty Limited (at the date of the report).

Information on directors (continued)

A R Brierty. Non-executive director. Age 64.

Experience and expertise

Alan founded the business in 1981 and has been a central part of its operations and growth since that time. He has focused on building a successful company through the delivery of excellent service to customers and through strategic vision setting goals for employees and the Group. Alan has 30 years experience in the civil contracting industry.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Member of Nomination and Remuneration Committee
Member of Risk and Compliance Committee

Interests in shares and options

22,447,500 ordinary shares in Brierty Limited (at the date of the report).

Information on directors (continued)

K J Hellsten. Non-executive Director. Age 55.

Experience and expertise

Independent non-executive director. Ken has over 30 years experience in the resources industry. He has been employed in senior executive roles ranging from exploration to development to operations with both large multi national and smaller resource companies. Ken's most recent role was managing director of Strike Resources Limited. Prior to that, he was the managing director of Polaris Metals NL and of Ironclad Mining Limited.

Other current directorships

Non-executive director of Cuervo Resources Inc.

Former directorships in last 3 years

Executive director of Strike Resources Limited.
Non-executive director of Heron Resources.

Special responsibilities

Member of Nomination and Remuneration Committee
Member of Audit Committee

Interests in shares and options

120,000 ordinary shares in Brierty Limited (at the date of this report).

Information on directors (continued)

R J O'Shannassy. Non-executive Director. Age 57.

Experience and expertise

Independent non-executive director. Richard is a commercial lawyer with over 25 years experience in the mining and energy sectors. He has advised resource companies on a broad range of corporate and commercial matters while in a private legal practice. He has also held in house roles as General Counsel and Company Secretary for Hardman Resources Limited, BHP Iron Ore and Mt Newman Mining Co Pty Limited. He has served on mining industry committees over a number of years and is also a member of the Law Society of WA (Inc.) and the Australian Mining and Petroleum Law Association Inc. He is currently a non-executive director of Minemakers Limited.

Other current directorships

Non-executive director of Minemakers Limited.

Former directorships in last 3 years

Non-executive director of Key Petroleum Ltd.

Special responsibilities

Chairman of Audit Committee
Chairman of Risk and Compliance Committee
Member of Nomination and Remuneration Committee

Interests in shares and options

120,000 shares in Brierty Limited (at the date of this report).

Company secretary

The Company Secretary is Mr M J Sicard. Mr Sicard was appointed to the position in August 2012. Mr Sicard has a Bachelor in Economics and Laws, and is admitted to the Western Australian Supreme Court.

Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2013, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees					
			Audit		Nomination and Remuneration		Risk and Compliance	
	A	B	A	B	A	B	A	B
Dalton L Gooding	14	14	3	3	1	1	1	1
Alan R Brierty	12	14			1	1	1	1
Ken J Hellsten	13	14	3	3	1	1		
Richard J O'Shannassy	14	14	3	3	1	1	1	1
Peter McBain	14	14					1	1

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the period

Remuneration report (audited)

This remuneration report for the year ended 30 June 2013 outlines the remuneration arrangements of the Group in accordance with the requirement of **Corporations Act 2001** (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

For the purposes of this report, the term "Key Management Personnel" includes the Managing Director, Chief Financial Officer (CFO) and executives who have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the company.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share based compensation

(a) Principles used to determine the nature and amount of remuneration (audited)

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and Group performance, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

Remuneration report (audited) (continued)

(a) Principles used to determine the nature and amount of remuneration (audited) (continued)

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

The performance hurdles considered by the Board in determining short term and long term incentives for executives include earnings and earnings per share.

The following information and historical Group performance is provided.

	Net Profit after Tax	EPS (cents)	Share Price at 30 June
FY 2013	\$ 10,211,149	9.28	21.5 cents
FY 2012	\$ 9,442,474	8.58	30.0 cents
FY 2011	\$ 93,569	0.08	27.5 cents
FY 2010	\$ 5,002,611	4.54	23.0 cents
FY 2009	\$ 6,764,915	6.15	23.5 cents

The Board has established a remuneration committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement provides further information on the role of this committee.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are to be reviewed annually by the Board. The Board will also consider the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees will be determined independently to the fees of the non-executive directors based on comparative roles in the external market. The Chairman will not be present at any discussions relating to the determination of this own remuneration.

Directors' fees

The current base remuneration was reviewed in June 2013 with all non-executive directors' fees remaining the same as they were last year. The Chairman's remuneration is inclusive of committee fees while other non-executive directors who chair, or are a member of, a committee receive additional yearly fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$500,000 per annum and was approved by shareholders at the Annual General Meeting on 27 October 2007.

The directors' fees for the coming year are shown below:

Remuneration report (audited) (continued)

(a) Principles used to determine the nature and amount of remuneration (audited) (continued)

Directors' fees (continued)

	From 1 July 2012
Base fees (including superannuation)	
Chairman	\$ 140,000
Chair of Audit Committee	\$ 90,000
Other non-executive directors	\$ 80,000
Additional fees	
Deputy chairman	\$ 5,000
Nomination and remuneration committee - chairman	\$ 5,000

Executive Pay

The executive pay and reward framework in the 2013 financial year comprised of:

- base pay and benefits, including superannuation
- short term performance incentives, and
- long term incentives through the issue of options.

The Board has reviewed the short term performance incentives and the long term equity linked performance incentives for executives during the year. Short term performance incentives were introduced for executives and senior management for financial year 2012.

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Executive remuneration is benchmarked against industry averages to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executive's contracts.

Benefits

Executives can receive benefits including a company vehicle.

Superannuation

Retirement benefits are delivered under the Superannuation Guarantee Charge. Other retirement benefits may be provided directly by the Group if approved by shareholders.

Short term incentives

Specific criteria for the Short Term Incentive Program (STIP) have been formulated for executives and senior management by the Nomination and Remuneration Committee. The STIP is a formal structured reward program in which participation is by way of written personal invitation from the Managing Director on an annual basis. The Board has the sole discretion on who shall participate in the scheme.

Remuneration report (audited) (continued)

(a) Principles used to determine the nature and amount of remuneration (audited) (continued)

Short term incentives (continued)

The STIP has been designed to:

- Help the Group compete in the employment market.
- Focus key staff on the achievement of financial and business targets that the Group believes will lead to sustained and improved business performance.
- Establish a direct link between business performance and personal reward.
- Recognise the contributions individuals make to the success of the business and to reward superior performance.

Criteria for payment of incentives is based on financial performance objectives and non-financial measures that vary with position and responsibility.

For all Key Management Personnel, the following performance conditions form part of the STIP:

- Net profit after tax must exceed performance thresholds which are set at the start of each financial year. This measure was chosen to help maximise return to shareholders.
- Safety targets must exceed the safety threshold as measured by Total Reportable Injury Frequency Rate. This measure was chosen as the safety of our people are important to the Group.
- Indigenous employment must exceed a percentage threshold. This measure was chosen in accordance with our diversity policy.

At the end of the financial year the remuneration committee will assess the actual performance of the company and the individual against the measures determined at the beginning of the period. A percentage of the pre determined maximum amount will be awarded depending on the extent to which the individual exceeded the performance measures. No incentive payment is awarded where performance falls below the minimum expectations.

The nomination and remuneration committee recommends the cash incentive to be paid to the individuals for approval by the Board, where applicable.

The short term incentive payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the nomination and remuneration committee.

The STIP target annual payment is reviewed annually.

Short term incentive payments accrued during this financial year totalled \$240,000 (2012: \$716,000) based on current year results. The maximum amount of incentive payments that could have been paid during the year was \$670,925. The bonuses vested in July 2013, and will be paid at the end of August 2013.

Long term incentives

Specific criteria for the payment of long term incentives have been formulated for executives and senior management by the Nomination and Remuneration Committee.

The long term incentive targets are based on the short term incentive targets.

Options are issued at the Board's discretion.

On 7 March 2011 options were issued to the Managing Director on the following terms:

Remuneration report (audited) (continued)

(a) Principles used to determine the nature and amount of remuneration (audited) (continued)

Long term incentives (continued)

Continuous employment options

15% of the options (being 750,000) will become capable of exercise provided that Mr McBain remains in the continuous employment of the Group as follows:

- 250,000 options become capable of exercise from 7 March 2012 (at an exercise price of \$0.451 per option) provided he has been in continuous employment for 1 year;
- 250,000 options become capable of exercise from 7 March 2013 (at an exercise price of \$0.601 per option) provided he has been in continuous employment for 2 years; and
- 250,000 options become capable of exercise from 7 March 2014 (at an exercise price of \$0.751 per option) provided he has been in continuous employment for 3 years.

No performance conditions were attached to these options as they were issued with the aim of incentivising the Managing Director to remain in employment with the Group in the medium term.

Performance based options

The remaining 85% of the options (being 4,250,000) will become capable of exercise subject to the achievement of key performance indicator (KPI) based performance hurdles. Performance against the various KPI's will be assessed by the Board on a rating scale which will determine the number of options that become capable of exercise up to a maximum of the following:

- Up to 1,416,666 options (subject to achievement of KPI's) become capable of exercise from 30 September 2012 (at an exercise price of \$0.451 per option); and
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2013 (at an exercise price of \$0.601 per option); and
- Up to 1,416,667 option (subject to achievement of KPI's) become capable of exercise from 30 September 2014 (at an exercise price of \$0.751 per option).

Any options that have become capable of exercise, but have not been exercised, will expire on 7 September 2017.

Seventy five percent of the performance based options are based on achieving a target net profit after tax; this measure was chosen to help maximise return to shareholders.

The remaining twenty five percent are issued at the discretion of the Board, with options being issued on the successful delivery of the following key performance indicators:

- Safety targets must exceed performance thresholds which are set at the start of the financial year. This measure was chosen as the safety of our people is important to the Group.
- Indigenous employment must exceed a percentage threshold. This measure was chosen in accordance with our diversity policy.
- Investor relationships measured by the relationship with key fund managers. This measure was chosen to maximise return to shareholders.

These terms were chosen as it was believed these would best align the Managing Director's performance with Group objectives.

The Group's Securities Dealing Policy contains a prohibition on certain designated officers (which includes the executive and Directors) entering into contracts to hedge their exposure to shares granted as part of their remuneration package.

Remuneration report (audited) (continued)

(b) Details of remuneration

The key management personnel of the Group includes the directors of the Company as per pages 21 to 25 and the following executives who have authority and responsibility for planning, directing and controlling the activities of the Group:

- I Sydney - Chief Financial Officer (Commenced 28 November 2011)
- M Sloan - General Manager, Urban Infrastructure (Commenced 28 July 2003)
- S Collins - General Manager, Civil (Commenced 7 November 2011)
- R Erwin - General Manager, Mining (Commenced 19 November 2012)

2013	Short-term employee benefits		Short-term employee benefits		Post-em	Long-term	Share	Termination	Total	Performance related
	Cash salary and fees	Directors fees	Non-monetary benefits	Cash bonus	employment benefits	benefits Long service leave	based payments Options			
Name	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive directors										
Dalton L Gooding	-	133,028	-	-	11,972	-	-	-	145,000	-%
Alan R Brierty	171,500	73,394	-	-	22,052	-	-	47,125	314,071	-%
Kenneth J Hellsten	-	73,394	-	-	6,606	-	-	-	80,000	-%
Richard J O'Shannassy	-	82,569	-	-	7,431	-	-	-	90,000	-%
Sub-total non-executive directors	171,500	362,385	-	-	48,061	-	-	47,125	629,071	-%
Executive directors										
Peter McBain	569,604	-	-	60,000	19,616	9,831	21,984	-	681,035	12%
Other key management personnel (Group)										
Struan Collins	359,770	-	-	20,000	28,241	6,408	-	-	414,419	5%
Michael Sloan	302,020	-	21,098	10,000	31,179	9,350	-	-	373,647	3%
Ian Sydney	247,962	-	14,494	20,000	22,316	4,822	-	-	309,594	6%
Rohan Erwin (Appointed 19 November 2012)	289,339	-	-	20,000	-	-	-	-	309,339	6%
Total key management personnel compensation (group)	1,940,195	362,385	35,592	130,000	149,413	30,411	21,984	47,125	2,717,105	6%

In addition to his non-executive director's fees AR Brierty was paid a salary during the year in the capacity of an employee, up to 20 September 2012, at which time his employment ceased and he received a termination payment.

Remuneration report (audited) (continued)

(b) Details of remuneration (continued)

2012	Short-term employee benefits		Short-term employee benefits		Post-employment benefits	Long-term benefits	Share based payments	Termination benefits	Performance related	
	Cash salary and fees	Directors fees	Non-monetary benefits	Cash bonus		Long service leave			Total	%
Name	\$	\$	\$	\$	\$	\$	Options	\$	\$	
Non-executive directors										
Dalton L Gooding	-	115,000	-	-	10,350	-	-	-	125,350	-%
Alan R Brierty	503,224	70,000	-	-	58,575	-	-	-	631,799	-%
Kenneth J Hellsten	-	70,000	-	-	6,300	-	-	-	76,300	-%
Richard J O'Shannassy	-	61,096	-	-	5,499	-	-	-	66,595	-%
Robert J McKinnon	-	20,000	-	-	1,800	-	-	-	21,800	-%
Sub-total non-executive directors	503,224	336,096	-	-	82,524	-	-	-	921,844	-%
Executive directors										
Peter McBain	552,792	-	-	269,531	20,441	9,837	282,195	-	1,134,796	49%
Other key management personnel (Group)										
Anthony Bevan	329,369	-	20,000	62,683	15,769	6,485	-	-	434,306	14%
Mark Braghieri	370,172	-	-	53,959	30,347	7,722	-	-	462,200	12%
Domenic Cappelluti	277,947	-	20,000	57,683	25,500	7,616	-	-	388,746	15%
Struan Collins	213,029	-	-	57,768	19,761	3,662	-	-	294,220	20%
Michael Sloan	277,783	-	20,000	48,410	25,485	10,684	-	-	382,362	13%
Total key management personnel compensation (group)	2,524,316	336,096	60,000	550,034	219,827	46,006	282,195	-	4,018,474	23%

(c) Service agreements

Brierty has entered into an executive service agreement with Peter McBain as Managing Director. All other key management personnel, except R Erwin, have employment contracts. The executive service agreement for the Managing Director and other key management personnel employment contracts:

- are not fixed term agreements and continue on an ongoing basis until terminated;
- provide for annual salary, short term incentives, superannuation contributions, annual leave and long service leave, company vehicles and other fringe benefits;
- provide for remuneration to be reviewed annually; and
- in the case of the Managing Director may be terminated by either the executive or the group giving six months' notice of termination (or in lieu). No other termination payments are due.

Remuneration report (audited) (continued)

(d) Share based compensation

(i) Options

No options were granted during the year ended 30 June 2013.

The percentage of the Managing Director's remuneration for the financial year that consists of options is 3% (2012: 33%).

In 2011, 5,000,000 options were granted to the Managing Director. During the current year 250,000 options vested due to continuous employment, and 1,383,542 vested due to performance out of a possible maximum of 1,416,666 (2012: 250,000). No options were exercised during the year (2012: nil).

The table below discloses the number of share options granted to the Managing Director, P McBain, as remuneration during FY13 as well as the number of options that vested or lapsed during the year.

Share options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

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

Grant date	First exercise date	Expiry date	Exercise price	Value per option at grant date	Number of options
7 March 2011	7 March 2012	7 March 2015	\$0.451	\$ 0.208	250,000
7 March 2011	7 March 2013	7 March 2016	\$0.601	\$ 0.216	250,000
7 March 2011	7 March 2014	7 March 2015	\$0.751	\$ 0.225	250,000
7 March 2011	30 September 2012	7 March 2015	\$0.451	\$ 0.220	1,416,666
7 March 2011	30 September 2013	7 March 2016	\$0.601	\$ 0.226	1,416,667
7 March 2011	30 September 2014	7 March 2017	\$0.751	\$ 0.234	1,416,667

Name	Number of options granted/(forfeited) during the year		Number of options vested/(lapsed) during the year	
	2013	2012	2013	2012
P McBain	(33,125)	0	1,633,542	0

The options forfeited during the year had an intrinsic value of nil at the date of forfeiture.

Consolidated entity 2013 Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of share options for the year
P McBain	\$ -	\$ -	\$ -	% 3

Consolidated entity 2012 Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of share options for the year
P McBain	\$ -	\$ -	\$ -	% 25

Remuneration report (audited) (continued)

(d) Share based compensation (continued)

(i) Options (continued)

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

END OF REMUNERATION REPORT

Loans to directors and executives

Information on loans to directors and executives, including amounts, interest rates and repayment terms are set out in Note 27 to the financial statements.

Indemnification and Insurance of Officers and Auditors

The Group has executed a deed of access, indemnity and insurance in favour of each Director. The indemnity requires the Group to indemnify each Director for liability incurred by the Director as an officer of the Group subject to the restrictions prescribed in the Corporations Act 2001. The deed also gives each Director a right of access to Board papers and requires the Group to maintain insurance cover for the Directors.

The Group has also executed an indemnity and insurance deed in favour of certain executives of the Group. The deed requires the Group to indemnify each of these executives for liability incurred by them as executives of Brierty subject to the restrictions prescribed in the Corporations Act 2001. The deed also requires the Group to maintain insurance cover for these executives.

The agreements provide for the Group to pay an amount not exceeding \$20,000,000 provided that the liability does not arise out of:

- any conduct or contravention in respect of which a liability is the subject of a prohibition in section 199B(I) of the Corporations Act 2001.
- the committing of any deliberately dishonest or deliberately fraudulent act.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

The following non-audit services were provided by the Group's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit services provided means that auditor independence was not compromised.

Ernst & Young received the following amounts for the provision of non-audit services:

	Consolidated entity	
	Year ended	
	2013	2012
	\$	\$
Taxation services		
Ernst & Young firm:		
Tax compliance services	28,990	22,332

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

A handwritten signature in black ink, consisting of a large loop followed by a horizontal line.

D L Gooding
Chairman

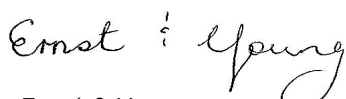
A handwritten signature in black ink, consisting of stylized initials 'P' and 'M' followed by a horizontal line.

P McBain
Managing Director

Perth, Western Australia
20 August 2012

Auditor's Independence Declaration to the Directors of Brierty Limited

In relation to our audit of the financial report of Brierty Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.


Ernst & Young



Fiona Drummond
Partner
19 August 2013

Brierty Limited ABN 65 095 459 448
Financial statements - 30 June 2013

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The consolidated financial report of Brierty Limited (the Group) for the year 30 June 2013 was authorised for issue in accordance with a resolution of directors on 19 August 2013.

Brierty Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the Group's operations and its principal activities is included in the directors' report on page 17, which is not part of this financial report.

Brierty Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2013

		Consolidated entity	
		Year ended	
		30 June	30 June
		2013	2012
	Notes	\$	\$
Revenue from services and land sales	5	292,416,142	252,305,246
Cost of services and sales	7	(254,837,140)	(219,616,247)
Gross margin on services and land sales		37,579,002	32,688,999
Other income	6	402,548	298,532
Administration expenses, excluding finance costs		(19,977,546)	(15,970,117)
Finance costs	7	(3,362,738)	(3,406,769)
Profit from continuing operations before income tax		14,641,266	13,610,645
Income tax expense	8	(4,430,117)	(4,168,171)
Profit from continuing operations after income tax		10,211,149	9,442,474
Total Comprehensive income for the period		10,211,149	9,442,474
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	36	9.28	8.58
Diluted earnings per share	36	9.28	8.58

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

Brierty Limited
Consolidated statement of financial position
As at 30 June 2013

		Consolidated entity	
		30 June	30 June
		2013	2012
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	9	13,486,334	2,540,864
Trade and other receivables	10	46,254,132	45,101,088
Contracts in progress and inventories	11	16,504,580	10,514,054
Prepayments		1,635,081	855,386
Land held for development and resale	12	10,738,964	16,641,449
Total current assets		88,619,091	75,652,841
Non-current assets			
Receivables	13	-	963,223
Property, plant and equipment	15	62,735,359	54,014,328
Land held for development and resale	12	-	1,270,646
Deferred tax assets	16	-	852,110
Total non-current assets		62,735,359	57,100,307
Total assets		151,354,450	132,753,148
LIABILITIES			
Current liabilities			
Trade and other payables	17	50,780,480	47,294,959
Borrowings	18	10,496,923	7,956,587
Provisions	19	3,244,337	2,586,580
Current tax liabilities	20	1,845,807	4,767,203
Contract income in advance	11	4,518,490	4,328,763
Total current liabilities		70,886,037	66,934,092
Non-current liabilities			
Borrowings	21	26,018,541	19,780,479
Deferred tax liabilities	22	1,336,183	-
Provisions	23	598,614	456,635
Total non-current liabilities		27,953,338	20,237,114
Total liabilities		98,839,375	87,171,206
Net assets		52,515,075	45,581,942
EQUITY			
Contributed equity	24	29,170,572	29,170,572
Other reserves	25(a)	304,179	282,195
Retained earnings	25(b)	23,040,324	16,129,175
Total equity		52,515,075	45,581,942

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

Brierty Limited
Consolidated statement of changes in equity
For the year ended 30 June 2013

	Notes	Attributable to owners of Brierty Limited			Total equity \$
		Contributed equity \$	Employee Equity Benefits Reserve \$	Retained earnings \$	
Consolidated entity					
Balance at 1 July 2011		29,170,572	-	7,786,701	36,957,273
Profit for year		-	-	9,442,474	9,442,474
Total comprehensive income for the period		-	-	9,442,474	9,442,474
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	26	-	-	(1,100,000)	(1,100,000)
Share based payment	25	-	282,195	-	282,195
		-	282,195	(1,100,000)	(817,805)
Balance at 30 June 2012		29,170,572	282,195	16,129,175	45,581,942
Balance at 1 July 2012		29,170,572	282,195	16,129,175	45,581,942
Profit for year		-	-	10,211,149	10,211,149
Total comprehensive income for the period		-	-	10,211,149	10,211,149
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	26	-	-	(3,300,000)	(3,300,000)
Share based payment	25	-	21,984	-	21,984
		-	21,984	(3,300,000)	(3,278,016)
Balance at 30 June 2013		29,170,572	304,179	23,040,324	52,515,075

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

Brierty Limited
Consolidated statement of cash flows
For the year ended 30 June 2013

		Consolidated entity	
		Year ended	
		30 June	30 June
		2013	2012
Notes		\$	\$
Cash flows from operating activities			
	Receipts from customers (inclusive of goods and services tax)	317,601,931	254,773,102
	Payments to suppliers and employees (inclusive of goods and services tax)	(282,756,395)	(230,210,942)
	Other revenue	307,879	494,268
	Income taxes received/(paid)	(5,163,220)	1,101,954
	Interest received	148,947	55,640
	Finance costs	(3,362,738)	(3,406,769)
35	Net cash inflow from operating activities	26,776,404	22,807,253
Cash flows from investing activities			
	Payments for property, plant and equipment	(1,796,015)	(4,744,037)
	Proceeds from sale of property, plant and equipment	563,786	918,795
	Net cash (outflow) from investing activities	(1,232,229)	(3,825,242)
Cash flows from financing activities			
	Repayment of borrowings	(10,335,109)	(13,913,176)
26	Dividends paid to company's shareholders	(3,300,000)	(1,100,000)
	Net cash (outflow) from financing activities	(13,635,109)	(15,013,176)
Net increase in cash and cash equivalents		11,909,066	3,968,835
	Cash and cash equivalents at the beginning of the financial year	1,577,268	(2,391,567)
9	Cash and cash equivalents at end of period	13,486,334	1,577,268

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

1 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Historical cost convention

These financial statements have been prepared under the historical cost convention in Australian dollars.

Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Financial Reporting Standards Board.

For the purposes of preparing the consolidated financial statements the company is a for profit entity.

In the current year, the Group has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board. None have had an impact on accounting policies of the Group or the Group's financial position or performance.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2013. Except as otherwise outlined below, the impact of these standards has not yet been determined.

AASB 10 Consolidated Financial Statements

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities*.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.

There will be no impact to the Group from this standard as the Group has one subsidiary that is wholly owned.

AASB 11 Joint Arrangements

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly-controlled Entities - Non-monetary Contributions by Ventures*.

1 Summary of significant accounting policies (continued)

Compliance with IFRS (continued)

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.

The Group has an interest in a Joint Venture that meets the definition of a joint operation under AASB 11. There is no impact on the accounting treatment.

AASB 12 Disclosure of Interests in Other Entities

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.

AASB 13 Fair Value Measurement

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

Consequential amendments were also made to other standards via AASB 2011-8.

There will be no impact to the Group from this standard as it does not change the way the Group estimates the fair value of its assets and liabilities.

AASB 119 Employee Benefits

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

Consequential amendments were also made to other standards via AASB 2011-10.

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

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

1 Summary of significant accounting policies (continued)

Compliance with IFRS (continued)

AASB 2012-2 principally amends *AASB 7 Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when the offsetting criteria of AASB 132 are not all met.

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

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following:

- repeat application of AASB 1 is permitted (AASB 1)
- clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*).

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

Application date of standard - 1 January 2013. Application date for Group - 1 July 2013.

AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia*.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]

Application date of standard - 1 July 2013. Application date for Group - 1 July 2013.

This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.

AASB 1053 Application of Tiers of Australian Accounting Standards

Application date of standard - 1 July 2013. Application date for Group - 1 July 2013.

This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:

- (a) Tier 1: Australian Accounting Standards
- (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit entities in the private sector that have public accountability (as defined in this standard)
- (b) The Australian Government and State, Territory and Local governments

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit private sector entities that do not have public accountability
- (b) All not-for-profit private sector entities.
- (c) public sector entities other than the Australian Government and State, Territory and Local governments.

1 Summary of significant accounting policies (continued)

Compliance with IFRS (continued)

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.

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

Application date of standard - 1 January 2014. Application date for Group - 1 July 2014.

AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right to set-off" and that some gross settlement systems may be considered equivalent to net settlement.

Interpretation 21 Levies

Application date of standard - 1 January 2014. Application date for Group - 1 July 2014.

This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.

AASB 9 Financial Instruments

Application date of standard - 1 January 2015. Application date for Group - 1 July 2015.

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

- (a) Financial assets that are debt instruments will be classified on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - the change attributable to changes in credit risk are presented in other comprehensive income (OCI);
 - the remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restarting prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

Critical accounting estimates

1 Summary of significant accounting policies (continued)

Critical accounting estimates (continued)

The preparation of financial statements in conformity with Accounting Standards and Interpretations 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 3.

(b) Principles of consolidation

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Brierty Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity 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.

(c) Jointly controlled operation

The Group has an interest in a joint venture that is a jointly controlled operation. A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than the establishment of a separate entity. The Group recognises its interests in the jointly controlled operation by recognising its interests in the assets and liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the jointly controlled operation. Details relating to the joint venture are set out in note 33.

(d) Segment reporting

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

Operating segments have been identified based on the information provided in the chief operating decision makers being the executive management team and the Board.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where the information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

1 Summary of significant accounting policies (continued)

(e) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(f) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Construction contracting

Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a construction contract, the excess of total expected contract costs over total expected contract revenue is recognised as an expense immediately.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

For fixed price contracts, the stage of completion is measured by reference to the proportion of the contract work physically performed for each contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the percentage of fees earned. The percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Claims and variations are only recognised when they are considered certain of recovery if negotiations have reached an advanced stage or the customer has agreed or approved the claim.

(ii) Hire of equipment

Revenue is recognised for hire of equipment over the contract period.

(iii) Sale of land

Revenue and profits from the sale of blocks from completed stages of land subdivisions are recognised on settlement of the sale. This represents the point when risks and rewards have passed to the buyer.

(iv) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(v) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

1 Summary of significant accounting policies (continued)

(g) Income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to the amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Brierty Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

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

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. Details about the tax funding agreement are disclosed in note 8.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

1 Summary of significant accounting policies (continued)

(h) Leases (continued)

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

(ii) Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(i) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition - date fair values of the asset transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity issued by the acquirer, and the amount of any non controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(j) Impairment of non-financial assets

The Group does not currently have goodwill and intangible assets. Accordingly all relevant 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Cash and cash equivalents

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

(l) Trade receivables

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

1 Summary of significant accounting policies (continued)

(l) Trade receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(m) Inventories

(i) Fuel, spares and major components

Stock of fuel, spares and major components are stated at the lower of cost and net realisable value. Cost of fuel and spares comprises purchase cost determined after deducting rebates and discounts and assigned on a first in, first out basis. The cost of major components can include direct materials, direct labour. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised costs and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

(iii) Land held for resale

Land held for development and resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition and development during development.

(n) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value basis over the estimated useful lives of the specific assets, as follows:

	2013	2012
- Plant & Equipment	3 - 9 years	3 - 9 years
- Motor Vehicles	4 - 5 years	4 - 5 years
- Office Furniture & Fittings	1 - 9 years	1 - 9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1 Summary of significant accounting policies (continued)

(n) Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

(o) Trade and other payables

Trade and other payables are carried at amortised cost due to their short term nature. 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 45 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(s) Employee benefits

(i) Wages and salaries, annual leave and productivity payments

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1 Summary of significant accounting policies (continued)

(s) Employee benefits (continued)

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the Brierty Limited Employee Option Plan and an employee share scheme. Information relating to these schemes is set out in note 37.

The fair value of options granted under the Group's Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

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

The fair value of options granted is adjusted to reflect market vesting conditions, but excludes the impact of non market vesting conditions (for example, profitability and sales growth targets). Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

(t) Contributed equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

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

(v) Earnings per share

(i) Basic earnings per share

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

(ii) 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 ordinary shares that would have been outstanding assuming the conversion of all 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 taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

1 Summary of significant accounting policies (continued)

(w) Goods and Services Tax (GST) (continued)

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 taxation authority, are presented as operating cash flows.

2 Financial risk management

The Group's principal financial instruments comprise cash and cash deposits, receivables, payables, bank overdrafts and hire purchase liabilities.

Exposure to credit, interest rate and currency risks arise in the normal course of the Group's business. The Group's policy and objectives remain unchanged from prior years.

Primarily, the Group aims to ensure that financial security is maintained and capital availability is appropriate to all stakeholders. In this respect debt borrowings are driven by balancing cash, short term borrowings and longer term capital financing of the entity.

The Group's key management personnel report to the Risk & Compliance Committee and Board regularly on the progress and objectives of the risk and the associated corporate governance policy objectives. The Group aims to reduce risk where commercially possible. In this regard, the risk management covers at least the risks associated with market, liquidity and credit activity.

The Group held the following financial assets and liabilities at balance date:

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Financial assets		
Cash and cash equivalents	13,486,334	2,540,864
Trade and other receivables	46,254,132	45,101,088
	59,740,466	47,641,952
Financial liabilities		
Trade and other payables	50,780,480	47,294,959
Borrowings	36,515,464	27,737,066
	87,295,944	75,032,025
Gross amounts due from customers		
Work in Progress	11,089,330	6,246,618
	11,089,330	6,246,618

(a) Market risk

(i) Foreign exchange risk

The Group has occasional exposure to foreign exchange and currency exposure by virtue of the purchase price of new capital equipment being denominated in overseas currency. Where possible, the Group seeks to limit this risk by fixing the exchange rate at the time of placing the order, by entering into a forward foreign exchange contract. There is no exposure to foreign exchange or currency risk at year end.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

2 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk management

The Group employs a mixture of fixed and variable borrowings to manage both cash and long term capital purchases. This risk is managed by utilising fixed hire purchase contracts predominantly for capital purchases. It provides a fixed result with little risk of change.

The Group does not enter into any specific swap or hedges to cover any interest rate volatility. Predominantly, the only interest rate exposure on financial liabilities is on the bank overdraft (when utilised). In management's opinion however, Australia is experiencing a relatively low interest rate environment with an expectation of only moderate decreases in the next 12 months. Interest rate risks are considered manageable.

The impact of a 1% (2012: 1%) increase or decrease in interest rate on cash deposit and overdraft (being the only financial assets or liabilities subject to Australian variable interest rate risk) would be a profit and equity increase or decrease of approximately \$134,863 per annum (2012: \$15,773).

	30 June 2013		30 June 2012	
	Weighted average interest rate	Balance \$	Weighted average interest rate	Balance \$
Cash Balance	2.75 %	13,486,334	2.0 %	2,540,864
Bank Overdraft	10.23 %	0	10.6 %	963,596

(b) Credit risk

Trading terms for customers is typically an average of 30 days and it is considered normal to have receivables paid within 60 day terms. Cash retentions held for performance guarantees are generally held for up to 12 months from practical completion. Revenue is generally only recorded once the claim has been approved by the client. These amounts form a portion of current receivables.

Where terms are exceeded interest can be charged on late payments. Management follow a strict credit policy as part of day to day cash flow management. The credit worthiness of customers is considered at contract negotiation stage.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in note 10 trade and other receivables, and note 11 contracts in progress.

Management ensures concentration of credit risk is managed by having a wide variety of customers so no one customer has a material impact on outstanding receivables.

Cash is held with recognised financial institutions which management believes appropriately manages the credit risk of these assets.

(c) Liquidity risk

Cash is monitored daily and ensures the Group will be able to pay its debts as and when they fall due. Borrowings form part of this. However, operating cash flows are primarily used to cater for general day to day costs. Cash flows will also include dividend and tax disbursements as required. Asset purchases for long term use are generally placed under hire purchase, fixed rate payment cycles. This provides a good risk profile and generally terms do not exceed 4 years.

The Group's banker imposes certain debt covenants relating to gearing (gearing ratios at year end are detailed in Note 24). The Board discuss with management its capital requirements and borrowings to date. This is aimed at balancing the needs of all stakeholders and providing sufficient capital needs for meeting contractual obligations and driving strategic growth.

2 Financial risk management (continued)

(c) Liquidity risk (continued)

The following summary of effective interest rates and maturities on financial liabilities is provided:

Maturity analysis of financial liabilities based on contractual terms

2013 Financial Liabilities	Less than 6 months \$	6 - 12 months \$	Between 1 and 5 years \$	Over 5 years \$
Trade payables	50,780,480	-	-	-
Hire purchase liabilities	6,545,501	6,151,692	28,442,878	-
Total	57,325,981	6,151,692	28,442,878	-

2012 Financial Liabilities	Less than 6 months \$	6 - 12 months \$	Between 1 and 5 years \$	Over 5 years \$
Trade payables	47,294,964	-	-	-
Hire purchase liabilities	4,525,767	4,128,363	22,073,377	-
Bank overdraft	972,091	-	-	-
Total	52,792,822	4,128,363	22,073,377	-

(d) Fair value measurements

The directors as in prior years, consider that the carrying amount of financial assets and financial liabilities other than hire purchase liabilities (refer to note 21(e)) recorded in the financial statement continue to approximate their fair values.

All financial assets and liabilities are payable within a year with the exception of retentions and hire purchase liabilities which are payable in accordance with the disclosures set out in Note 30.

3 Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumptions

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

(i) Construction Work in Progress

Essentially these amounts comprise of costs incurred, but not billed at 30 June 2013. The claims process is such that the client of the Group needs to review and agree the line items submitted by the Group in its claim. Some of these amounts comprise variations, and scope beyond the initial contract. The process requires the client to accept or come to an arrangement with the Group for these types of claims. The directors have chosen a conservative approach and measure and capture only those costs which are considered certain of recovery if negotiations have reached an advanced stage or the customer has agreed or approved the claim.

3 Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(i) Construction Work in Progress (continued)

For fixed price contracts, the stage of completion is measured by reference to the proportion of the contract work physically performed for each contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the percentage of fees earned. The percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract. Profit is generally only recognised when a project is more than 10% complete, as at that stage all ground conditions and the outcome of the contract can be reliably assessed as to its likely outcome.

(ii) Income taxes

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(iii) Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(iv) Estimation of Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturer's warranties for plant and equipment, lease terms for leased equipment and turnover policies for motor vehicles. In addition the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(v) Impairment

The Group carries no goodwill and all assets are depreciated using diminishing value method. The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

(vi) 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 with the assistance of an external valuer using a binomial model. The related assumptions are detailed in note 36. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

4 Segment information

(a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the services provided. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Reportable segments

The entity is organised into the following divisions by project type.

Civil

Civil infrastructure works for mines, energy, utilities and pipelines and residential lot developments, urban and regional roads, highways, rail, port and airport infrastructure.

Bellamack

Residential lot development in Palmerston, NT.

Mining

Contract mining and mine maintenance.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation and reflected in the adjustments and elimination rows.

4 Segment information (continued)

(b) Segment information provided to the Chief Operating Decision Maker

Consolidated entity 2013	Civil \$	Bellamack \$	Mining \$	Total Operations \$
Segment revenue				
Sales to external customers	162,717,463	44,690,575	84,955,429	292,363,467
Intersegment transactions	16,967,787	-	-	16,967,787
Intersegment elimination	-	-	-	(16,967,787)
Unallocated revenue	-	-	-	52,674
Total contract revenue	179,685,250	44,690,575	84,955,429	292,416,141
 Segment result	 18,562,811	 2,873,752	 3,920,246	 25,356,809
Over/(under) recovery of plant and workshop expenses	-	-	-	2,694,314
Administration overheads	-	-	-	(12,035,936)
Other Income	-	-	-	402,549
Unallocated (expenses) (net)	-	-	-	(1,776,470)
Profit before income tax	-	-	-	14,641,266
Segment assets	41,028,719	10,738,964	16,618,998	68,386,681
Property plant and equipment	-	-	-	62,735,359
Inventories of materials and spares	-	-	-	5,415,250
Deferred tax assets	-	-	-	-
Cash	-	-	-	13,486,334
Other unallocated assets	-	-	-	1,330,826
Total assets	-	-	-	151,354,450
Segment liabilities	-	-	-	-
Unallocated liabilities	-	-	-	98,839,375
Total liabilities	-	-	-	98,839,375

4 Segment information (continued)

(b) Segment information provided to the Chief Operating Decision Maker (continued)

Consolidated entity 2012	Civil \$	Bellamack \$	Mining \$	Total Operations \$
Segment revenue				
Sales to external customers	156,952,319	42,769,396	52,140,440	251,862,155
Intersegment transactions	19,027,926	-	-	19,027,926
Intersegment elimination	-	-	-	(19,027,926)
Unallocated revenue	-	-	-	443,091
Total contract revenue	175,980,245	42,769,396	52,140,440	252,305,246
Segment result				
Segment result	20,105,657	3,038,746	4,324,836	27,469,239
Over/(under) recovery of plant and workshop expenses	-	-	-	427,954
Administration overheads	-	-	-	(5,573,613)
Other Income	-	-	-	298,532
Unallocated (expenses) (net)	-	-	-	(9,011,467)
Profit before income tax	-	-	-	13,610,645
Segment assets	47,274,224	17,912,095	3,776,630	68,962,949
Property plant and equipment	-	-	-	54,014,328
Inventories of materials and spares	-	-	-	4,267,436
Deferred tax assets	-	-	-	852,110
Cash	-	-	-	2,540,864
Other unallocated assets	-	-	-	2,115,464
Total assets	-	-	-	132,753,151
Segment liabilities	-	-	-	-
Unallocated liabilities	-	-	-	87,171,206
Total liabilities	-	-	-	87,171,206

Due to the nature of the Group's internal reporting system, some income and expenses are not allocated to reportable segments and as such are included as unallocated net income/(expenses). These include:

- Finance costs
- Corporate overheads
- Over/under recovery of plant workshop expenses
- Other income

The Group allocates land held for development and accounts receivable to segments. However, the Group does not allocate other assets (including plant and equipment), liabilities and cash flows as they cannot be considered directly attributable to a segment based on the use of a centralised pool of employees, plant and equipment and centralised management processes for liabilities and cash flows.

The Group has a pool of assets that it uses across the different segments. Depreciation expense is charged to the pool and this depreciation is recovered from the segments via internal plant charges. Therefore, depreciation is included in the segment results, however, the pool of assets remains unallocated.

The Group has a number of customers to which it provides both products and services. The most significant client accounts for 26% and the next largest customer accounts for 25%. All other customers are below 10% (2012: two customers above 10% at 28% and 18% respectively) of external revenue.

All revenue is from customers located in Australia and all non-current assets are located in Australia.

4 Segment information (continued)

(b) Segment information provided to the Chief Operating Decision Maker (continued)

(i) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 with the exception of over/under recovery of plant and workshop expenses, which are allocated on a budgeting basis.

Certain costs including plant and workshop expenses are allocated to contracts within divisions and are included in cost of sales based on a budgeting basis. The assets and liabilities to which these costs relate are not allocated. Over/under recovery of plant and workshop expenses (actual compared to budget) is not allocated to segments.

5 Revenue

	Consolidated entity Year ended	
	30 June 2013	30 June 2012
	\$	\$
From continuing operations		
Contract Revenue	247,672,892	209,092,759
Hire of Equipment	52,675	443,091
Sale of Land	44,690,575	42,769,396
	<u>292,416,142</u>	<u>252,305,246</u>

6 Other income

	Consolidated entity Year ended	
	30 June 2013	30 June 2012
	\$	\$
Notes		
Net gain on disposal of property, plant and equipment	(1,603)	191,715
Insurance recovery	248,357	38,097
Interest received and other revenue	155,794	68,720
	<u>402,548</u>	<u>298,532</u>

7 Expenses

	Consolidated entity Year ended	
	30 June 2013	30 June 2012
	\$	\$
Cost of services and sales		
Cost of providing services	213,464,226	180,572,281
Costs of land sales Bellamack	41,372,914	39,043,966
	<u>254,837,140</u>	<u>219,616,247</u>

7 Expenses (continued)

Profit before income tax includes the following specific expenses:

Depreciation

Administration plant and equipment	512,265	384,349
Operational plant and equipment	12,074,433	9,815,609
	12,586,698	10,199,958

Employee benefits expenses

Wages and salaries	67,144,074	52,710,765
Superannuation	4,247,758	3,151,668
Share based payments	21,984	282,195
	71,413,816	56,144,628

Finance costs

Interest and finance charges payable under the hire purchase contracts	2,711,157	1,863,643
Bank facility fees	464,492	578,639
Bank overdraft interest	187,089	964,487
Finance costs expensed	3,362,738	3,406,769

Rental expense relating to operating leases

Minimum lease payments	1,372,410	1,171,775
	1,372,410	1,171,775

Impairment

(Reversal of impairment)/Impairment of inventories included in cost of sales	(122,313)	64,194
	(122,313)	64,194

8 Income tax expense

(a) Income tax expense

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	\$	\$
The major components of income tax expenses are:		
Current tax	2,222,682	4,914,091
Adjustments for current tax of prior periods	19,142	(11,405)
Deferred tax - origination and reversal of temporary differences	2,188,293	(734,515)
	4,430,117	4,168,171

8 Income tax expense (continued)

(b) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated at the statutory income tax rate

	Consolidated entity Year ended	
	30 June 2013	30 June 2012
	\$	\$
Profit from continuing operations before income tax expense	14,641,266	13,610,645
Tax at the Australian tax rate of 30% (2012 - 30%)	4,392,380	4,083,194
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Employee share-based payment costs	6,595	84,658
Entertainment	12,000	11,724
	4,410,975	4,179,576
Adjustments for current tax of prior periods	19,142	(11,405)
Income tax expense	4,430,117	4,168,171

(c) Amounts charged or credited directly in equity

There is no deferred income tax in the current or prior year related to items charged directly to equity.

(d) Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entity have implemented the tax consolidation legislation. The accounting policy in relation to this legislation is set out in note 1(g).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Brierty Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entity fully compensate Brierty Limited for any current tax payable assumed and is compensated by Brierty Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Brierty Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entity financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables (see note 31).

(e) Unrecognised temporary differences

At 30 June 2013, there are no unrecognised temporary differences.

9 Current assets - Cash and cash equivalents

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Cash at bank and in hand	4,586,334	2,529,149
Deposits at call	8,900,000	11,715
	13,486,334	2,540,864

(a) Reconciliation to cash at the end of the year

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

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Balances as above	13,486,334	2,540,864
Bank overdrafts (note 18)	-	(963,596)
	13,486,334	1,577,268

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Cash at bank and on hand

The credit deposits accrue interest rates of 2.75% (2012: 2.00%).

(d) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

10 Current assets - Trade and other receivables

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Trade receivables	43,627,168	43,658,485
Retentions	1,531,796	1,286,032
Allowance for impairment loss (a)	-	(100,000)
Sundry debtors	1,095,168	256,571
	46,254,132	45,101,088

(a) Impaired trade receivables

As at 30 June 2013, there were no current trade receivables of the company that were impaired (2012: \$153,244). The amount of the provision was nil (2012: \$100,000).

10 Current assets - Trade and other receivables (continued)

(a) Impaired trade receivables (continued)

Movements in the provision for impairment of receivables are as follows:

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
At 1 July	100,000	-
Allowance for impairment/(reversal) recognised during the year	(100,000)	100,000
At 30 June	-	(100,000)

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(b) Past due but not impaired

As of 30 June 2013, trade receivables of \$126,712 (2012: \$89,541) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default and full payment is either expected or since received. The ageing analysis of these trade receivables is as follows:

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Up to 3 months	858	89,541
3 to 6 months	125,854	-
	126,712	89,541

(c) Retentions

These amounts arise as part of the usual operating activities of the Group. There are no amounts past due or impaired at year end.

(d) Sundry debtors

These amounts arise from transactions outside the usual operating activities of the company. At year end they do not contain impaired assets and are not past due. It is expected that these balances will be recovered when due.

(e) Foreign exchange and interest rate risk

The Group has no exposure to foreign currency risk and interest rate risk in relation to trade and other receivables.

(f) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

10 Current assets - Trade and other receivables (continued)

(f) Fair value and credit risk (continued)

The credit quality of a client is assessed based on an extensive credit check, and where the Group believes a client may pose a credit risk, the client is asked to provide some form of surety as a guarantee. As at 30 June 2013, all trade debtors, other than those past due but not impaired, are current.

11 Current assets - Contracts in progress and inventories

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Construction work in progress	11,089,330	6,246,618
Inventories of materials and spares - at cost	5,415,250	4,389,749
Less impairment	-	(122,313)
	16,504,580	10,514,054

Inventories of materials and spares include major component spares totalling \$1,509,358.71 (2012: \$1,623,168) that are measured at Net Realisable Value. All other inventories are measured at cost.

(a) Construction work in progress

Contract costs incurred and recognised profits less recognised losses	222,705,489	158,779,132
Less progress billing	(216,134,649)	(156,861,277)
	6,570,840	1,917,855

Represented by:

Gross amounts due by customers under construction contracts included in:

Construction work in progress	11,089,330	6,246,618
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Gross amounts due to customers under construction contracts included in:

Contract income in advance	(4,518,490)	(4,328,763)
	6,570,840	1,917,855

Construction work in progress is expected to be recovered when due as there are no credit quality or impairment issues at year end.

12 Current assets - Land held for Development

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Land held for development and resale	10,738,964	16,641,449
(a) Total land held for development (current and non-current)		
At beginning of year	17,912,095	22,450,521
Additions	34,199,783	34,505,540
Less Sales	(41,372,914)	(39,043,966)
	10,738,964	17,912,095
Disclosed as:		
Current	10,738,964	16,641,449
Non-current (note 14)	-	1,270,646
	10,738,964	17,912,095
(b) Property held for development and resale		

Title on the residential housing blocks transfer from the Crown to the Group prior to Settlement of lots of land.

13 Non-current assets - Receivables

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Retentions non-current	-	936,333
Prepayments	-	26,890
	-	963,223

14 Non-current assets - Land held for Development

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Land held for development and resale	-	1,270,646

15 Non-current assets - Property, plant and equipment

	Plant and equipment \$	Office furniture & equipment \$	Motor vehicles \$	Total \$
Consolidated entity				
Year ended 30 June 2012				
Opening net book amount	39,084,137	702,541	1,670,794	41,457,472
Additions	21,804,366	1,610,950	68,578	23,483,894
Disposals	(540,087)	-	(186,993)	(727,080)
Depreciation charge	(9,418,765)	(384,349)	(396,844)	(10,199,958)
Closing net book amount	50,929,651	1,929,142	1,155,535	54,014,328
At 30 June 2012				
Cost or fair value	90,375,738	3,255,066	2,758,779	96,389,583
Accumulated depreciation	(39,446,087)	(1,325,924)	(1,603,244)	(42,375,255)
Net book amount	50,929,651	1,929,142	1,155,535	54,014,328
Consolidated entity				
Year ended 30 June 2013				
Opening net book amount	50,929,651	1,929,142	1,155,535	54,014,328
Additions	21,663,887	1,274,160	12,729	22,950,776
Disposals	(5,328,314)	(602,435)	(279,352)	(6,210,101)
Depreciation charge	(7,956,310)	13,886	(77,220)	(8,019,644)
Closing net book amount	59,308,914	2,614,753	811,692	62,735,359
At 30 June 2013				
Cost	106,769,553	3,926,791	2,492,156	113,188,500
Accumulated depreciation	(47,460,639)	(1,312,038)	(1,680,464)	(50,453,141)
Net book amount	59,308,914	2,614,753	811,692	62,735,359

Refer to note 21 for details of asset encumbrances.

16 Non-current assets - Deferred tax assets

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
The balance comprises temporary differences attributable to:		
Annual Leave	759,071	705,932
Impairment - Stock	-	36,694
Long Service Leave	247,443	171,724
Productivity	146,372	35,309
Accrued workers compensation	-	182,222
Accrued audit fee	15,000	17,775
Unpaid superannuation	80,434	72,476
Contract accruals	63,300	1,017,000
Doubtful debt provision	-	30,000
	1,311,620	2,269,132
Set-off of deferred tax liabilities (note 22)	(1,311,620)	(1,417,022)
Net deferred tax assets	-	852,110

17 Current liabilities - Trade and other payables

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Trade payables	36,401,113	32,650,070
Accrued expenses	12,751,855	13,989,783
Insurance - Premium Funding	1,627,512	655,106
	50,780,480	47,294,959

(a) Fair Value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

18 Current liabilities - Borrowings

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Secured		
Bank overdrafts	-	963,596
Lease liabilities (note 30)	10,496,923	6,992,991
	10,496,923	7,956,587

18 Current liabilities - Borrowings (continued)

(a) Loans from related parties

During the year, there were no loans from related parties.

(b) Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 21.

19 Current liabilities - Provisions

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Employee Benefits		
Long service leave (a)	226,196	115,779
Annual leave	2,530,235	2,353,106
Productivity payment	487,906	117,695
	<u>3,244,337</u>	<u>2,586,580</u>

- (a) The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement.

20 Current liabilities - Current tax liabilities

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Income tax	<u>1,845,807</u>	<u>4,767,203</u>

21 Non-current liabilities - Borrowings

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Secured		
HP liabilities (note 30)	26,018,541	19,780,479

(a) Secured liabilities and assets pledged as security

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

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Bank overdrafts and bank loans	-	963,596
Hire purchase liabilities	36,515,464	26,773,470
Total secured liabilities	36,515,464	27,737,066

The bank overdraft facility is secured by a fixed and floating charge over the Group's assets.

The hire purchase liabilities are secured by the assets under finance and in the event of default, the asset reverts to the finance company. Details of the assets pledged as security are as follows:

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Current		
<i>Floating charge</i>		
Cash and cash equivalents	13,486,334	2,540,864
Receivables	46,254,132	45,101,088
Other	28,878,625	28,010,889
Total current assets pledged as security	88,619,091	75,652,841
Non-current		
<i>Finance lease</i>		
Plant and equipment	41,488,855	40,499,851
<i>Floating charge</i>		
Receivables - non-current	-	963,223
Plant and equipment	21,246,504	13,514,477
Other	-	1,270,646
	21,246,504	15,748,346
Total non-current assets pledged as security	62,735,359	56,248,197

21 Non-current liabilities - Borrowings (continued)

(a) Secured liabilities and assets pledged as security (continued)

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Total assets pledged as security	151,354,450	131,901,038

(b) Bank overdraft

The current interest rates are 10.23% on the overdraft (2012: 10.58%). The effective interest rates vary between 10.23% and 10.58% (2012: 10.58% to 15.08%).

(c) Financing arrangements

The Group had access to the following borrowing facilities at the reporting date:

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Floating rate		
- expiring within one year (bank overdraft)	15,000,000	15,000,000
Used at balance date		
Bank overdrafts	-	963,596
Bank guarantees	4,176,461	3,453,556
Non-current liability	4,176,461	4,417,152

The bank overdraft facilities are repayable on demand, subject to annual review and can be cancelled by the bank. Refer to note 29 for more detail.

(d) Interest rate risk exposures

The Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods is explained in note 2(a).

Exposures arise predominantly from liabilities bearing variable interest rates.

(e) Fair value

The carrying amounts and fair values of borrowings at the end of the reporting period are:

Consolidated entity	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
On-balance sheet				
<i>Non-traded financial liabilities</i>				
Bank overdrafts	-	-	963,596	963,596
Hire purchase liabilities	36,515,464	38,888,475	26,773,470	24,794,911
	36,515,464	38,888,475	27,737,066	25,758,507

21 Non-current liabilities - Borrowings (continued)

(e) Fair value (continued)

Interest rates used to discount estimated cash flows of borrowings to arrive at the fair value of borrowings, are based on current rates available in the market, and were assessed to be 6.50% (2012: 7.39%).

22 Non-current liabilities - Deferred tax liabilities

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
The balance comprises temporary differences attributable to:		
Property, plant and equipment	1,335,214	-
Stock of parts - materials	585,867	1,316,925
Workers compensation prepaid	488,244	58,012
Diesel fuel rebate	238,478	42,085
Total deferred tax liabilities	2,647,803	1,417,022
Set-off of deferred tax assets pursuant to set-off provisions (note 16)	(1,311,620)	(1,417,022)
Net deferred tax liabilities	1,336,183	-

23 Non-current liabilities - Provisions

	Consolidated entity	
	30 June 2013	30 June 2012
	\$	\$
Employee benefits - long service leave	598,614	456,635

24 Contributed equity

(a) Share capital

	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	Shares	Shares	\$	\$
Ordinary shares				
Ordinary shares - fully paid	110,000,000	110,000,000	29,170,572	29,170,572
	110,000,000	110,000,000	29,170,572	29,170,572

24 Contributed equity (continued)

(b) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price	\$
1 July 2011	Opening balance		110,000,000	-	29,170,572
30 June 2012	Closing balance		110,000,000		29,170,572
1 July 2012	Opening balance		110,000,000	-	29,170,572
30 June 2013	Closing balance		110,000,000		29,170,572

(c) Ordinary shares

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

(d) Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management monitor capital through the gearing ratio (net debt/total capital). Current gearing ratios are considered acceptable. The gearing ratios at 30 June 2013 and 30 June 2012 were as follows:

	Notes	Consolidated entity	
		30 June 2013	30 June 2012
		\$	\$
Total borrowings		36,515,464	27,737,066
Less: cash and cash equivalents	9	(13,486,334)	(2,540,864)
Net debt		23,029,130	25,196,202
Total equity		52,515,075	45,581,941
Total capital		75,544,205	70,778,143

	Consolidated entity	
Gearing ratio	30%	36%

25 Other reserves and retained earnings

(a) Other reserves

	Consolidated entity	
	30 June	30 June
	2013	2012
Notes	\$	\$
Share-based payments	304,179	282,195

Movements:

<i>Share-based payments</i>		
Opening balance	282,195	-
Share based payments	21,984	282,195
Balance 30 June	304,179	282,195

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated entity	
	30 June	30 June
	2013	2012
Notes	\$	\$
Opening retained earnings	16,129,175	7,786,701
Net profit for the period	10,211,149	9,442,474
Dividends	(3,300,000)	(1,100,000)
Closing retained earnings	23,040,324	16,129,175

(c) Nature and purpose of other reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

26 Dividends

(a) Ordinary shares

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	\$	\$
Final dividend for the year ended 30 June 2012 (as recommended in the 2012 financial report) of 1.75 cents (2011: nil)	1,925,000	-
Interim dividend for the year ended 30 June 2013 of 1.25 cents (2012: 1.0 cents) per share, fully franked on tax paid @ 30%	1,375,000	1,100,000
	3,300,000	1,100,000

(b) Franked dividends

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	\$	\$
Franking account balance at the end of the financial year	6,939,690	3,072,900
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	1,845,807	4,767,203
Franking debits that will arise from the payment of dividends as at the end of the financial year	(577,500)	(577,500)
Franking credits that will arise from the receipt of dividends as at the end of the financial year	-	-
	8,207,997	7,262,603

(c) Tax rates

The rate at which paid dividends have been franked is 30% (2012: 30%).

27 Key management personnel disclosures

(a) Key management personnel compensation

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	\$	\$
Short-term employee benefits	2,515,297	3,470,446
Post-employment benefits	149,413	219,827
Long-term benefits	30,411	46,006
Termination benefits	-	-
Share-based payments	21,984	282,195
	2,717,105	4,018,474

Detailed remuneration disclosures are provided in the remuneration report on pages 26 to 34.

Option holdings

The number of options over ordinary shares in the group held during the financial year by each director of Brierty Limited and other key management personnel of the group, including their personally related parties, are set out below.

Consolidated entity	Balance at	Granted as		Balance at	Vested and	
2013	start of the	compensation	Forfeiture	the end of	exercisable	Unvested
Name	year			the year		
P McBain	5,000,000	-	(33,125)	4,996,875	1,883,542	3,083,333

Consolidated entity	Balance at	Granted as		Balance at	Vested and	
2012	start of the	compensation	Forfeiture	the end of	exercisable	Unvested
Name	year			the year		
P McBain	5,000,000	-	-	5,000,000	250,000	4,750,000

Share holdings

The number of shares in the Group held during the financial year by each director of Brierty Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arms length.

27 Key management personnel disclosures (continued)

Share holdings (continued)

2013 Share Holdings

	Balance at start of year	Shares Purchased	Shares Sold	Net change other	Balance at end of year
Directors of Brierty Limited					
Ordinary Shares					
D L Gooding	1,562,500	-	-	-	1,562,500
P McBain	600,000	100,000	-	-	700,000
A R Brierty	22,447,500	-	-	-	22,447,500
K J Hellsten	120,000	-	-	-	120,000
R J O'Shannassy	-	120,000	-	-	120,000
Other key management personnel of the company					
I Sydney	-	-	-	-	-
M Sloan	1,520,000	-	-	-	1,520,000
S Collins	-	60,000	-	-	60,000
R Erwin	-	-	-	-	-

2012 Share Holdings

	Balance at start of year	Shares Purchased	Shares Sold	Net change other	Balance at end of year
Directors of Brierty Limited					
Ordinary Shares					
D L Gooding	1,075,000	487,500	-	-	1,562,500
P McBain	200,000	400,000	-	-	600,000
A R Brierty	22,447,500	-	-	-	22,447,500
K J Hellsten	120,000	-	-	-	120,000
R J O'Shannassy	-	-	-	-	-
Other key management personnel of the company					
A G Bevan	-	-	-	-	-
M Braghieri	-	-	-	-	-
D Cappelluti	80,000	-	-	-	80,000
S Collins	-	-	-	-	-
M Sloan	1,520,000	-	-	-	1,520,000

(b) Other transactions with key management personnel

Other transactions with Directors are disclosed in Note 31 Related Party Transactions as they are not in the nature of remuneration.

28 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Ernst & Young

	Consolidated entity	
	Year ended	
	2013	2012
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	129,780	128,890
Total remuneration for audit and other assurance services	129,780	128,890

28 Remuneration of auditors (continued)

(a) Financial report (continued)

	Consolidated entity Year ended	
	2013	2012
	\$	\$
<i>Taxation services</i>		
Tax compliance services	28,990	22,332
Total remuneration for taxation services	28,990	22,332
<i>Other services</i>		
Other Services	190,790	-
Total remuneration for other services	190,790	-
Total remuneration of Ernst & Young	349,560	151,222

It is the Group's policy to employ Ernst & Young on assignments additional to their statutory audit duties where Ernst & Young's expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where Ernst & Young is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

29 Contingencies

Guarantees

In the ordinary course of business the Group is called upon to provide guarantees and performance bonds in relation to work undertaken.

A performance bond facility of \$25,000,000 (2012: \$15,000,000) exists with Vero Insurance Limited secured by a Deed of Indemnity and Guarantee provided by the Parent Company. At 30 June 2013 \$19,696,819 (2012: \$12,336,556) of this facility was utilised.

Brierty Limited has a \$15,000,000 bank guarantee facility (2012: \$15,000,000) established with their bankers. This facility is reduced by the amount of any bank overdraft that is utilised by the Group (at 30 June 2013 and 30 June 2012 the bank overdraft utilised was nil and \$963,596 respectively). At 30 June 2013 \$4,176,461 (2012: \$3,453,556) of the bank guarantee facilities were utilised.

In undertaking long term engineering and construction contracts there is always the possibility of claims being in progress. To the extent that any such claims or potential claims may exist that the Group is aware of, they are assessed on their merits and if considered necessary (which may be after taking legal advice), a provision for potential costs would be recognised and included in the accounts as part of the forecast outcome on completion of a particular contract. Any such provision would be an estimate based on the information available at the time.

Contingent assets

Brierty is in dispute with a client over the final claim for works completed in Financial Year 2011. The claim is subject to arbitration and any potential financial effect has not been disclosed as this could prejudice the position of the Group.

30 Commitments

(a) Lease commitments: group as lessee

(i) Non-cancellable operating leases

The Group leases various items of plant and equipment under non-cancellable operating leases expiring within five years.

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	2,660,306	2,681,136
Later than one year but not later than five years	3,454,931	6,090,178
Later than five years	-	-
	6,115,237	8,771,314

(ii) Non-cancellable property leases

The Group leases its head office under non-cancellable operating leases expiring within seven years. The lease contains market or CPI review clauses during the term of the lease. On renewal, the terms of the leases are renegotiated.

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable property leases are payable as follows:		
Within one year	888,156	508,860
Later than one year but not later than five years	2,127,024	2,035,440
Later than five years	443,130	1,187,340
	3,458,310	3,731,640

30 Commitments (continued)

(a) Lease commitments: group as lessee (continued)

(iii) Hire purchase

The Group has various plant and equipment with a carrying amount of \$41,488,855 (2012: \$40,499,851) under hire purchase contracts leases expiring within one to five years.

	Consolidated entity	
	30 June	30 June
	2013	2012
	\$	\$
Commitments in relation to finance leases are payable as follows:		
Within one year	12,697,194	8,654,130
Later than one year but not later than five years	28,442,878	22,073,377
Minimum lease payments	41,140,072	30,727,507
Future finance charges	(4,624,608)	(3,954,037)
Total lease liabilities	36,515,464	26,773,470
Representing lease liabilities:		
Current (note 18)	10,496,923	6,992,991
Non-current (note 21)	26,018,541	19,780,479
	36,515,464	26,773,470

The weighted average interest rate implicit in the hire purchase contracts is 7.50% (2012: 7.73%)

As at 30 June 2013, the Group had no contractual obligation to purchase equipment in the normal course of business (2012: \$12,188,301).

31 Related party transactions

(a) Directors

The names of persons who were directors of the Group at any time during the financial year are as follows: D L Gooding, A R Brierty, K J Hellsten, R J O'Shannassy and P McBain. All of these persons were directors during the entire year.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 27.

No key management personnel subscribed in cash for ordinary shares in the group during the year. The shares were acquired on the same terms and conditions that applied to other shareholders.

(c) Transactions with other related parties

The following transactions occurred with related parties other than key management personnel or entities related to them:

During the year, the Group paid rent to Jamstakes Pty Ltd (a company owned by Alan & Kylie Brierty and the shareholders of Brierty prior to listing on the ASX), the owner of the premises at 38 Mandarin Rd, Maddington. Rent totalling \$356,400 (2012: \$356,400) was paid during the year in accordance with a lease agreement on normal terms and conditions. There was no amounts owing to or from Jamstakes Pty Ltd at the end of the financial year.

31 Related party transactions (continued)

(c) Transactions with other related parties (continued)

Gooding Partners an accounting practice which Mr D L Gooding is a partner, provided consulting services in relation to due diligence activities, for which Gooding Partners were paid \$181,751 (2012: nil). \$117,426 was owing to Gooding Partners at the end of the financial year (2012: nil).

(d) Loans to/from related parties

There were no loans to/from related parties during the year ended 30 June 2013 (2012: nil).

(e) Guarantees

There are no guarantees provided by a related party.

32 Subsidiaries and transactions with non-controlling interests

(a) Significant investments in subsidiaries

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

Company	Country of incorporation	Class of shares	Equity holding **	
			2013	2012
			%	%
Brierty Ltd				
Controlled entities				
Bellamack Pty Ltd	Australia	Ordinary	100	100

33 Interests in joint venture

A joint venture agreement establishing the Brierty NYFL joint venture was executed on 21 December 2011. The principal activity of the joint venture is to deliver urban infrastructure works at the Wickham site in Western Australia.

The Group has the following interest in a jointly controlled operation:

<i>Joint venture</i>	<i>Principal activities</i>	<i>Ownership interest %</i>	
		2013	2012
		70%	70%
Brierty NYFL Joint Venture	Urban infrastructure works		

(a) Joint venture

Summary financial information for joint venture assets, as included in the consolidated statement of financial position and income statement, is shown below:

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	\$	\$
Current assets		
Cash and cash equivalents	3,114,858	-
Trade receivables	1,834,928	-
Inventories	5,798,334	-
Total current assets	10,748,120	-

33 Interests in joint venture (continued)

(a) Joint venture (continued)

	Consolidated entity Year ended	
	30 June 2013 \$	30 June 2012 \$
Non-current assets		
Total non-current assets	-	-
Total assets	10,748,120	-
Current liabilities		
Trade payables	11,742,429	-
Sundry payables	(15,362)	-
Current tax payables	(294,063)	-
Total current liabilities	11,433,004	-
Non-current liabilities		
Total non-current liabilities	-	-
Total liabilities	11,433,004	-
Net assets	(684,884)	-
Share of partnership's revenue, expenses and results		
Revenue	38,055,960	-
Expenses	(38,740,844)	-
Profit before income tax	(684,884)	-

(b) Commitments relating to the jointly controlled operations

There were no capital commitments relating to the jointly controlled operations as at 30 June 2013 (2012: nil).

(c) Contingent liabilities relating to the jointly controlled operations

There were no contingent liabilities relating to the jointly controlled operations as at 30 June 2013 (2012: nil).

(d) Impairment

No assets employed in the jointly controlled operations were impaired during the year ended 30 June 2013 (2012: nil).

34 Events occurring after the reporting period

There have been no matters or circumstances that have arisen since 30 June 2013 that have or may significantly affect the operations results or state of affairs of the Group in future financial periods.

35 Cash Flow Statement Reconciliation

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	\$	\$
(a) Reconciliation of net profit after tax to net cash flows from operations		
Profit for the period	10,211,149	9,442,474
Depreciation and amortisation	12,586,698	10,199,958
Provision written back	(222,313)	164,194
Non-cash employee benefits expense - share-based payments	21,984	282,195
Net (gain) loss on sale of non-current assets	1,603	(191,715)
(Decrease) increase in income in advance	189,727	(1,607,747)
Decrease (increase) in inventories and work in progress	1,304,918	261,570
(Decrease) increase in trade creditors and sundry creditors	5,679,871	18,867,502
(Decrease) increase in other receivables	23,360	616,452
(Increase) decrease in trade debtors	(3,087,225)	(21,201,415)
(Increase) decrease in deferred tax assets	852,110	502,923
(Increase) decrease in deferred tax liabilities	(1,585,213)	4,767,202
Increase (decrease) in other provisions	799,735	703,660
Net cash inflow (outflow) from operating activities	<u>26,776,404</u>	<u>22,807,253</u>

(b) Non Cash Financing and Investing Activities

During the year \$21,341,273 (2012: \$18,159,571) of assets were acquired by means of hire purchase contracts.

36 Earnings per share

(a) Basic earnings per share

	Consolidated entity	
	Year ended	
	30 June	30 June
	2013	2012
	Cents	Cents
Total basic earnings per share attributable to the ordinary equity holders of the company	<u>9.28</u>	<u>8.58</u>

36 Earnings per share (continued)

(b) Diluted earnings per share

	Consolidated entity Year ended	
	30 June 2013 Cents	30 June 2012 Cents
Total diluted earnings per share attributable to the ordinary equity holders of the company	9.28	8.58

(c) Reconciliation of earnings used in calculating earnings per share

	Consolidated entity Year ended	
	30 June 2013 \$	30 June 2012 \$
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	10,230,291	9,442,474
<i>Diluted earnings per share</i>		
Profit from continuing operations attributable to the ordinary equity holders of the company		
Used in calculating basic earnings per share	10,230,291	9,442,474

(d) Weighted average number of shares used as denominator

	Consolidated entity Year ended	
	2013 Number	2012 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	110,000,000	110,000,000
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	110,000,000	110,000,000

(e) Information on the classification of securities

(i) Options

The options granted in March 2011 are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2013. These options could potentially dilute basic earnings per share in the future.

Options that vested up to 30 June 2013 (1,883,542) are out of the money as the option price is higher than the share price and are considered antidilutive. Of the remaining 3,083,333 options not vested, 2,833,333 have performance conditions attached to them and are considered to be contingently dilutive if exercised in the future.

36 Earnings per share (continued)

(e) Information on the classification of securities (continued)

(ii) Post balance date

Since the end of 30 June 2013 1,133,334 of the performance based options were forfeited. There were no other options granted, vested, forfeited or exercised post balance date.

37 Share-based payments

(a) Types of share based payment plans

Employee share option plan (ESOP)

The establishment of an employee incentive option scheme was approved by shareholders at the 2008 annual general meeting. The Employee Incentive Plan is designed to provide long term incentives for management to deliver long term shareholder returns. Under the plan, participants are granted options which only vest if certain employment conditions and performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

No options have been granted under the scheme to date.

Issue of options under employment contract

- (i) There were no options granted during the year ended 30 June 2013 (2012: nil)

Set out below are the details of the options granted:

These options were issued on 7 March 2011 and have the following terms:

Continuous employment options

15% of the options (being 750,000) will become capable of exercise provided that Mr McBain remains in the continuous employment of the Group as follows:

- 250,000 options become capable of exercise from 7 March 2012 (at an exercise price of \$0.451 per option) provided he has been in continuous employment for 1 year;
- 250,000 options become capable of exercise from 7 March 2013 (at an exercise price of \$0.601 per option) provided he has been in continuous employment for 2 years; and
- 250,000 options become capable of exercise from 7 March 2014 (at an exercise price of \$0.751 per option) provided he has been in continuous employment for 3 years.

Performance based options

The remaining 85% of the options (being 4,250,000) will become capable of exercise subject to the achievement of key performance indicator (KPI) based performance hurdles. Performance against the various KPI's will be assessed by the Board on a rating scale which will determine the number of options that become capable of exercise up to a maximum of the following:

- Up to 1,416,666 options (subject to achievement of KPI's) become capable of exercise from 30 September 2012 (at an exercise price of \$0.451 per option);
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2013 (at an exercise price of \$0.601 per option); and
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2014 (at an exercise price of \$0.751 per option).

37 Share-based payments (continued)

(a) Types of share based payment plans (continued)

Performance based options granted during the year ended 30 June 2013:

1,383,542 options were granted to Mr McBain based on his performance during the year ended 30 June 2012 (2011: nil).

Any options that have become capable of exercise, but have not been exercised, will expire on 7 September 2017.

(b) Fair value of options granted

The assessed fair value at grant date of the options to the Managing Director during the year ended 30 June 2011 was as follows.

Continuous Employment options

		Value per option
Exercisable after	- 7 March 2012	20.8 cents
	- 7 March 2013	21.6 cents
	- 7 March 2014	22.5 cents

Performance based options

		Value per option
Exercisable after	- 30 September 2012	22.0 cents
	- 30 September 2013	22.6 cents
	- 30 September 2014	23.4 cents

The fair value at grant date is independently determined using a Binomial model taking into account the terms and conditions upon which the options were granted.

The inputs to the model for the options granted during the year ended 30 June 2011 included:

- (i) share price at grant date: \$0.315
- (ii) grant date: 7 March 2011
- (iii) exercise price: as detailed above
- (iv) expiry date: as detailed above.
- (v) expected price volatility of the company's shares: 133%.
- (vi) expected dividend yield: 12.0%.
- (vii) risk-free interest rate: 2.98%.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

37 Share-based payments (continued)

(c) Expenses arising from share-based payment transactions (continued)

	Consolidated entity Year ended	
	30 June 2013	30 June 2012
	\$	\$
Expense arising from equity-settled share based payment transactions	21,984	282,195

38 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2013	30 June 2012
	\$	\$
Balance sheet		
Current assets	78,679,398	68,186,358
Non-current assets	62,735,361	55,829,664
Total assets	141,414,759	124,016,022
Current liabilities	69,429,909	64,325,682
Non-current liabilities	27,953,338	20,237,114
Total liabilities	97,383,247	84,562,796
Net assets	44,031,512	39,453,226
<i>Shareholders' equity</i>		
Issued capital	29,170,572	29,170,572
Reserves		
Share-based payments	304,179	282,195
Retained earnings	14,556,761	10,000,459
	44,031,512	39,453,226
Profit or loss for the period	7,856,300	6,790,182
Total comprehensive income	7,856,300	6,790,182

38 Parent entity financial information (continued)

(b) Guarantees entered into by the parent entity

The parent entity has provided no financial guarantees in respect of loans of subsidiaries.

Guarantees entered into by joint ventures are via those entities directly.

(c) Contingent liabilities of the parent entity

Other than those guarantees and performance bonds disclosed in Note 29 the parent entity did not have any contingent liabilities as at 30 June 2013 or 30 June 2012.

(d) Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July as at 30 June 2013 or 30 June 2012. The accounting policy in relation to this legislation is set out in note 1(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Brierty Limited. No amounts have been recognised by the parent on the basis that the possibility of default is remote.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Brierty Limited for any current tax payable assumed and are compensated by Brierty Limited for any current tax receivables and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Brierty Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of the financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as the current intercompany receivables or payables (see note 32).

(e) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2013, the parent entity had no contractual obligation to purchase equipment in the normal course of business (2012: \$12,188,301).

**Brierty Limited
Directors' declaration
30 June 2013**

In accordance with a resolution of the directors of Brierty Limited, I state that:

In the directors' opinion:

- (a) the financial statements and notes set out on pages 37 to 88 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* ; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1 (a).
- (c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and

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

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



Dalton L. Gooding
Director



P McBain
Managing Director

Perth, Western Australia
20 August 2012

Independent auditor's report to the members of Brierty Limited

Report on the financial report

We have audited the accompanying financial report of Brierty Limited, which comprises the consolidated statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this Auditor's report.

Opinion

In our opinion:

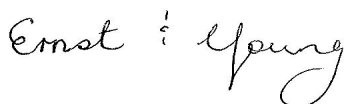
- a. the financial report of Brierty Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1

Report on the remuneration report

We have audited the Remuneration Report included in pages 26 to 34 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Brierty Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



Fiona Drummond
Partner
Perth
20 August 2013

Brierty Limited
Shareholder information
30 June 2013

The shareholder information set out below was applicable as at 31 July 2013.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Class of equity security		% of Issued Capital
	Ordinary shares		
	Number of Shareholders	Shares	
1 - 1000	67	48,136	.04%
1,001 - 5,000	285	995,048	.91%
5,001 - 10,000	235	2,013,656	1.83%
10,001 - 100,000	587	21,254,202	19.32%
100,001 and over	92	85,688,958	77.90%
	1,266	110,000,000	100.00%

B. Equity security holders

Twenty largest quoted equity security holders

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

Name	Ordinary shares	
	Number held	Percentage of issued shares
Mr Alan Robert Brierty	22,447,500	20.41
Ms Kylie Ann Brierty	21,447,500	19.50
Mining & Civil Australia Pty Ltd	11,250,000	10.23
Mr Kenneth John Beer <Beer Super Fund A/C>	1,925,482	1.75
Mr Ryan Stewart Brierty <The Brierty Family A/C>	1,758,061	1.60
Mr Michael Sloan <The Sloan Family A/C>	1,500,000	1.36
Moulyinning Nominees Pty Ltd <Gooding Family S/Fund A/C>	1,287,500	1.17
Mr Tim Abrahams	1,150,000	1.05
Mrs Ruth Anne Sutton <The Sutton Family A/C>	1,150,000	1.05
Mr Victor Jay <The Jay Family A/C>	1,100,000	1.00
Mr Samir Derviskadic <The Eight Family A/C>	1,090,000	0.99
Shannon Lee Brierty	931,000	0.85
Kailva Pty Ltd <Superannuation A/C>	800,000	0.73
Lincoln Properties Pty Ltd <Anderson Super Fund A/C>	669,375	0.61
Mr Ian Gerald Arnot	616,976	0.56
Botsis Super Pty Ltd <Phil & Pamela Botsis S/F A/C>	600,000	0.55
Gailforce Marketing & PR Pty Ltd <Hale Agency S/F A/C>	560,000	0.51
Mr Mark Dimasi + Mrs Julianne Dimasi <The Dimasi Family A/C>	500,000	0.45
Mr Stephen James Lambert + Mrs Ruth Lynette Lambert + Mr Simon Lee Lambert <Lambert Retirement A/C>	488,500	0.44
Nain Pty Ltd	485,000	0.44
	71,756,894	65.25

C. Substantial holders

Substantial holders in the company are set out below:

C. Substantial holders (continued)

	Number held	Percentage
Mr Alan Robert Brierty	22,447,500	20.41%
Ms Kylie Ann Brierty	21,447,500	19.50%
Mining & Civil Australia Pty Ltd	11,250,000	10.23%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) **Ordinary shares**

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