THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or as to the action you should take, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities in the United Kingdom or, if you are not resident in the United Kingdom, from another authorised independent adviser. The whole of the text of this Document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should carefully consider the section entitled "Risk Factors" in Part II of this Document before taking any action.

This Document comprises an AIM admission document, which has been drawn up in accordance with the AIM Rules for Companies ("AIM Rules") and has been prepared in connection with, amongst other matters, the approval of the Acquisition for the purposes of Rule 14 of the AIM Rules and the admission of the Existing Ordinary Shares to trading on AIM. This Document does not constitute an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This Document is not an approved prospectus for the purposes of the Prospectus Rules and a copy of it has not been, and will not be, reviewed or approved by the FCA, the UKLA or the London Stock Exchange.

The Directors, whose names appear on page 5 of this Document, and the Company accept responsibility for the information contained in this Document, including collective and individual responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this Document, no person is authorised to give any information or make any representation other than as contained in this Document and, if given or made, any such information or representation must not be relied upon as having been authorised.

The Ordinary Shares are admitted to trading on AIM and it is expected that Admission will become effective and that dealings in the Ordinary Shares following the Acquisition will commence on AIM at 8:00 a.m. on 24 March 2015.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the UKLA nor the London Stock Exchange have examined or approved the contents of this Document. The AIM Rules are less demanding than those of the Official List of the UKLA. It is emphasised that no application has been made, or is being made, for admission of these securities to the Official List of the UKLA or to trading on the London Stock Exchange's market for listed securities.

Management Resource Solutions PLC

(Incorporated and registered in England and Wales with registered number 08046513)

Acquisition of the D&M Group
Readmission to trading on AIM
Notice of General Meeting

NORTHLAND
CAPITAL PARTNERS

Nominated Adviser and Broker

Ordinary Share capital immediately following Admission

(assuming no exercise of any existing Options or Warrants occurs prior to Admission)

	Amount:	*Number:*
Issued and Fully Paid Ordinary Shares of €0.01 each:	€328,166.82	32,816,682

Northland Capital Partners Limited ("Northland") is authorised and regulated in the United Kingdom by the FCA and is acting as Nominated Adviser and Broker to the Company. Northland is acting on behalf of the Company and no one else in connection with Admission and will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to customers (as defined by the FCA Rules) of Northland nor for providing advice in relation to the contents of this Document or any matter, transaction or arrangement referred to herein. The responsibilities of Northland as Nominated Adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this Document. No liability whatsoever is accepted by Northland for the accuracy of any information or opinions contained in this Document or for the omission of any information from this Document, for which the Company and the Directors are solely responsible.

This Document does not constitute an offer to sell or subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such an offer or solicitation is unlawful and is not for distributing within or into Australia, Canada, Japan, the Republic of Ireland or the United States or to any resident, national or citizen of such countries. The Ordinary Shares have not been, and will not be registered under the applicable securities laws of Australia, Canada, Japan, the Republic of Ireland or the United States. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any jurisdiction.

Notice of the General Meeting of Management Resource Solutions PLC to be held at the offices of MRS, Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia on 23 March 2015 at 6.00 p.m. QLD time is set out at the end of this Document. Whether or not you intend to be present at the General Meeting, it is important that you complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon to the Company's registrars, **Equiniti** at **Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA**, United Kingdom as soon as possible but, in any event, so as to arrive no later than 8.00 a.m. on 21 March 2015. The completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting should they so wish.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this Document	4 March 2015
Latest time and date for receipt of Forms of Proxy	8.00 a.m. on 21 March 2015
General Meeting	6.00 p.m. (QLD time) on 23 March 2015
Completion of the Acquisition *(assuming that the Resolution is passed at the General Meeting and the Acquisition Agreement becomes unconditional in all respects)*	23 March 2015
Readmission of Ordinary Shares to trading on AIM	8.00 a.m. on 24 March 2015

The General Meeting will be held in Queensland, Australia at 6.00 p.m. QLD time on 23 March 2015, the equivalent of 8.00 a.m. UK time on 23 March 2015.

ADMISSION STATISTICS

Number of Ordinary Shares in issue upon Admission *(assuming no exercise of existing Options or Warrants prior to Admission)*	32,816,682
AIM Code	MRS
ISIN	GB00B8BL4R23

FORWARD-LOOKING STATEMENTS

This Document includes "forward-looking statements" which includes all statements other than statements of historical facts, including, without limitation, those regarding the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "can", "may", "anticipates", "would", "should", "could", or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Enlarged Group's control that would cause the actual results, performance or achievements of the Enlarged Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group's present and future business strategies and the environment in which the Enlarged Group will operate in the future. Among the important factors that could cause the Enlarged Group's actual results, performance or achievements to differ materially from those in forward-looking statements include those factors in Part II of this Document entitled "Risk Factors" and elsewhere in this Document. These forward-looking statements speak only as at the date of this Document. The Company and the Directors expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's and the Directors' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this Document may not occur either partially or at all.

Neither the Company, Northland, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules), neither the Company nor Northland nor any of their respective associates or directors, officers or advisers is under any obligation, and each of them expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Murray Howard d'Almeida, *Non-executive Chairman* Paul Anthony Morffew, *Chief Executive* Timothy Stephen Jones, *Finance Director*
Company Secretary	Timothy Stephen Jones
Registered Office	1 Arbrook Lane Esher Surrey KT10 9EG
Principal Office	Suite 30402, Tower 3, Level 4 9 Lawson Street Southport, QLD 4215 Australia
Telephone Number	+61 7 5503 0232
Nominated Adviser and Broker	**Northland Capital Partners Limited** 131 Finsbury Pavement London EC2A 1NT
Solicitors to the Company as to English Law	**Memery Crystal LLP** 44 Southampton Buildings London WC2A 1AP
Solicitors to the Company as to Australian Law	**Kemp Strang Lawyers** Level 17 175 Pitt Street Sydney NSW 2000
Reporting Accountants	**BDO Corporate Finance (QLD) Ltd** Level 10 12 Creek Street Brisbane QLD 4001
Auditors	**BDO LLP** 55 Baker Street London W1U 7EU
Financial Public Relations	**FTI Consulting** 200 Aldersgate Aldersgate Street London EC1A 4HD
Registrars	**Equiniti** Aspect House Spencer Road Lancing West Sussex BN99 6DA
Website	**www.mrsplc.net**

DEFINITIONS

In this Document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings.

"Acquisition"	the proposed acquisition by MRS of the D&M Group pursuant to the Acquisition Agreement
"Acquisition Agreement"	the conditional acquisition agreement dated 4 March 2015 between the Vendors, the D&M Group and MRS, a summary of which is set out in paragraph 15.1 of Part V of this Document
"Act" or **"Companies Act"**	the Companies Act 2006 (as amended) of England and Wales
"Admission"	the readmission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules" or **"AIM Rules for Companies"**	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time, which set out the rules, responsibilities and guidance notes in relation to companies whose shares are admitted to trading on AIM
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
"Articles"	the articles of association of the Company
"Board" or **"Directors"**	the directors of the Company (each a "Director") as listed on page 5 of this Document
"certificated" or in **"certificated form"**	a share or security which is not in uncertificated form (that is, not in CREST)
"City Code"	the City Code on Takeovers and Mergers, administered by the Panel on Takeovers and Mergers in the UK
"Close Period"	has the meaning as set out in the AIM Rules
"Company" or **"MRS Plc"**	Management Resource Solutions plc, a company incorporated in England and Wales with registered number 08046513
"Consideration Warrant Instrument"	the warrant instrument executed by the Company on 4 March 2015 constituting the Consideration Warrants, details of which are summarised in paragraphs 6.2 and 15.11 of Part V of this Document
"Consideration Warrants"	the 1,700,000 warrants over Ordinary Shares to be granted by the Company to the Vendors upon completion of the Acquisition pursuant to the Acquisition Agreement and the Consideration Warrant Instrument

"Corporate Governance Code"	the UK Corporate Governance Code (previously the Combined Code) on the standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders published in September 2014 as appended to but not forming part of, the Listing Rules
"CREST"	the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001, as amended
"D&M Group" or **"D&M"**	together, D&M Plant Hire Ltd, Wright's Plant Hire Pty Ltd, DMR Plant Hire Pty Ltd and Titan Manufacturing Pty Ltd
"Debt Facility"	the loan agreement dated 4 March 2015 between Halcyon, MRS and the D&M Group, a summary of which is set out in paragraph 15.3 of Part V of this Document
"Deferred Shares"	deferred shares of €0.99 each in the capital of the Company
"Document"	this admission document, including the Notice of General Meeting
"DTR"	the Disclosure and Transparency Rules of the FCA
"Enlarged Group"	the Company and its Subsidiaries, including the D&M Group, following completion of the Acquisition
"Existing Ordinary Shares" or **"Existing Share Capital"**	the 32,816,682 Ordinary Shares in issue at the date of this Document
"FCA"	the Financial Conduct Authority or any successor body
"Form of Proxy"	the form of proxy for use at the General Meeting, a copy of which is enclosed with this Document
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Shareholders to be held at the offices of MRS, Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia on 23 March 2015 at 6.00 p.m. QLD time at which the Resolution will be proposed, or any adjournment of such general meeting
"Group"	the Company and its Subsidiaries as at the date of this Document
"Halcyon"	Halcyon Capital Management Pty Ltd
"London Stock Exchange"	London Stock Exchange plc
"Options"	options granted by the Company under the Share Option Plan
"Ordinary Shares"	ordinary shares of €0.01 each in the capital of the Company

"MRS"	Management Resource Solutions Pty Ltd, the Company's wholly owned Australian subsidiary
"Nomad" or **"Northland"**	Northland Capital Partners Limited, the Company's nominated adviser and broker
"Notice of General Meeting"	the notice convening the General Meeting set out at the end of this Document
"Prospectus Rules"	the prospectus rules published by the FCA from time to time for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated exchange
"QCA Code"	the QCA Corporate Governance Code for Small and Mid-sized Quoted Companies
"QLD time"	Australian Eastern Standard Time, being the time in Queensland Australia
"Resolution"	the resolution to be proposed at the General Meeting, as set out in the Notice of General Meeting
"Share Option Plan"	the Management Resource Solutions Plc Global Option Plan
"Shareholders"	holders of Ordinary Shares from time to time
"Subsidiary"	a subsidiary undertaking (as defined by section 1162 of the Companies Act) of the Company and "Subsidiaries" shall be construed accordingly
"UK" or **"United Kingdom"**	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of FSMA
"Vendors"	Douglas Phillips, Margaret Phillips, Raymond Phillips and Wrights Consolidated Pty Ltd
"Warrant Instrument"	the warrant instrument executed by the Company on 4 December 2014 constituting up to 2,600,000 Warrants, of which 2,566,667 have been granted, details of which are summarised in paragraph 15.10 of Part V of this Document
"Warrants"	the 2,566,667 warrants over Ordinary Shares constituted by the Warrant Instrument and granted by the Company on its original admission to AIM

Where required an exchange rate of £1: A$1.97 has been used for illustrative purposes.

PART I

LETTER FROM THE CHAIRMAN

Management Resource Solutions PLC

(Incorporated and registered in England and Wales with registered number 08046513)

Directors:
Murray Howard d'Almeida, *Non-executive Chairman*
Paul Anthony Morffew, *Chief Executive*
Timothy Stephen Jones, *Finance Director*

Registered Office:
1 Arbrook Lane
Esher Surrey KT10 9EG

4 March 2015

To Shareholders and, for information only, holders of Options and Warrants

Dear Shareholder,

Acquisition of the D&M Group of Companies

Readmission to trading on AIM

Notice of General Meeting

1. Introduction

MRS Plc is the holding company of a human capital resource business formed in 2007 by its chief executive, Paul Morffew, that offers a range of consulting services to the engineering, mining, petrochemical, energy, civil engineering and transportation industries. The Group has grown organically since its creation and was admitted to trading on AIM on 11 December 2014.

The Directors consider that there are significant opportunities for expansion by the acquisition of complementary businesses providing services and consulting to the natural resources industry and are pleased to announce they have agreed terms for the acquisition of the D&M Group.

The Acquisition constitutes a reverse takeover under the AIM Rules and accordingly completion of the Acquisition is conditional *inter alia* on the approval of Shareholders being obtained at the General Meeting, as required by the AIM Rules.

The purpose of this Document is to set out details of the Acquisition, how it will be funded and the potential impact on the Group and to convene the General Meeting at which the Resolution will be proposed to approve the Acquisition for the purposes of the AIM Rules.

The General Meeting will be held at the offices of MRS, Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia on 23 March 2015 at 6.00 p.m. QLD time.

The Company is also announcing today my decision to retire as a director three months from today. Having helped develop MRS to the stage it has reached now, culminating in the acquisition of D&M, I have decided to concentrate on other ventures but look forward to seeing the Enlarged Group thrive under the guidance of Paul Morffew, Tim Jones and whomever they choose to take my place on the board.

2. Overview of MRS's Business

MRS provides consulting services and contract personnel to add value to client projects by optimising business focus and efficiency whilst reducing costs. The majority of MRS's current clients are in the coal seam gas industry in Australia and South East Asia and MRS specialises in project management, quality management, environmental management and health & safety management standards. MRS does not provide mine management or other commoditised services, operating only in specialist, consistently profitable areas.

The vast majority of MRS's existing business is in assurance services, including:

- quality assurance, involving the development, implementation, monitoring and auditing of project quality assurance plans and procedures in line with ISO 9001 and project requirements as directed by the client;
- quality control services, such as the development and implementation of project quality control inspection programmes; and
- document and data management services, assisting clients to manage and control all engineering design deliverables including document management population, maintenance (i.e. registration, scanning and filing), audit and recording of technical deliverables.

In addition, MRS provides a range of consulting services including:

- environmental impact assessments, which provide an evaluation of the potential physical, biological, cultural, and socioeconomic effects of a project element and its practical alternatives;
- assurance technical consultancy, such as surveillance officers, material, mechanical & welding, electrical & instrumentation and coating & fibreglass inspectors and commissioning support personnel; and
- health and safety, which encompasses the training and implementation of safety systems.

MRS sources its contractors from a database of over 23,000 professionals around the globe, allowing it to react quickly and fully to client requirements. As at 31 December 2014, MRS had 36 employees and 10 contractors who were acting on seven active projects.

The Directors believe that MRS is differentiated from its competitors both by the depth of the talent pool it has available and its ability to respond to requests from clients for new contractors in very short time periods, thus allowing it to deploy staff on a project who fully meet the criteria for the assignment in a matter of days.

MRS has identified opportunity for growth by expanding outside of its core provision of contractors into managing engineering, procurement and construction (EPC) contracts. The Company started a major EPC contract in early 2014 to design and construct two 4,300m^3 aviation fuel tanks at Port Moresby Airport in Papua New Guinea. The contract was initially valued at A$11m over the 2014 financial year but since commencement has grown in scope and is now valued at an estimated A$25m.

The Directors intend to build upon this initial EPC contract and have identified a key niche in under A$20m contracts that are less appealing to larger companies and thus less competitive. Whilst there is less opportunity to add EPC contracts within its traditional Queensland market since it would risk competing against its current customer base, there are further prospects internationally and MRS is currently tendering on a number of such EPC opportunities. Examples of business tendered for include installation and fabrication of twenty skids (for coal seam gas) and a longer term project management contract on a series of leisure facilities.

3. The Acquisition of the D&M Group

Introduction

MRS currently provides intellectual property based consultancy services and is looking to expand into the provision of physical assets to meet customer demand. Accordingly, MRS has entered into the Acquisition Agreement with the Vendors and the D&M Group pursuant to which MRS has conditionally agreed to acquire the entire issued share capital of the members of the D&M Group for a cash consideration of approximately A$6.7m (approximately £3.4m) payable upon completion, and subject to adjustment as summarised below and in paragraph 15.1 of Part V of this Document.

The D&M Group is a long-established business which will provide the Enlarged Group with these physical asset services and will contribute to revenue and profitability immediately. In addition to being able to provide existing clients of both companies with new services, the Directors believe there will be significant opportunities to win new clients and utilise the preferred supplier status the Enlarged Group will have with a number of companies and governmental agencies which are not currently engaging MRS or the D&M Group.

The Acquisition is considered to be a reverse takeover under the AIM Rules and, as such, requires the approval of Shareholders at the General Meeting.

Overview of D&M

D&M is a family run business established in 1972 by its Chairman, Doug Phillips, based in Queensland, Australia. The D&M Group operates four businesses, being D&M Plant Hire, Wrights Plant Hire, DMR and Titan Manufacturing, in three divisions, wet hire, dry hire and manufacturing. The D&M Group has a wide base of corporate and public sector clients in oil & gas, mining, civil engineering, infrastructure and construction as well as local government, many of whom have brought continued business over a number years, with some clients having renewed contracts with D&M for three decades.

The D&M Group currently employs over 60 staff and its hire fleet includes trucks ranging from 3m to 22m, tippers, semi tippers, bobcats, positracks, excavators 1.5t – 45t, backhoes, graders, and rubber-tracked earth moving equipment.

The D&M Group is currently the preferred supplier to, amongst others, Select, Brisbane City Council and Gold Coast City Council.

In the year ended 30 June 2014, the D&M Group reported a profit before taxation and exceptional expenses of approximately A$1.0m (approximately £507,000) on revenue of A$16.87m (approximately £8.56m).

Dry and Wet Hire

D&M Plant Hire, Wrights Plant Hire and DMR supply plant and equipment to companies and government bodies on a range of different developments and projects in Eastern Australia. Over the last 40 years the D&M Group has successfully accomplished large road works, site developments, bulk earthworks, final trim and precision earthworks.

A large percentage of the D&M Group's dry & wet hire revenue is generated by large corporate and public sector customers and the majority of such revenue is derived from hire periods lasting longer than six months.

Manufacturing

Titan Manufacturing was started in 1997 to provide repairs and servicing for the D&M Group's equipment in order to extend the life and preserve the value of its assets. Titan Manufacturing subsequently expanded into the design and construction of bespoke earth moving machinery for clients in the coal seam gas and infrastructure sectors.

Following Admission, the D&M Group will continue to have the same key management working within the business as before the Acquisition, all of whom have committed to a minimum of three years with the Enlarged Group. The D&M Group will be managed by Mark Wright (Operations Manager) who will report directly to Paul Morffew. Mark Wright has been involved with D&M for over 20 years and is currently Managing Director of Wrights Plant Hire, one of the entities of the D&M Group. Doug Phillips, the founder of D&M, will remain within the business and will act as Business Development Manager. Doug will gradually reduce his workload over the next three years and a transition process will take place.

Terms of the Acquisition Agreement

MRS has agreed, conditional *inter alia* upon the approval of Shareholders at the General Meeting, as required by the AIM Rules, to acquire the D&M Group from the Vendors for a cash consideration as follows:

- A$6,724,095.70 (approximately £3.4m), as reduced by an amount equal to 70 per cent. of the aggregate monetary value of entitlements of the employees of the D&M Group as at the date of completion (estimated to be approximately A$50,000), will be paid upon completion of the Acquisition Agreement;
- shortly after completion, MRS will pay Doug Phillips and Margaret Phillips, the principal Vendors, the value of stock held by the D&M Group at completion, subject to a maximum of A$200,000 (approximately £102,000); and
- within 90 days of completion, accounts will be prepared to determine the amount of the trade debtors and cash of the business less the trade creditors of the D&M Group as at the date of completion. If the accounts result in a net profit, MRS must pay that net profit to Doug Phillips and Margaret Phillips. If the accounts result in a net loss, Doug Phillips and Margaret Phillips must pay the net loss to MRS.

In addition, the Company will upon completion of the Acquisition grant Doug Phillips and Margaret Phillips, or their nominees Consideration Warrants to acquire up to 1,700,000 new Ordinary Shares at a price of 30 pence per share at any time in the period of seven years following Admission, further details of which are set out in paragraphs 6.2 and 15.11 of Part V of this Document.

No Ordinary Shares are being issued to the Vendors in connection with the Acquisition.

Completion of the Acquisition is conditional, *inter alia*, on the following being satisfied on or before 31 March 2015:

- the approval of the Acquisition as a reverse takeover by the Company's Shareholders at the General Meeting, as required by the AIM Rules;
- the D&M Group key personnel, being Doug Phillips, Margaret Phillips, Ray Phillips, and Mark Wright, entering into employment agreements with the relevant entity of the D&M Group, the provisions of which have been approved by MRS;
- there being no subsisting event, occurrence or change after the date of the Acquisition Agreement not provided for by the Acquisition Agreement which individually or when aggregated with all other events, occurrences or changes after the date of the Acquisition Agreement has diminished

or is reasonably likely to diminish the net tangible assets of an entity of the D&M Group by A$800,000 or more;

- the Company providing Doug Phillips and Margaret Phillips with the Consideration Warrants;
- MRS paying all monies owing under the financing agreements and equipment finance arrangements between the National Australia Bank and the D&M Group which at 30 June 2014, being the last audited balance sheet of the D&M Group, amounted to approximately A$5.39m;
- MRS being informed by Halcyon that the conditions precedent under the relevant finance documents in relation to the payment of the Purchase Price payable at Completion are satisfied and that the loan proceeds are available for immediate drawdown by MRS; and
- the repayment by the Vendors and certain other related parties of certain loans due to members of the D&M Group.

A more detailed summary of the Acquisition Agreement is set out in paragraph 15.1 of Part V of this Document.

Financing of the Acquisition

To finance, *inter alia*, the cash consideration payable by MRS to the Vendors under the Acquisition Agreement, MRS has entered into the Debt Facility with Halcyon, details of which are set out in paragraph 15.3 of Part V of this Document.

Under the terms of the Debt Facility, Halcyon is advancing, in aggregate, $17,113,000 to MRS for the purposes of the Acquisition and to provide working capital to the Enlarged Group.

The principal sum of the Debt Facility is repayable on 23 March 2020 and attracts interest, payable monthly in arrears, of 0.6875 per cent. per calendar month, equivalent to 8.25 per cent. per year.

The Debt Facility is secured on the assets of the D&M Group and MRS.

The Directors anticipate that the sums due under the Debt Facility, which are required to complete the Acquisition, will be made available for drawdown immediately following the General Meeting. If the monies are not made available to the Company pursuant to the Debt Facility at this time, the Acquisition will be delayed or may not be capable of completion.

4. Summary Financial Information

Set out below is a summary of the financial performance for the three years and six months ended 31 Decembr 2014 for MRS Plc and for the three years ended 30 June 2014 for the D&M Group which has been extracted without material adjustment from the audited accounts of those companies and, in the case of MRS Plc, from the unaudited interim accounts. Shareholders should read the accounts in their entirety and not rely solely upon the summarised information below.

MRS Plc

	Six months ended 31 December 2014 A$'000	*Year ended 30 June 2014 A$'000*	*Year ended 30 June 2013 A$'000*	*Year ended 30 June 2012 A$'000*
Turnover	11,403	10,490	7,205	7,226
Profit Before Taxation	491	187	194	1,128
Profit After Taxation	521	52	232	767
Net Assets	3,071	1,251	1,199	1,523

The year ended 30 June 2013 was materially impacted by the loss of a single large contract with VALE New Caledonia worth approximately A$2m in net profit. MRS has since mitigated its risk by diversifying the load of contracts. Work commenced on the Papua New Guinea contract described above in the financial year ended 30 June 2014 the contract was only formalised after the year end and thus income, related costs and profits can only be recognised in the current financial year to 30 June 2015.

In the six months ended 31 December 2014 the Company reported an increase in turnover of 130 per cent. and an improvement of over 200 per cent. in profit before tax. The Company has announced the payment of an interim dividend of 0.35 pence per Ordinary Share to Shareholders on the register as at 13 March 2015.

The D&M Group

	Year ended 30 June 2014 A$'000	*Year ended 30 June 2013 A$'000*	*Year ended 30 June 2012 A$'000*
Turnover	16,873	19,032	17,101
Profit Before Taxation	339	1,120	1,263
Profit After Taxation	145	587	971
Net Assets	3,692	3,604	3,486

The year to 30 June 2014 saw a move from "wet" hire, whereby D&M supplies both equipment and operators, to "dry" hire of equipment only, resulting in a reduction in fuel and wage expenses but also in the charge out rate for each item in use, leading to the slight decrease in turnover for the year.

D&M acquired an additional A$3m of new equipment during the year, which resulted in an additional depreciation charge of A$500,000, together with the financing costs for this equipment. In addition, D&M incurred a number of extraordinary non-recurring expenses during the year amounting to $668,000, all of which contributed to a fall in reported profit before taxation of 70 per cent., although gross and EBITDA margins increased marginally when compared to 2013.

5. Current Trading and Prospects

MRS

Since the start of 2014, MRS has seen an improvement in its trading operations, including a significant new business in Papua New Guinea which has increased in value and scope since it was initially agreed and is expected to materially improve the Group's revenue and profitability in the financial year to 30 June 2015. MRS has experienced a marked increase in enquiries and orders generally along with extensions and expansions of other existing contracts.

D&M

As the mining sector in Australia has slowed, the infrastructure sector has started to boom due to federal government initiatives. D&M now have a number of new wet hire infrastructure projects about to start, which will see a move back towards D&M's historic business mix with higher charge out rates but also higher associated costs.

D&M is currently engaged on numerous projects and has a pipeline of further projects it hopes to start in the near future. Following completion, the Enlarged Group intends to invest an additional A$1.5m in further increasing D&M's plant and equipment available for hire to service existing and prospective business.

6. General Meeting

Set out at the end of this Document is a notice convening the General Meeting to be held at the offices of MRS, Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia on 23 March 2015 at 6.00 p.m. QLD time at which the Resolution will be proposed to approve the Acquisition as a reverse takeover for the purposes of Rule 14 of the AIM Rules.

Completion of the Acquisition is conditional, *inter alia*, upon the passing of the Resolution, which is an ordinary resolution of Shareholders and accordingly must be passed by a majority of those Shareholders voting at the General Meeting, either in person or by proxy. If the Resolution is not passed then the Acquisition will not complete. The Directors and persons associated with them who are interested, in aggregate, in 15,303,629 Ordinary Shares representing 46.6 per cent. of the issued share capital and voting rights of the Company have undertaken to vote in favour of the Resolution. Further details of the Directors' and their connected persons' interests in Ordinary Shares are set out in paragraph 9 of Part V of this Document.

Whether or not you intend to be present at the General Meeting, it is important that you complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible but, in any event, so as to arrive no later than 8.00 a.m. on 21 March 2015. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

7. Directors

Paul Morffew (aged 48), Chief Executive

Paul Morffew has over 20 years' experience in managing public and private businesses within the oil, roads, and mining sectors. He has a Bachelor of Applied Science (Chemistry and Mineral Chemistry) and a background in environmental management and Quality Assurance, with a direct working knowledge of Quality Management Systems.

Prior to founding MRS, Paul founded and successfully managed similar start-up firm EML (Air) and has also managed businesses for Australian Environmental Labs, SGS, Water Ecoscience and Sigma Energy Solutions (GE Alstom). Paul has worked in joint ventures for numerous mining, construction, oil gas and engineering companies such as Inco Australia Management, Worley Parsons, Foster Wheeler, Maunsell, Bateman and Oracle.

Murray d'Almeida (aged 67), Chairman

Murray d'Almeida has over 35 years of diverse national and international business experience. He commenced his career in Perth with a firm of Chartered Accountants before moving into a broad range of commercial and financial reporting positions with two major USA based mining companies.

He founded the Australian and international retailer, Retail Food Group and developed their presence in seven overseas countries. He has maintained operating and board positions in a number of sectors including commercial, academic, government, financial services, resources, agriculture, retail, franchising, hospitality, importing, distribution and sport.

Having been a director of the Company since 2012 and guided it through its admission to trading on AIM, Mr d'Almeida has given notice to MRS Plc of his retirement as a director and chairman of the Company which will take effect on 4 June 2015. The Company is currently considering possible replacements for Mr d'Almeida and further information will be provided to Shareholders in due course.

Timothy Jones (aged 65), Finance Director

Timothy Jones trained as a Chartered Accountant with Price Waterhouse in London where his clients included a major offshore oil and gas operator. He then joined a client as Financial Director before founding his own accountancy and consultancy practice in 1990. He has clients in a range of business sectors but his main focus is on natural resources. He sits on the boards of a number of companies, including AIM listed Falkland Oil and Gas Limited and AIM and TSX listed Xcite Energy Limited, where he is Chairman. His areas of expertise include the provision of high-level financial advice to growing businesses, merger and acquisition planning and execution and assistance with listing procedures.

8. Admission to Trading on AIM, Dealings and CREST

The Company's share capital was admitted to trading on AIM on 11 December 2014.

The Acquisition is classified as a reverse takeover under the AIM Rules, which requires that the Company seek Shareholder approval of the Acquisition and apply to have its Ordinary Shares readmitted to trading on AIM. Application will be made to the London Stock Exchange for the Ordinary Shares to be readmitted to trading on AIM with Admission expected to take place on 24 March 2015, subject to the passing of the Resolution by Shareholders at the General Meeting and the Acquisition completing.

No placing of Ordinary Shares or other equity fundraising is being conducted in conjunction with the Acquisition or Admission.

If the Acquisition does not complete for any reason, then the Ordinary Shares will continue to be admitted to trading on AIM.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles contain provisions concerning the transfer of shares which are consistent with the transfer of shares in dematerialised form under the CREST Regulations. Accordingly, settlement of transactions in the Ordinary Shares following Admission may continue to take place within the CREST system if Shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

9. Lock-in and Orderly Market Undertakings

Upon the Company's original admission to AIM on 11 December 2014, each of the Directors undertook to the Company and Northland not to dispose of any interest in the Ordinary Shares they held at that time for a period of 12 months other than through Northland, in such orderly manner as Northland shall reasonably require with a view to the maintenance of an orderly market in such Ordinary Shares of the Company provided that:

(a) at the time of the proposed disposal, Northland is the Company's broker; and

(b) the price, costs and expenses applicable to such disposal are in overall terms competitive with other brokers and Northland is able to obtain the best available price within five dealing days.

As at the date of this Document, the Directors have an aggregate interest in 15,303,629 Ordinary Shares, representing approximately 46.6 per cent. of the Existing Share Capital of the Company, all of which are subject to the restrictions described above.

In addition, Daniela Athan, who at the time of the Company's original admission to AIM was, and remains, directly or indirectly interested in 5,457,917 Ordinary Shares representing approximately 16.6 per cent. of the Existing Share Capital undertook to the Company and (for so long as it is the Company's Nominated Adviser) Northland that (i) until 11 March 2015 she will not dispose of any interest in the Ordinary Shares in which she is interested on the Company's original admission to AIM, and (ii) for a further nine months she will only dispose of such Ordinary Shares via Northland (or the Company's then broker) on an orderly market basis and the maximum number of such Ordinary Shares that she may dispose of during such period is 500,000. Such restrictions will not apply upon acceptance of a takeover offer, in accordance with a court-sanctioned compromise or arrangement or a scheme of reconstruction, with the consent of Northland (or the Company's then broker) or upon death.

10. Options, Warrants and Consideration Warrants

Options

The Board adopted the rules of the Share Option Plan on 4 December 2014 and has granted several option awards to Directors and key employees. The Options granted to Directors and some employees are exercisable at 30 pence per Ordinary Share, and other Options granted to key employees are exercisable at €0.01.

The maximum value of ordinary shares of the Company to be made available under the Share Option Plan will not exceed 12 per cent. of the Company's issued undiluted ordinary share capital when added to any other options granted under all Group employee share schemes and similar individual share option agreements.

Further details of the Share Option Plan together with details of the Options granted under its terms are set out at paragraph 6.1 of Part V of this Document.

Warrants

Upon the Company's original admission to AIM, participants in the placing conducted at such time were granted one Warrant for each Ordinary Share subscribed for by them. In addition, the Company granted Warrants to a number of introducers of participants in that placing. In aggregate, 2,566,667 Warrants were granted at such time of which all remain unexercised at the date of this Document. Each Warrant allows the holder to subscribe for one new Ordinary Share at 30 pence per Ordinary Share until the third anniversary of the Company's original admission to AIM. Further details of the Warrants are set out in paragraphs 6.2 and 15.10 of Part V of this Document. The Warrants are not, and will not be, admitted to trading on AIM or any other stock exchange.

Consideration Warrants

Upon completion of the Acquisition, the Company will grant an aggregate of 1,700,000 Consideration Warrants to the Vendors. Each Consideration Warrant allows the holder to subscribe for one new Ordinary Share at 30 pence per Ordinary Share until the seventh anniversary of Admission. Further details of the Consideration Warrants are set out in paragraphs 6.2 and 15.11 of Part V of this Document. The Consideration Warrants will not be admitted to trading on AIM or any other stock exchange.

11. Corporate Governance

The Directors recognise the importance of sound corporate governance and with that aim, the Company has voluntarily adopted the recommendations of the QCA Code as are considered appropriate to the Company's size at this time. To the extent that it is not compliant with the QCA Code it is intended that it will become so as the Company and its business mature.

The Board will meet monthly to review key operational issues, strategic development and the financial performance of the Company. All matters of a significant nature are discussed in the forum of board meetings. The Board will continue to be responsible for internal controls to minimise the risk of financial or operational loss or material misstatement. These controls have been designed to meet the particular needs of the Company having regard to the nature of its business.

The Company has an audit and a remuneration committee with formally delegated duties and responsibilities. The Audit Committee is comprised of Murray d'Almeida (Chairman), Paul Morffew and Tim Jones and the Remuneration Committee is comprised of Murray d'Almeida (Chairman), and Tim Jones.

The Audit Committee determines the terms of engagement of the Company's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee receives and reviews reports from management and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Company's auditors.

The Remuneration Committee reviews the scale and structure of the executive directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors are set by the entire Board.

The Company has not created a nomination committee as the Directors believe that the current size of the Group, and the size of the Enlarged Group following Admission, does not necessitate it.

The Board as a whole are responsible for monitoring the Group's risks and implementing other systems which are deemed necessary.

The Company will ensure, in accordance with Rule 21 of the AIM Rules, that the Directors and applicable employees do not deal in any Ordinary Shares during a close period (as defined in the AIM Rules). In addition, the Company has adopted a code on dealings in the Company's securities.

The Company has also entered into a relationship agreement with its controlling shareholder, Paul Morffew, details of which are summarised in paragraph 12 below.

12. The City Code on Takeovers and Mergers

The Company is registered in England and Wales and therefore Shareholders are protected under the City Code.

Under Rule 9 of the City Code, any person who acquires an interest in shares (as defined in the City Code) which, taken together with an interest in shares already held by him or any interests in shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert are already interested in shares which in aggregate carry not less than 30 per cent. but does not hold more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in voting shares is acquired by any such person.

An offer under Rule 9 must be in cash and at the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with him during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively co-operate, through the acquisition by them of an interest in shares in a company, to obtain or consolidate control of the company. Control means holding, or aggregate holdings, of an interest in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

Paul Morffew and persons acting in concert with him are, and will be on Admission, interested in 15,170,296 Ordinary Shares, representing approximately 46.2 per cent. of the Company's Existing Share Capital, as set out below (and assuming that there are no further issues of Ordinary Shares prior to Admission, including as a result of the exercise of any Options or Warrants). If Mr Morffew or any person acting in concert with him were to acquire any further interest in Ordinary Shares then such persons would be required to make an offer for the Ordinary Shares not held by them pursuant to Rule 9 of the City Code, as set out above. In addition Mr Morffew holds Options to acquire 1,640,834 Ordinary Shares and if he were to exercise these Options and as a result increase his percentage of the voting rights in the Company he would be required to make an offer under Rule 9 of the City Code as set out above.

	Interest in Ordinary Shares	*Percentage of Voting Rights*	*Number of Options held*
SCOPN Pty Ltd[1]	15,102,601	46%	nil
Paul Morffew	67,680	0.2%	1,640,834
Santina Morffew	15	0.00005%	nil
	15,170,296	46.2%	1,640,834

Note [1]: SCOPN Pty Ltd is owned equally by Paul Morffew and his wife Santina Morffew.

As Mr Morffew has a controlling interest in the Company, upon the Company's original admission to AIM the Company entered into a relationship agreement with Mr Morffew which provides that, from the Company's original admission to AIM, for so long as Mr Morffew and his related parties control more than 30 per cent. of the voting rights attaching to the Company's Ordinary Shares, he will take all such action as he is reasonably able to procure that:

- the Company and its subsidiaries are capable of carrying on their business independently of him;
- there is a majority of directors of the Company who are independent of him;
- all transactions entered into between either the Company or any of its subsidiaries and him (or their enforcement, implementation or amendment) will be made at arm's length and on a normal commercial basis and shall be approved by the independent directors alone;
- any disputes between him and either the Company or any of its subsidiaries shall be dealt with on behalf of the Company by a committee comprising only independent directors; and
- no general meeting will be requisitioned by him to propose a resolution to appoint or remove any director or officer of the Company and he will not otherwise seek to appoint or remove any director or officer of the Company other than in accordance with a resolution or recommendation of the board of directors of the Company from time to time,

and he has undertaken that he will not acquire any interest in shares in the Company if as a result he would be obliged to make a mandatory offer for the Company under Rule 9 of the City Code.

13. Dividend Policy

The Board's objective following Admission is to continue to grow the Enlarged Group's business both organically and by acquisition but during this period the Directors intend to, where possible, distribute up to two thirds of net profit after taxation to Shareholders by way of dividends.

14. Taxation

Your attention is drawn to paragraph 21 of Part V of this Document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

15. Action to be taken by Shareholders

The Acquisition cannot complete unless the Resolution is passed at the General Meeting. Set out at the end of this Document is a notice convening the General Meeting to be held at **the offices of MRS, Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia** on 23 March 2015 at 6.00 p.m. QLD time at which the Resolution will be proposed.

Shareholders will find enclosed with this Document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, it is important that you complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's registrars, **Equiniti at Aspect House, Spencer Road, Lancing, West, BN99 6DA, United Kingdom** as soon as possible but, in any event, so as to arrive no later than 8.00 a.m. on 21 March 2015. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

If you have any queries on the General Meeting or the Form of Proxy, you should contact the Company's registrars, Equiniti on 0871 384 2030. Calls to this number cost 8 pence per minute plus additional network charges where applicable. Non UK callers should dial +44 121 415 7047. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti cannot provide investment advice, nor advise you on how to cast your vote on the Resolution.

16. Additional Information

Your attention is drawn to the further information set out in the remainder of this Document and, in particular, to the Risk Factors set out in Part II of this Document.

17. Recommendation

Having consulted with the Company's nominated adviser, Northland, the Directors consider that the proposed Acquisition and Admission are in the best interests of the Company and of the Shareholders and therefore unanimously recommend Shareholders to vote in favour of the Resolutions, as those of them who have an interest in Ordinary Shares have undertaken to do or procure to be done in respect of their own legal and beneficial shareholdings, which in aggregate amount to 15,303,629 Ordinary Shares, representing approximately 46.6 per cent. of the Existing Share Capital.

Yours faithfully,

Murray d'Almeida
Chairman

PART II

RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all the information contained in this Document including, in particular, the risk factors described below.

An investment in the Ordinary Shares may not be a suitable investment for all recipients of this Document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Prospective investors should be aware that an investment in the Company involves a high degree of risk and should only be made by financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested).

There can be no certainty that the Company or the Enlarged Group will be able to implement successfully the strategy set out in this Document. If the Acquisition Agreement does not become unconditional in all respects, including if the Resolution is not passed at the General Meeting, then the Acquisition will not complete. No representation is or can be made as to the future performance of the Company or the Enlarged Group or the success of the Acquisition and there can be no assurance that the Company or the Enlarged Group will achieve its objectives.

In addition to the usual risks associated with an investment in a company, the Board considers that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this Document, prior to investing in the Ordinary Shares.

The list of risks set out below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority. It should also be noted that there may be additional risks and uncertainties not presently known to the Directors, or which they currently believe to be immaterial, which may also have an adverse effect on the Enlarged Group.

If any of the events described in the following risk factors actually occur, the Enlarged Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment.

The Enlarged Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

Performance of businesses

MRS and the D&M Group operate in a competitive market place and there can be no guarantee that existing customers will continue to use their respective services or that competitive pressures will not erode the margins that can be generated from their current activities. Whilst the Directors believe there will be significant opportunities to win new clients and utilise the preferred supplier status the Enlarged Group will have with a number of companies and governmental agencies which are not currently engaging MRS or the D&M Group, there is no guarantee that such opportunities will come to fruition.

The Acquisition and the Debt Facility

Completion of the Acquisition is conditional upon certain conditions precedent having been satisfied or, where permitted, waived. Details of the material conditions precedent are summarised in paragraph 3 of Part I of this document. There is no guarantee that the conditions precedent will be satisfied or waived and that the Acquisition will complete.

The obligations of MRS under the Debt Facility will be secured over the assets of MRS and the D&M Group. If MRS defaulted under the Debt Facility and/or was unable to pay any amount due to Halcyon under the Debt Facility or there was some other event of default under the Debt Facility and Halcyon enforced such security then the Company may be left without an operating business.

Halcyon may freely assign the Debt Facility to any person and therefore the ultimate lender to MRS may be a party other than Halcyon and who may have a different approach to enforcement of the Debt Facility and its security than Halcyon.

Key Personnel

MRS and the D&M Group rely heavily on certain key directors and members of staff, including Paul Morffew in the case of MRS and Doug Phillips and Mark Wright in the case of the D&M Group. In the event that one or more of these individuals left the Enlarged Group or were unable to continue working it may have a material detrimental impact on the Enlarged Group's activities.

Acquisitions

A key element in the Directors' growth plans and expectations for the Group is the acquisition of complementary businesses, including the D&M Group. However, there can be no guarantee that the Acquisition will be successful or that other suitable acquisitions can be identified or acceptable terms agreed and failure to make such purchases will slow the expected growth of the Enlarged Group and may adversely impact the Company's share price. In addition, whilst all appropriate due diligence will be carried out on proposed acquisitions and warranties obtained where possible, there can be no certainty that future acquisitions will contribute to the Enlarged Group as anticipated at the point of acquisition.

Taxation Risk

Any change in the Enlarged Group's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Enlarged Group, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this Document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this Document, which is subject to change.

Force Majeure

The Enlarged Group's operations now or in the future may be adversely affected by risks outside the control of the Enlarged Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

AIM

Application is being made for the Ordinary Shares to be re-admitted to trading on AIM following completion of the Acquisition and it is emphasised that no application is being made for admission of any of the Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List of the

UKLA. Further, the London Stock Exchange has not itself examined or approved the contents of this Document.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities.

Liquidity and Possible Price Volatility

The market price of the Ordinary Shares may be subject to significant fluctuations in response to many factors, including variations in the results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes in the Company's sector and other events and factors outside of the Company's control. In addition, stock market prices may be volatile and may go down as well as up.

The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others of which are extraneous. These factors could include the performance of the Enlarged Group's business, changes in the values of its investments, changes in the amount of distributions or dividends, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, legislative or regulatory or taxation changes and general economic conditions. The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value. Investors may realise less than the original amount invested.

The admission of the Ordinary Shares to trading on AIM should not be taken as implying that there is or will be a liquid market for the Ordinary Shares. It may be more difficult for an investor to realise an investment in the Company than in a company whose shares are quoted on the Official List. In addition, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

Forward Looking Statements

This Document includes "forward-looking statements" which includes all statements other than statements of historical facts, including, without limitation, those regarding the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "can", "may", "anticipates", "would", "should", "could", or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Enlarged Group's control that would cause the actual results, performance or achievements of the Enlarged Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group's present and future business strategies and the environment in which the Enlarged Group will operate in the future. Among the important factors that could cause the Enlarged Group's actual results, performance or achievements to differ materially from those in forward-looking statements include those factors in this Part II of this Document entitled "Risk Factors" and elsewhere in this Document. These forward-looking statements speak only as at the date of this Document. The Company and the Directors expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's and the Directors' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this Document may not occur either partially or at all.

Neither the Company, Northland, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules), neither the Company nor Northland nor any of their respective associates or directors, officers or advisers is under any obligation, and each of them expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART IIIA

FINANCIAL INFORMATION ON THE COMPANY

Audited consolidated accounts of MRS Plc

The consolidated accounts of MRS Plc for the three financial years ended 30 June 2014 and the unaudited interim accounts for the six months ended 31 December 2014 are incorporated into this document by reference to the documents which are available free of charge on the Company's website.

If you are reading this document in hard copy form, please enter one of the web addresses below ino your web browser to be brought to the relevant document. If you are reading this document in electronic form, please click on the relevant web address below to be brought to the relevant document.

MRS plc's unaudited interim results for the six months ended 31 December 2014

http://www.mrsplc.net/wp-content/uploads/2015/03/31-December-half-year-report.pdf

MRS plc's Annual Report and Accounts for the financial year ended 30 June 2014

http://www.mrsplc.net/wp-content/uploads/2015/01/AnnualReport-2014.pdf

MRS plc's Annual Report and Accounts for the financial year ended 30 June 2013

http://www.mrsplc.net/wp-content/uploads/2015/02/2013-FINAL-Annual-Report.pdf

MRS plc's Non-statutory Report and Accounts for the period ended 30 June 2012

http://www.mrsplc.net/wp-content/uploads/2015/01/June-30-NonStat-Financial-Report.pdf

MRS plc's Consolidated Financial Report for the year ended 30 June 2012

http://www.mrsplc.net/wp-content/uploads/2015/01/30-June-2012-Financial-Report-Final1.pdf

Copies of the full audited consolidated accounts for the three financial years ended 30 June 2014 have been delivered to the Registrar of Companies in England and Wales.

An unqualified audit report within the meaning of section 495 of the Act has been given in respect of each of the three financial years ended 30 June 2014 and in each case did not contain a statement under section 498(2) or (3) of the Act.

The above Annual Reports and Accounts of MRS plc are available in "read-only" format and can be printed from the Company's website. The Company will provide, without charge, to each person to whom a copy of this document has been sent, upon their written or verbal request, a copy of any information incorporated by reference in this document. Copies of any information incorporated by reference in this document will not be provided unless such a request is made.

Requests for copies of any such document should be directed to Equiniti, or by calling Equiniti on telephone number 0870 384 2030 (or +44 (0) 121 415 7047 from outside of the UK). Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

PART IIIB

FINANCIAL INFORMATION ON D&M

DIRECTORS' REPORT

Your directors present their report on the consolidated group for the financial year ended 30 June 2012.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Douglas Roy Phillips

Margaret Joan Phillips

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The consolidated profit of the consolidated group for the financial year after providing for income tax amounted to $970,623.

A review of the operations of the consolidated group during the financial year and the results of those operations found a decrease in sales of -0.4% to $17,101,101. The decrease in sales has contributed to a decrease in the consolidated group's gross profit of -4.3% to $12,903,883.

Significant Changes in the State of Affairs

No significant changes in the consolidated group's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the consolidated group during the financial year were the hire and manufacture of equipment.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

Environmental Regulation

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

a. A fully franked dividend of $111,232 was paid during the year as recommended in last years report.

b. A fully franked dividend of $710,569 was declared on 30 June 2012 for payment on 1 July 2012.

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Douglas Roy Phillips
Director

Margaret Joan Phillips
Director

Dated this 24th day of April 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated Group	
		2012	*2011*
	Note	*$*	*$*
Sales revenue	2	17,101,101	17,176,062
Cost of sales	3	(4,197,218)	(3,689,397)
Gross profit		12,903,883	13,486,665
Other revenue	2	1,416,372	1,250,500
Employee benefits/subcontractors expense		(7,652,092)	(8,367,758)
Fuel and oil expense		(851,156)	(886,993)
Depreciation and amortisation expense		(1,090,765)	(996,896)
Maintenance expense		(423,761)	(617,095)
Finance costs		(272,644)	(262,083)
Other expenses	3	(2,766,861)	(2,810,560)
Profit before income tax	3	**1,262,976**	**795,780**
Tax expense	4a	(292,353)	(250,275)
Profit for the year		970,623	545,505
Other comprehensive income		—	—
Total other comprehensive income for the year		—	—
Total comprehensive income for the year		970,623	545,505
Profit attributable to:			
Members of the parent entity		970,623	545,505
Total comprehensive income attributable to:			
Members of the parent entity		970,623	545,505

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		Consolidated Group	
		2012	*2011*
	Note	*$*	*$*
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	379,411	543,116
Trade and other receivables	8	3,117,086	3,320,108
Inventory	9	240,500	225,000
TOTAL CURRENT ASSETS		3,736,997	4,088,224
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,983,717	3,919,788
TOTAL NON-CURRENT ASSETS		4,983,717	3,919,788
TOTAL ASSETS		8,720,714	8,008,012
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,529,754	1,977,659
Borrowings	13	125,903	111,134
Current tax liabilities	14	88,352	(37,048)
Provisions	15	9,100	8,736
TOTAL CURRENT LIABILITIES		1,753,109	2,060,481
NON-CURRENT LIABILITIES			
Borrowings	13	3,459,225	2,701,474
Provisions	15	22,500	20,231
TOTAL NON-CURRENT LIABILITIES		3,481,725	2,721,705
TOTAL LIABILITIES		5,234,834	4,782,186
NET ASSETS		3,485,880	3,225,826
EQUITY			
Issued capital	16	250,104	250,104
Retained earnings		3,235,776	2,975,722
TOTAL EQUITY		3,485,880	3,225,826

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Note	*Ordinary Share Capital* $	*Retained Earnings* $	*Total* $
Balance at 1 July 2010		**250,104**	**2,567,069**	**2,817,173**
Comprehensive income				
Profit for the year		—	545,505	545,505
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity		**—**	**545,505**	**545,505**
Transactions with owners, in their capacity as owners, and other transfers				
Recognising assets and liabilities not previously recorded			(25,620)	(25,620)
Dividends paid or provided for	6	—	(111,232)	(111,232)
Total transactions with owners and other transfers		**—**	**(136,852)**	**(136,852)**
Balance at 30 June 2011		**250,104**	**2,975,722**	**3,225,826**
Balance at 1 July 2011				
Comprehensive income		250,104	2,975,722	3,225,826
Profit for the year		—	970,623	970,623
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity		—	970,623	970,623
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for	6	—	(710,569)	(710,569)
Total transactions with owners and other transfers		**—**	**(710,569)**	**(710,569)**
Balance at 30 June 2012		**250,104**	**3,235,776**	**3,485,880**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated Group	
		2012	*2011*
	Note	*$*	*$*
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		19,247,063	18,462,738
Sundry Income		1,051,417	1,061,846
Payments to suppliers and employees		(18,294,800)	(17,759,290)
Interest received		146,577	139,935
Finance costs		(27,265)	(26,208)
Income tax paid		(166,953)	(222,436)
Net cash provided by operating activities	17a	1,956,039	1,656,585
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		984,227	265,378
Purchase of property, plant and equipment		(594,498)	(976,803)
Net cash (used in)/provided by investing activities		389,729	(711,425)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,813,673)	(878,217)
Dividends paid		(710,569)	(111,233)
Net cash provided by/(used in) financing activities		(2,524,242)	(989,450)
Net increase in cash held		(178,474)	(44,290)
Cash and cash equivalents at beginning of financial year		431,982	476,272
Cash and cash equivalents at end of financial year	7	253,508	431,982

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The consolidated financial statements and notes represent those of D&M Plant Hire Pty Ltd and Controlled Entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, D&M Plant Hire Ply Ltd, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2011.

The financial statements were authorised for issue on 24th April 2014 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by D&M Plant Hire Pty Ltd at the end of the reporting period. A controlled entity is any entity over which D&M Plant Hire Pty Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 10 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of first-in, first-out basis.

d. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate

to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	5-50%
Motor Vehicles	15-30%

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

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash fiows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

p. Comparative Figures

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

q. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised at the end of the reporting period.

r. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

– AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing 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;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

– requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012-10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

  AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group's financial statements.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

– AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:

  – inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

– enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

– AASB 119: *Employee Benefits* (September 2011) and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendments.

AASB 119 (September 2011) also includes changes to:

– require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

– the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i) for an offer that may be withdrawn -when the employee accepts;

(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and

(iii) where the termination is associated with a restructuring of activities under AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*, and if earlier than the first two conditions – when the related restructuring costs are recognised.

These Standards are not expected to significantly impact the Group's financial statements.

– AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

– AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle* by the International Accounting Standards Board, including:

  – AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;

  – AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;

  – AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;

  – AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

  – AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

  This Standard is not expected to significantly impact the Group's financial statements.

NOTE 2: REVENUE AND OTHER INCOME

	Note	Consolidated Group 2012 $	2011 $
Sales revenue:			
– sale of goods		5,880,913	5,220,280
– provision of services		11,220,188	11,955,782
		17,101,101	17,176,062
Other revenue:			
– interest received:			
– related parties	21	128,739	122,198
– other persons		17,838	17,737
– Gain on disposal of plant and equipment		218,378	48,719
– Other		1,051,417	714,795
Total other income		1,416,372	1,250,500

NOTE 3: PROFIT BEFORE INCOME TAX

	Consolidated Group 2012 $	2011 $
Profit before income tax from continuing operations includes the following specific expenses:		
a. **Expenses**		
Cost of sales	4,197,218	3,689,397
Interest expense on financial liabilities not at fair value through profit or loss		
– Other persons	272,644	262,083
Total finance costs	272,644	262,083
Other expenses:		
Bad and doubtful debts:		
– trade receivables	102,411	86,112
Rental expense on operating leases:		
– minimum lease payments	653,454	598,427
Directors Superannuation expense	148,350	130,152

NOTE 4: TAX EXPENSE

	Consolidated Group 2012 $	2011 $
a. The components of tax (expense)/income comprise:		
Current tax	292,353	250,275

NOTE 5: AUDITORS REMUNERATION

	Consolidated Group 2012 $	2011 $
Remuneration of the auditor of the parent entity for:		
– auditing or reviewing the financial statements	25,000	25,000

NOTE 6: DIVIDENDS

	Consolidated Group 2012 $	2011 $
Distributions paid:		
Declared fully franked ordinary dividend of 284 (2011: 44) cents per share franked at the tax rate of 30% (2011: 30%)	710,570	111,233
Total dividends (cents) per share for the period	284 cents	44 cents

NOTE 7: CASH AND CASH EQUIVALENTS

	Note	Consolidated Group 2012 $	2011 $
CURRENT			
Cash at bank and on hand		379,411	543,116
		379,411	543,116
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash fiows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		379,411	543,116
Bank overdrafts	13	(125,903)	(111,134)
		253,508	431,982

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated Group 2012 $	2011 $
CURRENT		
Trade receivables	3,113,931	3,316,975
	3,113,931	3,316,975
Other receivables		
Other receivables/loans	3,155	3,133

	Consolidated Group 2012 $	2011 $
Total current trade and other receivables	3,117,086	3,320,108

a. Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Group is considered to relate to the class of assets described as “trade and other receivables”.

	Note	*Consolidated Group* 2012 $	2011 $
b. Financial assets classified as loans and receivables			
Trade and other receivables			
– total current		3,117,086	3,320,108
– total non-current		—	—
Total financial assets classified as loans and receivables		3,117,086	3,320,108

NOTE 9: INVENTORY

	Note	*Consolidated Group* 2012 $	2011 $
CURRENT			
At directors valuation:			
– Spare parts		240,500	225,000
		240,500	225,000

NOTE 10: CONTROLLED ENTITIES

Controlled Entities Consolidated	*Country of Incorporation*	*Percentage* 2012	*Owned* 2011
Subsidiaries of D&M Plant Hire Pty Ltd:			
DMR Plant Hire Pty Ltd	Australia	100%	100%
Wrights Plant Hire Pty Ltd	Australia	100%	100%
Titan Manufacturing Pty Ltd	Australia	100%	100%

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group 2012 $	2011 $
Plant and Equipment		
Plant and equipment (including leased):		
At cost	9,381,608	8,483,315
Accumulated depreciation	(4,461,448)	(4,641,750)
	4,920,160	3,841,565
Motor Vehicles (including leased):		
At cost	148,070	148,070
Accumulated depreciation	(84,513)	(69,847)
	63,557	78,223
Total plant and equipment	4,983,717	3,919,788

a. Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment *$*	*Motor Vehicles* *$*	*Total* *$*
Consolidated Group			
Balance at 1 July 2010	4,085,884	96,275	4,182,159
Additions	951,184	—	951,184
Disposals – written-down value	(216,659)	—	(216,659)
Depreciation expense	(978,844)	(18,052)	(996,896)
Carrying amount at 30 June 2011	3,841,565	78,223	3,919,788
Additions	2,920,543	—	2,920,543
Disposals − written-down value	(765,849)	—	(765,849)
Depreciation expense	(1,076,099)	(14,666)	(1,090,765)
Carrying amount at 30 June 2012	4,920,160	63,557	4,983,717

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

	Consolidated Group *2012* *$*	*2011* *$*
Unsecured liabilities:		
Trade payables	965,019	1,382,440
Sundry payables and accrued expenses	103,769	144,048
Rest and recreation leave payable	108,500	95,200
GST payable	264,466	267,971
Related party payables – rent	88,000	88,000
	1,529,754	1,977,659

a. Financial liabilities at amortised cost classified as trade and other payables

	Consolidated Group *2012* *$*	*2011* *$*
Trade and other payables		
– total current	1,529,754	1,977,659
– total non-current	—	—
Less other payables (net amount of GST payable)	264,466	267,971
Financial liabilities as trade and other payables	1,265,288	1,709,688

NOTE 13: BORROWINGS

CURRENT

	Consolidated Group 2012 $	Consolidated Group 2011 $
Bank overdraft	125,903	111,134
Total current borrowings	125,903	111,134

NON-CURRENT

	Consolidated Group 2012 $	Consolidated Group 2011 $
Lease liability	3,459,225	2,701,474
Total non-current borrowings	3,459,225	2,701,474
Total borrowings	3,585,128	2,812,608

NOTE 14: TAX

CURRENT

	Consolidated Group 2012 $	Consolidated Group 2011 $
Income tax payable/(receivable)	88,352	(37,048)

NOTE 15: PROVISIONS

CURRENT

	Consolidated Group 2012 $	Consolidated Group 2011 $
Employee benefits – long service leave	9,100	8,736
Total current provisions	9,100	8,736

NON-CURRENT

	Consolidated Group 2012 $	Consolidated Group 2011 $
Employee benefits – long service leave	22,500	20,231
Total non-current provisions	22,500	20,231

	Employee Benefits $	*Total* $
Analysis of provisions:		
Opening balance at 1 July 2011	28,967	28,967
Additional provisions raised during the year	2,633	2,633
Amounts used	—	—
Balance at 30 June 2012	31,600	31,600

Provision for employee benefits

Provision for employee benefits represents amounts accrued for long service leave.

The current portion for this provision includes the total amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 16: ISSUED CAPITAL

	Consolidated Group	
	2012 $	*2011* $
250,104 (2011: 250,104) fully paid ordinary shares	250,104	250,104
	250,104	250,104

The company has authorised share capital amounting to 250,104 ordinary shares of no par value.

a. Ordinary Shares

	No	*No*
At the beginning of the reporting period	250,104	250,104
Shares issued during the year:	—	—
At the end of the reporting period	250,104	250,104

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

b. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratios for the years ended 30 June 2012 and 30 June 2011 are as follows:

		Consolidated Group	
		2012	*2011*
	Note	*$*	*$*
Total borrowings		3,585,128	2,812,608
Trade and other payables		1,265,288	1,709,688
Less cash and cash equivalents		(379,411)	(543,116)
Net debt		4,471,005	3,979,180
Total equity		3,485,880	3,225,826
Total capital		7,956,885	7,205,006
Gearing ratio		56%	55%

NOTE 17: CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations with profit after income tax

		Consolidated Group	
		2012	*2011*
	Note	*$*	*$*
Profit after income tax		970,623	545,505
Non-cash flows in profit:			
– Depreciation		1,090,765	996,896
– net gain on disposal of property, plant and equipment		(218,378)	(48,719)
Changes in assets and liabilities:			
– (decrease)/increase in trade and term debtors		203,022	(624,939)
– increase/(decrease) in inventories		(15,500)	(9,500)
– increase/(decrease) in payables		(447,905)	504,661
– increase in income taxes payable		245,379	27,839
– Increase in lease liability		125,400	235,875
– increase in provisions		2,633	28,967
Net cash provided by operating activities		1,956,039	1,656,585

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities nor contingent assets requiring disclosure in the financial report.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2012	*2011*
	Note	*$*	*$*
Financial assets			
Cash and cash equivalents	8	379,411	543,116
Loans and receivables	9b	3,117,086	3,320,108
Total financial assets		3,496,497	3,863,224
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	13a	1,265,288	1,709,688
– borrowings	14	3,585,128	2,812,608
Total financial liabilities		4,850,416	4,522,296

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash fiow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2012.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

NOTE 21: PARENT INFORMATION

	2012 *$*	*2011* *$*
Statement of Financial Position		
ASSETS		
Current assets	1,832,548	2,519,907
Non-current assets	3,419,118	2,969,240
TOTAL ASSETS	5,251,666	5,489,147
LIABILITIES		
Current liabilities	777,851	1,377,168
Non-current liabilities	1,836,830	1,744,717
TOTAL LIABILITIES	2,614,681	3,121,885
EQUITY		
Issued capital	250,000	250,000
Retained earnings	2,386,985	2,117,262
TOTAL EQUITY	2,636,985	2,367,262
Statement of Profit or Loss and Other Comprehensive Income		
Total profit	269,722	71,416
Total comprehensive income	269,722	71,416

Guarantees

D&M Plant Hire Pty Ltd has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

NOTE 22: COMPANY DETAILS

The registered office and principle place of business of the company is:

53 Enterprise Street
CLEVELAND QLD 4163

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of D&M Plant Hire Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 25 to 51, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the consolidated group.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director Director

Dated this 24th day of Apri1 2014

D&M PLANT HIRE PTY LTD
ABN 57 010 542 506
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF D&M PLANT HIRE PTY LTD

Report on the Financial Report

We have audited the accompanying financial report of D&M Plant Hire Pty Ltd, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of profit or loss and other 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 notes and the directors' declaration of the consolidated group 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 have determined that the accounting policies described in note 1 of the financial report, are appropriate to meet the requirements of the directors in preparing for large proprietary limited reporting status. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard MSB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting (IFRS).

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 control relevant to the company's preparation 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Basis for Qualified Auditor's Opinion

1. The auditors report for the year ended 30 June 2011 was qualified. Accordingly, the comparative financial information and opening retained equity amount carried forward should be read in conjunction with the 30 June 2011 audit report. Furthermore as in prior years, in the absence of a complete asset stocktake for inventory, we have been unable to satisfy ourselves in relation to the existence and accuracy of all inventory as at 30 June 2012.

2. The presentation and/or disclosure requirements of relevant accounting standards have not been adhered to in their entirety, including the following: reconciliation of the prima facie tax on profit from ordinary activities before income tax to the income tax expense; key management personnel compensation; balance, if any, of the franking account; balances of receivables that remain within initial trade terms; finance lease commitments; non-cash financing and investing activities; related party transactions.

3. Deferred tax has not been booked in the frnancial report. Accordingly, we are unable to form an opinion in relation to the completeness of tax liabilities/assets.

4. Lease liabilities have been included as a non-current liability within Borrowings in the statement of financial position. The current portion of the lease liabilities has not been correctly classified and disclosed as at 30 June 2012.

Qualified Auditor's Opinion

In our opinion, except for the effect of the matters described in the preceding paragraphs, the financial report of D&M Plant Hire Pty Ltd and controlled entities:

a) gives a true and fair view of the consolidated group's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

b) complies with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis of Accounting

Without modifying our opinion, we draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' requirements in preparing for large proprietary limited reporting status. As a result the financial report may not be suitable for another purpose.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

REG L WILLIAMS BCom CPA RCA
DIRECTOR

Dated this 24th day of Apri1 2014

DIRECTORS' REPORT

Your directors present their report on the consolidated group for the financial year ended 30 June 2013.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Douglas Roy Phillips

Margaret Joan Phillips

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The consolidated profit of the consolidated group for the financial year after providing for income tax amounted to $597,200.

A review of the operations of the consolidated group during the financial year and the results of those operations have seen an increase in sales of 11.3% to $19,031,500. The increase in sales has contributed to an increase in the consolidated group's gross profit of 19.4% to $15,403,328. The increase in gross profit is significantly higher than the increase in sales, due to the organisation sourcing raw materials both domestically and overseas suppliers at more competitive rates and an overall increase in Dry Hire Sales over the past 12 months.

Significant Changes in the State of Affairs

No significant changes in the consolidated group's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the consolidated group during the financial year were the hire and manufacture of equipment.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

Environmental Regulation

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

a. A fully franked dividend of $710,569 was paid during the year as recommended in last year's report.

b. A fully franked dividend of $488,723 was declared on 30 June 2013 for payment on 1 July 2013.

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings,

The company was not a party to any such proceedings during the year.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Douglas Roy Phillips
Director

Margaret Joan Phillips
Director

Dated this 24th day of April 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
Sales revenue	2	19,031,500	17,101,101
Cost of sales	3	(3,628,172)	(4,197,218)
Gross profit		15,403,328	12,903,883
Other revenue	2	877,644	1,416,372
Employee benefits/subcontractors expense		(8,380,091)	(7,652,092)
Fuel and oil expense		(919,237)	(851,156)
Depreciation and amortisation expense		(1,191,186)	(1,090,765)
Maintenance expense		(873,096)	(423,761)
Finance costs		(308,673)	(272,644)
Other expenses	3	(3,488,299)	(2,766,861)
Profit before income tax	3	**1,120,391**	**1,262,977**
Tax expense	4a	(523,191)	(292,353)
Profit for the year		597,200	970,623
Other comprehensive income		—	—
Total other comprehensive income for the year		—	—
Total comprehensive income for the year		597,200	970,623
Profit attributable to:			
Members of the parent entity		597,200	970,623
Total comprehensive income attributable to:			
Members of the parent entity		597,200	970,623

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	*Consolidated Group* 2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	609,886	379,411
Trade and other receivables	8	3,046,319	3,117,086
Inventory	9	240,500	240,500
Other assets	11	37,436	—
TOTAL CURRENT ASSETS		3,934,141	3,736,997
NON-CURRENT ASSETS			
Property, plant and equipment	12	6,068,752	4,983,717
Intangible assets		32,751	—
TOTAL NON-CURRENT ASSETS		6,101,503	4,983,717
TOTAL ASSETS		10,035,644	8,720,714
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,411,017	1,529,754
Borrowings	14	1,542,181	125,903
Current tax liabilities	15	287,319	88,352
Provisions	16	10,700	9,100
TOTAL CURRENT LIABILITIES		3,251,217	1,753,109
NON-CURRENT LIABILITIES			
Borrowings	14	3,172,669	3,459,225
Provisions	16	17,400	22,500
TOTAL NON-CURRENT LIABILITIES		3,190,069	3,481,725
TOTAL LIABILITIES		6,441,286	5,234,834
NET ASSETS		3,594,357	3,485,880
EQUITY			
Issued capital	17	250,104	250,104
Retained earnings		3,344,253	3,235,776
TOTAL EQUITY		3,594,357	3,485,880

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Note	*Ordinary Share Capital* *$*	*Retained Earnings* *$*	*Total* *$*
Balance at 1 July 2011		**250,104**	**2,975,722**	**3,225,826**
Comprehensive income				
Profit for the year		—	970,623	970,623
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity		**—**	**970,623**	**970,623**
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for	6	—	(710,569)	(710,569)
Total transactions with owners and other transfers		**—**	**(710,569)**	**(710,569)**
Balance at 30 June 2012		**250,104**	**3,235,776**	**3,485,880**
Balance at 1 July 2012		**250,104**	**3,235,776**	**3,225,880**
Comprehensive income				
Profit for the year		—	597,200	597,200
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity			597,200	597,200
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for	6	—	(488,723)	(488,723)
Total transactions with owners and other transfers		**—**	**(488,723)**	**(488,723)**
Balance at 30 June 2013		**250,104**	**3,344,253**	**3,594,357**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	*Consolidated Group* 2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		19,054,691	19,247,063
Sundry Income		749,678	1,051,417
Payments to suppliers and employees		(17,400,991)	(18,294,800)
Interest received		121,367	146,577
Finance costs		(30,867)	(27,265)
Income tax		(324,225)	(166,953)
Net cash provided by operating activities	18a	2,169,653	1,956,039
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for intangibles		(32,751)	—
Proceeds from sale of property, plant and equipment		571,598	984,227
Purchase of property, plant and equipment		(1,615,038)	(2,920,543)
Net cash (used in)/provided by investing activities		(1,076,191)	(1,936,316)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(364,765)	512,372
Dividends paid		(488,723)	(710,569)
Net cash provided by/(used in) financing activities		(853,487)	(198,197)
Net increase in cash held		239,974	(178,474)
Cash and cash equivalents at beginning of financial year		253,508	431,982
Cash and cash equivalents at end of financial year	7	493,482	253,508

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The consolidated financial statements and notes represent those of D&M Plant Hire Pty Ltd and Controlled Entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, D&M Plant Hire Pty Ltd, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2011.

The financial statements were authorised for issue on 24 April 2014 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by D&M Plant Hire Pty Ltd at the end of the reporting period. A controlled entity is any entity over which D&M Plant Hire Pty Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 10 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the canrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable light of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of first-in, first-out basis.

d. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate

to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	5-50%
Motor Vehicles	15-30%

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

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial/iabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is detenmined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

p. Comparative Figures

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

q. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised at the end of the reporting period.

r. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

– AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  – simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

  – simplifying the requirements for embedded derivatives;

  – removing the tainting rules associated with held-to-maturity assets;

  – removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

  – allowing 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;

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9* and *Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012-10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

- AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

– enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

– AASB 119: *Employee Benefits* (September 2011) and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119* (*September 2011*) (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendments.

  AASB 119 (September 2011) also includes changes to:

  – require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

  – the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

    (i) for an offer that may be withdrawn -when the employee accepts;

    (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and

    (iii) where the termination is associated with a restructuring of activities under AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*, and if earlier than the first two conditions – when the related restructuring costs are recognised.

  These Standards are not expected to significantly impact the Group's financial statements.

– AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 2012-2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

  This Standard is not expected to significantly impact the Group's financial statements.

– AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle* by the International Accounting Standards Board, including:

– AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;

– AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;

– AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;

– AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

– AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group's financial statements.

NOTE 2: REVENUE AND OTHER INCOME

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
Sales revenue:			
– sale of goods		4,923,129	5,880,913
– provision of services		14,108,371	11,220,188
		19,031,500	17,101,101
Other revenue:			
– interest received:			
– related parties		115,038	128,739
– other persons		6,329	17,838
– Gain on disposal of plant and equipment		6,600	218,378
– Other		749,678	1,051,417
Total other income		877,644	1,416,372

NOTE 3: PROFIT BEFORE INCOME TAX

	Note	Consolidated Group 2013 $	2012 $
Profit before income tax from continuing operations includes the following specific expenses:			
Expenses			
Cost of sales		3,628,172	4,197,218
Interest expense on financial liabilities not at fair value through profit or loss			
– Other persons		308,673	272,644
Total finance costs		308,673	272,644
Other expenses:			
Bad and doubtful debts:			
– trade receivables		47,576	86,112
Rental expense on operating leases:			
– minimum lease payments		573,454	598,427
Directors Superannuation expense		95,200	148,350

NOTE 4: TAX EXPENSE

	Consolidated Group 2013 $	2012 $
The components of tax (expense)/income comprise:		
Current tax	523,191	292,353

NOTE 5: AUDITORS REMUNERATION

	Consolidated Group 2013 $	2012 $
Remuneration of the auditor of the parent entity for:		
auditing or reviewing the financial statements	50,000	25,000

NOTE 6: DIVIDENDS

	Consolidated Group 2013 $	2012 $
Distributions paid:		
Declared fully franked ordinary dividend of 195 (2012: 284) cents per share franked at the tax rate of 30% (2012: 30%)	488,723	710,569
Total dividends (cents) per share for the period	195 cents	284 cents

NOTE 7: CASH AND CASH EQUIVALENTS

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
CURRENT			
Cash at bank and on hand		609,886	379,411
		609,886	379,411

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		609,886	379,411
Bank overdrafts	14	(116,403)	(125,903)
		493,483	253,508

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
Trade receivables		3,044,759	3,113,931
		3,044,759	3,113,931
Other receivables			
Other receivables/loans		1,560	3,155
Total current trade and other receivables		3,046,319	3,117,086

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Group is considered to relate to the class of assets described as "trade and other receivables".

Financial assets classified as loans and receivables

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
Trade and other receivables			
– total current		3,046,319	3,117,086
– total non-current		—	—
Total financial assets classified as loans and receivables		3,046,319	3,320,108

NOTE 9: INVENTORY
CURRENT

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
At directors valuation:			
– Spare parts		240,500	240,500
		240,500	240,500

NOTE 10: CONTROLLED ENTITIES

	Country of	*Percentage Owned*	
Controlled Entities Consolidated	*Incorporation*	*2013*	*2012*
Subsidiaries of D&M Plant Hire Pty Ltd:			
DMR Plant Hire Pty Ltd	Australia	100%	100%
Wrights Plant Hire Pty Ltd	Australia	100%	100%
Titan Manufacturing Pty Ltd	Australia	100%	100%

NOTE 11: OTHER ASSETS

	Consolidated Group	
	2013	*2012*
	$	*$*
CURRENT		
Trade and other receivables		
Prepayments	37,436	—
	37,436	—

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2013	*2012*
	$	*$*
Plant and Equipment		
Plant and equipment (including leased):		
At cost	10,644,493	9,381,608
Accumulated depreciation	(4,663,745)	(4,461,448)
	5,980,748	4,920,160
Motor Vehicles (including leased):		
At cost	184,434	148,070
Accumulated depreciation	(96,430)	(84,513)
	88,004	63,557
Total plant and equipment	6,068,752	4,983,717

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment $	*Motor Vehicles* $	*Total* $
Consolidated Group			
Balance at 1 July 2011	3,841,565	78,223	3,919,788
Additions	2,920,543	—	2,920,543
Disposals – written-down value	(765,849)	—	(765,849)
Depreciation expense	(1,076,099)	(14,666)	(1,090,765)
Carrying amount at 30 June 2012	4,920,160	63,557	4,983,717
Additions	2,804,855	36,364	2,841,219
Disposals – written-down value	(564,998)	—	(564,998)
Depreciation expense	(1,179,269)	(11,917)	(1,191,186)
Carrying amount at 30 June 2013	5,980,748	88,004	6,068,752

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

	Consolidated Group *2013* $	*2012* $
Unsecured liabilities:		
Trade payables	916,860	965,019
Sundry payables and accrued expenses	120,728	103,769
Rest and recreation leave payable	59,500	108,500
GST payable	313,929	264,466
Related party payables – rent	—	88,000
	1,411,017	1,529,754

NOTE 14: BORROWINGS

CURRENT

	Consolidated Group *2013* $	*2012* $
Related party loan	33,572	—
Bank overdraft	116,403	125,903
Lease liability secured	1,392,206	—
Total current borrowings	1,542,181	125,903
NON-CURRENT		
Lease liability secured	3,172,669	3,459,225
Total non-current borrowings	3,172,669	3,459,225
Total borrowings	4,714,850	3,585,128

Lease liabilities are secured by the underlying leased assets.

NOTE 15: TAX

CURRENT

	Consolidated Group 2013 $	2012 $
Income tax payable/(receivable)	287,319	88,352

NOTE 16: PROVISIONS

CURRENT

	Consolidated Group 2013 $	2012 $
Employee benefits-long service leave	10,700	9,100
Total current provisions	10,700	9,100
NON-CURRENT		
Employee benefits -long service leave	17,400	22,500
Total non-current provisions	17,400	22,500

	Employee Benefits $	*Total* $
Analysis of provisions:		
Opening balance at 1 July 2012		
Additional provisions raised during the year	31,600	31,600
Amounts used	4,895	4,895
Balance at 30 June 2013	8,395	8,395
Provision for employee benefits	28,100	28,100

Provision for employee benefits represents amounts accrued long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 17: ISSUED CAPITAL

	Consolidated Group 2013 $	2012 $
250,104 (2012: 250,104) fully paid ordinary shares	250,104	250,104
	250,104	250,104

The company has authorised share capital amounting to 250,104 ordinary shares of no par value.

	No	*No*
Ordinary Shares		
At the beginning of the reporting period	250,104	250,104
Shares issued during the year:	—	—
At the end of the reporting period	250,104	250,104

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratios for the years ended 30 June 2013 and 30 June 2012 are as follows:

	Consolidated Group	
	2013	*2012*
	$	*$*
Total borrowings	4,718,850	3,585,128
Trade and other payables	1,097,088	1,265,288
Less cash and cash equivalents	(609,886)	(379,411)
Net debt	5,202,052	4,471,005
Total equity	3,594,357	3,485,880
Total capital	8,796,409	7,956,885
Gearing ratio	59%	56%

NOTE 18: CASH FLOW RECONCILIATION

	Consolidated Group	
	2013	*2012*
	$	*$*
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	970,623	970,623
Non-cash fiows in profit:		
– Depreciation	1,090,765	1,090,765
– net gain on disposal of property, plant and equipment	(218,378)	(218,378)
Changes in assets and liabilities:		
– (decrease)/increase in trade and term debtors	203,022	203,022
– increase/(decrease) in inventories	(15,500)	(15,500)
– increase/(decrease) in payables	(447,905)	(447,905)
– increase in income taxes payable	245,379	245,379
– increase in lease liability	125,400	125,400
– increae in provisions	2,633	2,633
Net cash provided by operating activities	1,956,039	1,956,039

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant events since the end of the reporting period.

NOTE 20 : FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2013	*2012*
	Note	*$*	*$*
Financial assets			
Cash and cash equivalents	7	609,886	379,411
Loans and receivables	8	3,046,319	3,117,086
Total financial assets		3,654,645	3,496,497
Financial liabilities			
Financial liabilities at amortised cost:			
− trade and other payables	13a	1,411,017	1,265,288
− borrowings	14	4,714,850	3,585,128
Total financial liabilities		6,125,867	4,850,416

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2013.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

NOTE 21: PARENT INFORMATION

	2013	*2012*
	$	*$*
Statement of Financial Position		
ASSETS		
Current assets	2,799,704	1,832,548
Non-current assets	5,010,739	3,419,118
TOTAL ASSETS	7,810,443	5,251,666
LIABILITIES		
Current liabilities	1,644,618	777,851
Non-current liabilities	2,843,199	1,836,830
TOTAL LIABILITIES	4,487,817	2,614,681
EQUITY		
Issued capital	250,000	250,000
Retained earnings	3,072,626	2,386,985
TOTAL EQUITY	3,322,626	2,636,985
Statement of Profit or Loss and Other Comprehensive Income		
Total profit	685,641	269,722
Total comprehensive income	685,641	269,722

Guarantees

D&M Plant Hire Pty Ltd has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

NOTE 22: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent liabilities and contingent assets requiring disclosure in the financial report.

NOTE 23: COMPANY DETAILS

The registered office and principle place of business of the company is:

53 Enterprise Street
CLEVELAND QLD 4163

declare that:

1. The financial statements and notes, as set out on pages 52 to 79, are in accordance with the *Corporations Act 2001* and:

   a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated group.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director **Director**

Dated this 24th day of April 2014

INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF D&M PLANT HIRE PTY LTD

Report on the Financial Report

We have audited the accompanying financial report of D&M Plant Hire Pty Ltd, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other 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 notes and the directors' declaration of the consolidated group 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 have determined that the accounting policies described in note 1 of the financial report, are appropriate to meet the requirements of the directors in preparing for large proprietary limited reporting status. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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 (IFRS).

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 control relevant to the company's preparation 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Basis for Qualified Auditor's Opinion

1. The auditors report for the year ended 30 June 2012 was qualified. Accordingly, the comparative financial information and opening retained equity amount carried forward should be read in conjunction with the 30 June 2012 audit report. Furthermore as in prior years in the absence of a complete asset stocktake for inventory, we have been unable to satisfy ourselves in relation to the existence and accuracy of all inventory as at 30 June 2013.

2. The presentation and/or disclosure requirements of relevant accounting standards have not been adhered to in their entirety, including the following: reconciliation of the prima facie tax on profit from ordinary activities before income tax to the income tax expense; key management personnel compensation; balance, if any, of the franking account; balances of receivables that remain within initial trade terms; finance lease commitments; non-cash financing and investing activities; related party transactions.

3. Deferred tax has not been booked in the financial report. Accordingly, we are unable to form an opinion in relation to the completeness of tax liabilities/assets.

Qualified Auditor's Opinion

In our opinion, except for the effect of the matters described in the preceding paragraphs, the financial report of D&M Plant Hire Pty Ltd and controlled entities:

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

b) complies with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis of Accounting

Without modifying our opinion, we draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' requirements in preparing for large proprietary limited reporting status. As a result the financial report may not be suitable for another purpose.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

REG L WILLIAMS BCom CPA RCA
DIRECTOR

Dated this 24th day of April 2014

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	*to 31/12/13* $	*FY 2013* $
Sales Revenue	2	8,719,640	19,031,500
Cost of Sales		(1,468,184)	(3,628,172)
Gross Profit		7,251,456	15,403,328
Other revenue		545,980	877,645
Employee benefits/subcontractors expense		(3,462,573)	(8,380,092)
Fuel & oil expense		(502,926)	(919,237)
Depreciation and amortisation expense		(817,177)	(1,191,186)
Maintenance expense		(209,210)	(873,096)
Finance costs		(156,033)	(308,672)
Other expenses	3	(2,269,050)	(3,488,299)
Profit before income tax	3	380,467	1,120,391
Tax expense		—	523,191
Profit for the period		380,467	597,200
Other comprehensive income			
Total other comprehensive income for the year		—	—
Total comprehensive income for the year		380,467	597,200
Profit attributable to Members of the parent entity		380,467	597,200
Total compehensive income attributable to Members of the parent entity		380,467	597,200

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	*to 31/12/13* *$*	*FY 2013* *$*
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	547,284	609,886
Trade and other receivables	7	2,150,894	3,046,319
Inventories	8	323,366	240,500
Other assets	10	139,939	37,436
TOTAL CURRENT ASSETS		3,161,483	3,934,141
NON-CURRENT ASSETS			
Plant and equipment	9	7,324,026	6,068,752
Intangible Assets	11	32,951	32,751
TOTAL NON-CURRENT ASSETS		7,356,977	6,101,503
TOTAL ASSETS		10,518,460	10,035,644
CURRENT LIABILITIES			
Trade and other payables	12	1,268,140	1,411,017
Employee entitlements	13	10,700	10,700
Borrowings	14	106,018	1,542,181
Current tax liabilities	15	(107,215)	287,319
TOTAL CURRENT LIABILITIES		1,277,643	3,251,217
NON-CURRENT LIABILITIES			
Employee entitlements	13	17,411	17,400
Borrowings	14	5,249,483	3,172,669
TOTAL NON-CURRENT LIABILITIES		5,266,894	3,190,069
TOTAL LIABILITIES		6,544,537	6,441,286
NET ASSETS		3,973,923	3,594,357
EQUITY			
Issued capital	15	250,104	250,104
Retained earnings		3,723,819	3,344,253
TOTAL EQUITY		3,973,923	3,594,357

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	*Issued Capital (Ordinary Shares)* $	*Retained Earnings* $	*Total* $
Balance at 1 July 2012		250,104	5,085,934	5,336,038
Comprehensive income				
Profit for the Year		—	597,200	597,200
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity		—	597,200	597,200
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for		—	2,338,881	2,338,881
Total transactions with owners and other transfers		—	2,338,881	2,338,881
Balance at 30 June 2013		250,104	3,344,253	3,594,357
Balance at 1 July 2013		250,104	3,344,253	3,594,357
Comprehensive income				
Profit for the Period		—	380,466	380,466
Other comprehensive income for the period		—	—	—
Total comprehensive income for the period attributable to members of the parent entity		—	380,466	380,466
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for		—	900	900
Total transactions with owners and other transfers		—	900	900
Balance at 31 December 2013		250,104	3,723,819	3,973,923

The accompanying notes form part of these financial statements.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by D&M Plant Hire Pty Ltd at the end of the reporting period. A controlled entity is any entity over which D&M Plant Hire Pty Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of first-in, first-out basis.

d. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter o f either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	5-50%
Motor Vehicles	15-30%

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

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

i Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally acc epted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

p. Comparative Figures

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

q. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised at the end of the reporting period.

t. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

– AASB 9: *Financial Instruments* (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

  These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

  Although, the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

- Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).

  Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

- AASB 2013–3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

- AASB 2013–4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).

  AASB 2013–4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2013–5: *Amendments to Australian Accounting Standards – Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).

  AASB 2013–5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9: *Financial Instruments* and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

Note 2 Revenue and Other Income

	Note	to 31/12/13 $	FY 2013 $
Sales Revenue			
– Sale of goods		1,742,264	4,923,129
– Provision of services		6,977,376	14,108,371
		8,719,640	19,031,500
Other revenue			
– Interest received:			
– related parties		—	115,038
– other		1,813	6,329
– Gain on disposal of plant and equipment		77,668	6,600
– Other		466,499	749,678
Total other income		545,980	877,645

Note 3 Profit Before Income Tax

Profit before income tax from continuing operations includes the following specific expenses:

(a) Expenses

	to 31/12/13 $	FY 2013 $
Interest expense on financial liabilities not at fair value through profit or loss:		
– Other persons	64,016	308,672
Total finance costs	64,016	308,672
Bad and doubtful debts:		
– trade receivables	5,920	47,576
Total bad and doubtful debts	5,920	47,576
Rental expense on operating leases		
– minimum lease payments	336,430	573,454
Directors Superannuation expense	6,660	95,200

Note 4 Tax Expense

	to 31/12/13 $	FY 2013 $
The components of tax (expense)/income comprise:		
Income tax expense	—	523,191
	—	523,191

Note 5 Dividends

	to 31/12/13 $	FY 2013 $
Distributions paid:		
– Dividend paid during the year	—	2,338,881

Note 6 Cash and Cash Equivalents

	Note	*to 31/12/13* $	*FY 2013* $
Cash at bank and on hand		547,284	609,886
		547,284	609,886

Note 7 Trade and Other Receivables

CURRENT

	Note	*to 31/12/13* $	*FY 2013* $
Trade receivables		2,131,586	3,044,759
Provision for impairment		—	—
		2,131,586	3,044,759
Loans to related parties		14,456	—
Other receivables/loans		4,852	1,560
Total current trade and other receivables		2,150,894	3,046,319

Note 8 Inventory

CURRENT

	Note	*to 31/12/13* $	*FY 2013* $
Spare parts – directors' valuation		323,366	240,500
		323,366	240,500

Note 9 Property, Plant and Equipment

	to 31/12/13 $	*FY 2013* $
PLANT AND EQUIPMENT		
Plant and equipment (including leased equipment):		
At cost	11,539,562	10,644,493
Accumulated Depreciation	(4,293,858)	(4,663,745)
Total Plant and Equipment	7,245,704	5,980,748
Motor Vehicles (including leased motor vehicles)		
At cost	184,434	184,434
Accumulated Depreciation	(106,112)	(96,430)
Total Motor Vehicles	78,322	88,004
Total Plant and Equipment	7,324,026	6,068,752

Note 10 Other Assets

CURRENT

	to 31/12/13 $	*FY 2013* $
Prepayments	139,939	37,436
	139,939	37,436

Note 11 Intangibles

NON-CURRENT

	to 31/12/13 $	*FY 2013* $
Intangibles	32,951	32,751
	32,951	32,751

Note 12 Trade and Other Payables

CURRENT

	Note	*to 31/12/13* $	*FY 2013* $
Unsecured liabilities			
Trade payables		906,299	916,860
Sundry payables and accrued expenses		134,046	120,728
Rest and recreation leave payable		—	59,500
GST payable		227,795	313,929
Related party payables – rent		—	—
		1,268,140	1,411,017

Note 13 Employee Entitlements

	Note	*to 31/12/13* $	*FY 2013* $
CURRENT			
Long Service Leave Liability		10,700	10,700
Total Current Employee Entitlements		10,700	10,700
NON CURRENT			
Long Service Leave Liability		17,411	17,400
Total Non Current Employee Entitlements		17,411	17,400
		28,111	28,100

Note 14 Borrowings

	Note	to 31/12/13 $	FY 2013 $
CURRENT			
Related party loans		—	33,572
Overdraft		106,018	116,403
Finance lease liabilities & Chattel Mortgages			1,392,206
Total current borrowings		106,018	1,542,181
NON-CURRENT			
Finance lease liabilities & Chattel Mortgages		5,249,483	3,172,669
Total non-current borrowings		5,249,483	3,172,669
Total borrowings		5,355,501	4,714,850

D&M Plant Hire Pty Ltd have an asset financing lease facility of $3,526,680 of which $3,446,886 is used as at 30 June 2013.

Note 15 Tax

	Note	to 31/12/13 $	FY 2013 $
Income tax payable		(107,215)	287,319
		(107,215)	287,319

Note 16 Issued Capital

	Note	to 31/12/13 $	FY 2013 $
250,104 (2012: 250,104) fully paid shares		250,104	250,104
		250,104	250,104

Note 17 Contingent Liabilities and Contingent Assets

Contingent Liabilities

There are no contingent liabilities requiring disclosure in the financial report.

Contingent Assets

There are no contingent assets requiring disclosure in the financial report.

Note 18 Controlled Entities

	Percentage Consolidated (%) 2013	2012
Controlled Entities Consolidated		
DMR Plant Hire Pty Ltd	100%	100%
Wrights Plant Hire Pty Ltd	100%	100%
Titan Manufacturing Pty Ltd	100%	100%

Note 19 Events After the Balance Sheet Date

The directors are not aware of any significant events since the end of the reporting period.

Note 20 Company Details

The registered office of the company is:

55 Enterprise Street
CLEVELAND QLD 4163

The principal place of business is:

55 Enterprise Street
CLEVELAND QLD 4163

DIRECTORS' REPORT

Your directors present their report on the consolidated group for the financial year ended 30 June 2014.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Douglas Roy Phillips

Margaret Joan Phillips

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The consolidated profit of the consolidated group for the financial year after providing for income tax amounted to $145,401.

A review of the operations of the consolidated group during the financial year and the results of those operations found that changes in market demand and competition have seen a decrease in sales of 11% to $16,873,096. The decrease in sales has contributed to a decrease in the consolidated group's gross profit of 9% to $14,156,541. The decrease in gross profit is lower than the decrease in sales, due to the savings in the price of raw materials and cost control over the past 12 months.

Significant Changes in the State of Affairs

No significant changes in the consolidated group's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the consolidated group during the financial year were the hire and manufacture of earthmoving equipment.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

Environmental Regulation

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

a. A fully franked dividend of $488,723 was paid during the year as recommended in last year's report.

b. A fully franked dividend of $57,570 was declared on 30 June 2014 for payment on 1 July 2014.

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Douglas Roy Phillips	**Margaret Joan Phillips**
Director	Director

Dated this 5th day of February 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated Group	
		2014	*2013*
	Note	*$*	*$*
Sales revenue	2	16,873,096	19,031,500
Cost of sales	3	(2,716,555)	(3,628,172)
Gross profit		14,156,541	15,403,328
Other revenue	2	997,971	877,644
Other income	2	119,069	—
Employee benefits/subcontractors expense		(6,724,700)	(8,380,091)
Fuel and oil expense		(939,450)	(919,237)
Depreciation and amortisation expense		(1,694,341)	(1,191,186)
Maintenance expense		(461,075)	(873,096)
Finance costs		(355,853)	(308,672)
Other expenses	3	(4,758,804)	(3,488,299)
Profit before income tax	3	**339,358**	**1,120,391**
Tax expense	4a	(193,957)	(532,996)
Profit for the year		145,401	587,395
Other comprehensive income		—	—
Total other comprehensive income for the year		—	—
Total comprehensive income for the year		145,401	587,395
Profit attributable to:			
Members of the parent entity		145,401	587,395
Total comprehensive income attributable to:			
Members of the parent entity		145,401	587,395

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

		Consolidated Group	
		2014	*2013*
	Note	*$*	*$*
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	393,249	609,886
Trade and other receivables	8	2,712,208	3,046,319
Inventory	9	240,500	240,500
Other assets	11	—	37,436
TOTAL CURRENT ASSETS		3,345,957	3,934,141
NON-CURRENT ASSETS			
Property, plant and equipment	12	7,306,296	6,068,752
Intangible assets		—	32,751
Deferred Tax Assets	15	67,006	59,347
TOTAL NON-CURRENT ASSETS		7,373,302	6,160,850
TOTAL ASSETS		10,719,259	10,094,991
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,522,269	1,351,517
Provisions	16	89,094	70,200
Borrowings	14	1,925,409	1,663,737
Current tax liabilities	15	(23,926)	287,319
TOTAL CURRENT LIABILITIES		3,512,846	3,372,773
NON-CURRENT LIABILITIES			
Provisions	16	23,341	17,400
Borrowings	14	3,465,176	3,051,113
Deferred Tax Liabilities	15	25,918	49,558
TOTAL NON-CURRENT LIABILITIES		3,514,435	3,118,071
TOTAL LIABILITIES		7,027,281	6,490,844
NET ASSETS		3,691,978	3,604,147
EQUITY			
Issued capital	17	250,104	250,104
Retained earnings		3,441,874	3,354,043
TOTAL EQUITY		3,691,978	3,604,147

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Note	*Ordinary Share Capital* $	*Retained Earnings* $	*Total* $
Balance at 1 July 2012		**250,104**	**3,291,948**	**3,542,052**
Comprehensive income				
Profit for the year		—	587,395	587,395
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity		**—**	**587,395**	**587,395**
Prior Year Adjustment			(36,577)	(36,577)
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for	6		(488,723)	(488,723)
Total transactions with owners and other transfers		**—**	**(488,723)**	**(488,723)**
Balance at 30 June 2013		**250,104**	**3,354,043**	**3,604,147**
Balance at 1 July 2013		**250,104**	**3,354,043**	**3,604,147**
Comprehensive income				
Profit for the year		—	145,401	145,401
Other comprehensive income for the year		—	—	—
Total comprehensive income for the year attributable to members of the parent entity		—	145,401	145,401
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid or provided for	6	—	(57,570)	(57,570)
Total transactions with owners and other transfers		**—**	**(57,570)**	**(57,570)**
Balance at 30 June 2014		**250,104**	**3,441,874**	**3,691,978**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated Group	
		2014	*2013*
	Note	*$*	*$*
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,208,551	19,054,691
Sundry Income		990,621	749,678
Payments to suppliers and employees		(15,326,806)	(17,400,991)
Interest received		3,039	121,367
Finance costs		(357,197)	(30,867)
Income tax paid		(536,501)	(324,225)
Net cash provided by operating activities	18a	1,981,707	2,169,653
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for intangibles		—	(32,751)
Proceeds from sale of property, plant and equipment		678,115	571,598
Purchase of property, plant and equipment		(2,106,599)	(504,488)
Net cash (used in)/provided by investing activities		(1,428,484)	34,359
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(768,160)	(1,475,314)
Dividends paid		—	(488,723)
Net cash provided by/(used in) financing activities		(768,160)	(1,964,037)
Net increase in cash held		(214,937)	239,975
Cash and cash equivalents at beginning of financial year		493,483	253,508
Cash and cash equivalents at end of financial year	7	278,546	493,483

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The consolidated financial statements and notes represent those of D&M Plant Hire Pty Ltd and Controlled Entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, D&M Plant Hire Pty Ltd, have not been presented within this financial report.

The financial statements were authorised for issue on 5th February 2015 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared for Directors purposes only. The financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB). The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (D & M Plant Hire Pty Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has the right to, variable returns from it's involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statement of the Group from the date on which control is obtained by the Group.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of first-in, first-out basis.

d. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate

to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	5-50%
Motor Vehicles	15-30%

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

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

p. Comparative Figures

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

q. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised at the end of the reporting period.

r. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

– AASB 9: *Financial Instruments* (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

  These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although, the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

– Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).

  Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

– AASB 2013–3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard amends the disclosure requirements in AASB 136: I*mpairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

– AASB 2013–4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).

  AASB 2013–4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

– AASB 2013–5: *Amendments to Australian Accounting Standards – Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).

  AASB 2013–5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9: *Financial Instruments* and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

NOTE 2: REVENUE AND OTHER INCOME

	Note	Consolidated Group 2014 $	2013 $
Sales revenue:			
– sale of goods		3,077,610	4,923,129
– provision of services		13,795,486	14,108,371
		16,873,096	19,031,500
Other revenue:			
– interest received:			
– related parties		65,572	115,038
– other persons		3,039	6,329
- Gain on disposal of plant and equipment		57,807	6,600
– Other		871,553	749,677
Total other revenue		997,971	877,644
Other Income:			
Research & development tax incentive		119,069	—

NOTE 3: PROFIT BEFORE INCOME TAX

	Note	Consolidated Group 2014 $	2013 $
Profit before income tax from continuing operations includes the following specific expenses:			
Expenses			
Cost of sales		2,716,555	3,628,172
Interest expense on financial liabilities not at fair value through profit or loss			
– Other persons		355,853	308,673
Total finance costs		355,853	308,673
Other expenses:			
Bad and doubtful debts:			
– trade receivables		168,342	47,576
Rental expense on operating leases:			
– minimum lease payments		672,860	573,454
Directors Superannuation expense		120,320	95,200

NOTE 4: TAX EXPENSE

	Note	Consolidated Group 2014 $	2013 $
The components of tax (expense)/income comprise:			
Current tax		225,256	523,192
Deferred tax	15	(31,299)	9,804
Recoupment of prior year tax losses		—	—
		193,957	532,996
The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%):		123,214	336,117
– consolidated group			
Add:			
Tax effect of:			
– other non-allowable items		32,215	67,352
– tax losses transferred from controlled entities		74,249	129,527
Less:			
Tax effect of:			
– Research and development tax incentive non assessable		35,721	
Income tax attributable to entity		193,957	532,996
The applicable weighted average effective tax rates are as follows:		47%	47%

NOTE 5: AUDITORS REMUNERATION

	Note	Consolidated Group 2014 $	2013 $
Remuneration of the auditor of the parent entity for:			
– auditing or reviewing the financial statements		135,296	50,000

NOTE 6: DIVIDENDS

	Note	Consolidated Group 2014 $	2013 $
Distributions paid:			
Declared fully franked ordinary dividend of 27.6 (2013: 195) cents per share franked at the tax rate of 30% (2013: 30%)		57,570	488,723
Total dividends (cents) per share for the period		23 cents	195 cents

NOTE 7: CASH AND CASH EQUIVALENTS

	Note	Consolidated Group 2014 $	2013 $
CURRENT			
Cash at bank and on hand		393,249	609,886
		393,249	609,886
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		393,249	609,886
Bank overdrafts	14	(114,703)	(116,403)
		278,546	493,483

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

	Note	Consolidated Group 2014 $	2013 $
Trade receivables		2,709,304	3,044,759
		2,709,304	3,044,759
Other receivables			
Other receivables/loans		2,904	1,560
Total current trade and other receivables		2,712,208	3,046,319

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Group is considered to relate to the class of assets described as “trade and other receivables”.

The following table details the Group’s trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

Consolidated Group	*Gross Amount*	*Past Due and Impaired*	*Past Due but Not Impaired (Days Overdue)*				*Within Initial Trade Terms*
			< 30	*31–60*	*61–90*	*> 90*	
	$	*$*	*$*	*$*	*$*	*$*	*$*
2014							
Trade and term receivables	2,709,304	—	920,616	123,871	83,633	—	1,581,184
Other receivables	2,904	—	—	—	—	—	2,904
Total	2,712,208	—	920,616	123,871	83,633		1,584,088
2013							
Trade and term receivables	3,044,759	—	935,658	151,001	127,727	—	1,830,373
Other receivables	1,560	—	—	—	—	—	1,560
Total	3,046,319	—	935,658	151,001	127,727	—	1,831,933

	Note	*Consolidated Group 2014*	*2013*
		$	*$*
Financial assets classified as loans and receivables			
Trade and other receivables			
– total current		2,712,208	3,046,319
– total non-current		—	—
Total financial assets classified as loans and receivables		2,712,208	3,046,319

Collateral pledged

No collateral is held over trade and other receivables.

NOTE 9: INVENTORY

CURRENT

	Note	*Consolidated Group 2014*	*2013*
		$	*$*
At directors valuation:			
– Spare parts		240,500	240,500
		240,500	240,500

NOTE 10: INTEREST IN SUBSIDIARIES

Controlled Entities Consolidated	*Country of Incorporation*	*Percentage Owned 2014*	*2013*
Subsidiaries of D&M Plant Hire Pty Ltd:			
DMR Plant Hire Pty Ltd	Australia	100%	100%
Wrights Plant Hire Pty Ltd	Australia	100%	100%
Titan Manufacturing Pty Ltd	Australia	100%	100%

NOTE 11: OTHER ASSETS

		Consolidated Group	
		2014	*2013*
	Note	*$*	*$*
CURRENT			
Prepayments		—	37,436
		—	37,436

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

		Consolidated Group	
		2014	*2013*
	Note	*$*	*$*
Plant and Equipment			
Plant and equipment (including leased):			
At cost		12,029,476	10,644,493
Accumulated depreciation		(4,765,137)	(4,663,745)
		7,264,339	5,980,748
Motor Vehicles (including leased):			
At cost		125,137	184,434
Accumulated depreciation		(83,180)	(96,430)
		41,957	88,004
Total plant and equipment		7,306,296	6,068,752

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment	*Motor Vehicles*	*Total*
	$	*$*	*$*
Consolidated Group			
Balance at 1 July 2012	4,920,160	63,557	4,983,717
Additions	2,804,855	36,364	2,841,219
Disposals – written-down value	(564,998)	-	(564,998)
Depreciation expense	(1,179,269)	(11,917)	(1,191,186)
Carrying amount at 30 June 2013	5,980,748	88,004	6,068,752
Additions	3,532,476	15,200	3,547,676
Disposals – written-down value	(613,605)	(2,186)	(615,791)
Depreciation expense	(1,635,280)	(59,061)	(1,694,341)
Carrying amount at 30 June 2014	7,264,339	41,957	7,306,296

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Unsecured liabilities:			
Trade payables		1,203,361	916,860
Sundry payables and accrued expenses		119,082	120,728
GST payable		199,826	313,929
		1,522,269	1,351,517

Financial liabilities at amortised cost classified as trade and other payables

		2014	2013
Trade and other payables:			
– Total current		1,522,269	1,351,517
– Total non-current		—	—
Less other payables (net amount of GST payable)		199,826	313,929
Financial liabilities as trade and other payable		1,322,443	1,037,588

NOTE 14: BORROWINGS

CURRENT

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Bank overdraft		114,703	116,403
Related party loan		—	33,572
Lease liability secured		1,810,706	1,513,762
Total current borrowings		1,925,409	1,663,737
NON-CURRENT			
Lease liability secured		3,465,176	3,051,113
Total non-current borrowings		3,465,176	3,051,113
Total borrowings		5,390,585	4,714,850

Lease liabilities are secured by the underlying leased assets.

NOTE 15: TAX

CURRENT

	Note	Consolidated Group 2014 $	2013 $
Income tax payable/(receivable)		(23,926)	287,319

	Opening Balance $	(Charged)/ Credited to Profit or Loss $	(Charged)/ Credited Directly to Equity $	Changes in Tax Rates $	Closing Balance $
2013					
Deferred tax asset on:					
Provisions – employee benefits	44,589	(15,847)	—	—	28,742
Lease Liabilities	20,918	985	—	—	21,903
Accruals		8,702	—	—	8,702
	65,507	(6,160)	—	—	59,347
Deferred tax liability on:					
Trade Debtors	(45,914)	(3,644)			(49,558)
Other	—	—	—	—	—
	(45,914)	(3,644)	—	—	(49,558)
Net amount	19,593	(9,804)	—	—	(9,789)
2014					
Deferred tax asset on:					
Provisions – employee benefits	28,742	9,433	—	—	38,175
Provisions – Bad Debts	—	28,831	—	—	28,831
Lease Liabilities	21,903	(21,903)	—	—	—
Other	8,702	(8,702)	—	—	—
	59.347	7,659	—	—	67,006
Deferred tax liability on:					
Trade Debtors	(49,558)	23,640			(25,918)
Other	—	—	—	—	—
	(49,558)	23,640	—	—	(25,918)
Net amount	9,789	31,299	—	—	41,088

NOTE 16: PROVISIONS

CURRENT		
Annual leave	74,889	59,500
Employee benefits – long service leave	14,205	10,700
Total current provisions	89,094	70,200
NON-CURRENT		
Employee benefits – long service leave		
Total non-current provisions	23,341	17,400
	23,341	17,400

Analysis of provisions:	*Employee Benefits* $	*Total* $
Opening balance at 1 July 2013	87,600	87,600
Additional provisions raised during the year	84,335	84,335
Amounts used	59,500	59,500
Balance at 30 June 2014	112,435	112,435

Provision for employee benefits

Provision for employee benefits represents amounts accrued long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 17 : ISSUED CAPITAL

	Consolidated Group 2014 $	2013 $
250,104 (2013: 250,104) fully paid ordinary shares	250,104	250,104
	250,104	250,104

The company has authorised share capital amounting to 250,104 ordinary shares of no par value.

		No	*No*
Ordinary Shares			
At the beginning of the reporting period		250,104	250,104
Shares issued during the year:	-	—	—
At the end of the reporting period		250,104	250,104

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratios for the years ended 30 June 2014 and 30 June 2013 are as follows:

	Note	*Consolidated Group 2014 $*	*2013 $*
Total borrowings		5,390,585	4,718,850
Trade and other payables		1,322,443	1,037,588
Less cash and cash equivalents		(393,249)	(609,886)
Net debt		6,319,779	5,146,552
Total equity		3,691,978	3,604,147
Total capital		10,011,757	8,750,699
Gearing ratio		58%	59%

NOTE 18: CASH FLOW RECONCILIATION

Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	145,401	587,395
Non-cash flows in profit:		
– Depreciation	1,694,341	1,191,186
– net gain on disposal of property, plant and equipment	(57,807)	(6,600)
– Write off of intangible assets	32,751	—
Changes in assets and liabilities:		
– Increase/(decrease) in DTL	(23,640)	3,644
– (Increase)/decrease in DTA	(7,660)	(6,610)
– (Increase)/decrease in trade and term debtors	334,111	70,767
– (increase)/decrease in inventories	—	—
– increase/(decrease) in payables	128,573	(118,737)
– Increase/(decrease) in income taxes payable	(311,245)	205,155
– (Increase)/decrease in prepayments	37,436	(37,436)
– Increase in lease liability	—	278,256
– Increase/(decrease) in provisions	9,446	2,633
Net cash provided by operating activities	1,981,707	2,169,653

Non-cash financing and investing activities

Property, plant and equipment:

During the financial year, the consolidated group acquired plant and equipment with an aggregate fair value of $1,466,085 (2013: $2,336,731) by means of hire purchase agreements. These acquisitions are not reflected in the statement of cash flows.

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant events since the end of the reporting period.

NOTE 20 : FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2014	*2013*
	Note	*$*	*$*
Financial assets			
Cash and cash equivalents	7	393,249	609,886
Loans and receivables	8	2,712,208	3,046,319
Total financial assets		3,105,457	3,656,205
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	13a	1,322,443	1,037,588
– borrowings	14	5,390,585	4,714,850
Total financial liabilities		6,713,028	5,752,438

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2014.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

NOTE 21: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	$	$
Statement of Financial Position		
ASSETS		
Current assets	2,503,304	2,799,704
Non-current assets	6,021,014	5,010,739
TOTAL ASSETS	8,524,318	7,810,443
LIABILITIES		
Current liabilities	1,234,137	2,068,740
Non-current liabilities	4,254,482	2,419,077
TOTAL LIABILITIES	5,488,619	4,487,817
EQUITY		
Issued capital	250,000	250,000
Retained earnings	2,785,699	3,072,626
TOTAL EQUITY	3,035,699	3,322,626
Statement of Profit or Loss and Other Comprehensive Income		
Total profit	(90,048)	685,641
Total comprehensive income	(90,048)	685,641

Guarantees

D&M Plant Hire Pty Ltd has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contractual Commitments:

At 30 June 2014, D & M plant Hire Pty Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment, (2013: Nil).

Contingent liabilities:

D & M Plant Hire Pty Ltd had no contingent liabilities or contingent assets at 30 June 2014.

NOTE 22: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent liabilities and contingent assets requiring disclosure in the financial report.

NOTE 23: KEY MANAGEMENT PERSONAL COMPENSATION

The totals of remuneration paid to key personnel (KMP) of the group are as follows:

	Note	*2014* *$*	*2013* *$*
Short-term employee benefits		142,690	140,307
Post-employment benefits		100,500	95,200
Other long-term benefits		—	—
		243,190	235,507

Other KMP transactions

For details of other transactions with KMP, refer to Note 25: Related Party Transactions.

NOTE 24: CAPITAL AND LEASING COMMITMENTS

		Consolidated Group	
	Note	*2014* *$*	*2013* *$*
Finance Lease Commitments			
Payable – Minimum lease payments:			
– Not later than 12 months		2,084,510	1,669,386
– Between 12 months and 5 years		3,708,506	3,425,252
Minimum lease payments		5,793,016	5,094,638
Less future finance charges		(517,133)	(559,763)
Present value of minimum lease payment		5,275,883	4,534,875

The finance leases are for plant and equipment which on average are leased for 48 months at an interest rate between 6% and 9%.

Operating Lease Commitments

Payable – Minimum lease payments:			
– Not later than 12 months		34,117	—
– Between 12 months and 5 years		20,518	—

Operating Lease Commitments

The rental for property was charged on a yearly basis and was not subject to a formal non-cancellable lease agreement hence no lease commitments have been disclosed in the financial statements for the year ended 30 June 2014.

NOTE 25: RELATED PARTY TRANSACTIONS

Related Parties

The Group's main related parties are as follows:

a. Entities exercising control over the Group

The ultimate parent entity, which exercises control over the Group, is D&M Plant Hire Pty Ltd.

b. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 23.

c. Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

d. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

		Note	*Consolidated Group* *2014* *$*	*2013* *$*
(i)	*Transactions eliminated on consolidation:*			
	DMR Plant Hire Pty Ltd charged management fees to D & M Plant Hire Pty Ltd.		92,830	75,818
	Wright's Plant Hire Pty Ltd charged management fees To D & M Plant Hire Pty Ltd		96,701	86,214
	Titan Manufacturing Pty Ltd sold equipment and Performed maintenance services to the group		594,044	574,201
	Titan Manufacturing Pty Ltd charged D & M Plant Hire Pty Ltd Management Fees		270,000	-
	D & M Plant Hire Pty Ltd has hired plant from Subsidiaries within the group		1,460,462	1,252,045
			2,514,037	1,988,278

(ii) Transactions with related parties:

Occupancy fees paid to D & M Phillips Family Trust in Which the directors, Doug and Margaret Phillips, have a beneficial interest	392,033	465,454
Occupancy fees paid to D & M Phillips Superannuation Fund in which the directors, Doug and Margaret Phillips, Have a beneficial interest	280,826	108,000
D & M Phillips Plant Hire, a partnership between the directors Doug and Margaret Phillips, was charged plant hire fees from D & M Plant Hire Pty Ltd	6,000	60,000
Interest charged to Ray Phillips, a director of a subsidiary Of the group	42,077	115,038
D & M Plant Hire Pty Ltd paid expenses on behalf of Titan Tidal Technologies Pty Ltd, a company owned by D & M Phillips	—	230
Distributions received from D & M Phillips Family Trust	71,355	—
	792,291	748,722

(iii) Loans with related parties at 30 June 2014 offset and eliminated on consolidation for the directors loans and loan Doug and Margaret Phillips:

D & M Plant Hire Pty Ltd –Loan payable to D & M Phillips	(379,929)	(22,923)
D & M Plant Hire Pty Ltd –Loan receivable from D & M Phillips Family Trust	(67,000)	133,000
DMR Plant Hire Pty Ltd – Loan receivable from Director	725,543	596,836
Wrights Plant Hire Pty Ltd – Loan receivable from Directors	321,148	383,380
Titan Manufacturing Pty Ltd – Loan payable to D & M Phillips Family Trust	(28,645)	—
Titan Manufacturing Pty Ltd – Loan Payable to D & M Phillips	(9,393)	(33,572)

NOTE 26: COMPANY DETAILS

The registered office and principle place of business of the company is:

53 Enterprise Street
CLEVELAND QLD 4163

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of D&M Plant Hire Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 80 to 120.

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated group.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director **Director**

Dated this 5th day of February 2015

PART IV

PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets of Management Resource Solutions Plc which has been prepared to illustrate the effect the acquisition of D&M and the entering into of the Debt Facility might have had on the net assets of the Company as if it had taken place at 31 December 2014, the date to which the last published unaudited balance sheet of the Company is available.

The pro forma statement of net assets has been prepared for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position.

	MRS Plc Unaudited as at 31 December 2014[1] A$'000	*D&M Group Audited as at 30 June 2014[2] A$'000*	*Adjustments[3] A$'000*	*Pro Forma A$'000*
Current Assets				
Cash and cash equivalents	2,109	393	2,035	4,537
Trade and other receivables	2,651	2,712	—	5,363
Inventories	—	241	—	241
Total Current Assets	**4,760**	**3,346**	**2,035**	**10,141**
Non-Current Assets				
Property, plant and equipment	339	7,306	—	7,645
Deferred tax assets	193	67	—	260
Intangible Assets	—	—	4,882	4,882
Total Non-current Assets	**532**	**7,373**	**4,882**	**12,787**
TOTAL ASSETS	**5,292**	**10,719**	**6,917**	**22,928**
Current Liabilities				
Trade and other payables	2,168	1,522	—	3,690
Borrowings	—	1,925	(1,925)	—
Current tax liabilities	—	(24)	—	(24)
Provisions	—	89	—	89
Total Current Liabilities	**2,168**	**3,512**	**(1,925)**	**3,755**
Non-current Liabilities				
Borrowings	40	3,465	12,852	16,357
Deferred tax liabilities	13	26	—	39
Provisions	—	23	—	23
Total Non-current Liabilities	**53**	**3,514**	**12,852**	**16,419**
TOTAL LIABILITIES	**2,221**	**7,026**	**10,927**	**20,174**
NET ASSETS	**3,071**	**3,693**	**(4,009)**	**2,755**

Notes to the Pro Forma Statement of Net Assets

The Pro-Forma Financial Information has been prepared in accordance with the measurement and recognition criteria of IFRS but does not comply in all respects with IFRS. The Pro-Forma Financial Information is presented in an abbreviated form and does not include all the disclosures and notes required in a financial report prepared in accordance with IFRS.

1. Financial information for MRS Plc has been extracted without adjustment from the unaudited interim accounts of the Company for the six months ended 31 December 2014.

2. Financial information for D&M has been extracted without adjustment from the audited accounts of D&M for the year ended 30 June 2014.

3. Adjustments represent:

   3.1 Net loan proceeds of $16,317,000 (calculated as gross loan proceeds of $17,113,000 less borrowing costs of $296,800 and commission to the introducer to Halcyon of $500,000) and, assuming both tranches of the Debt Facility are drawn in full;

   3.2 Estimate costs of the transaction, including nominated adviser fees, legal fees, reporting accountant fees, print and registrar costs amounting to, in aggregate, $343,200;

   3.3 Cash consideration payable on the acquisition of D&M, using 30 June 2014 balances, of:

	$'000
Contract consideration	6,724
D&M cash	393
D&M trade debtors	2,712
D&M trade creditors	(1,522)
Inventory payments	241
Cash consideration on the transaction	8,548

   3.4 Repayment of $1,925,000 current borrowings and $3,465,000 non-current borrowing of D&M as at 30 June 2014;

   3.5 The adjustment to the Cash and Cash Equivalents line is the sum of:

	$'000
Cash received from the Debt Facility	16,317
less Fees and expenses of the transaction	(343)
less Cash consideration for the Acquisition	(8,548)
less Repayment of existing current borrowing	(1,925)
less Repayment of existing non-current borrowing	(3,465)
Cash balance	**2,035**

3.6 Goodwill arising on the Acquisition has been calculated as follows:

	$'000
Purchase consideration (comprises cash consideration and current estimated value of warrants)	8,575
<u>Fair value of net assets acquired</u>	
Cash and cash equivalents	393
Trade and other receivables	2,712
Inventories	241
Plant and equipment	7,306
Deferred tax	67
Current Borrowings	(1,925)
Trade and other payables	(1,522)
Short term provisions	(89)
Current tax payable	24
Non Current Borrowings	(3,465)
Provisions	(23)
Deferred tax liabilities	(26)
	3,693
Goodwill arising[(a)]	4,882

(a) It is anticipated that intangible assets will reflect customer contracts, customer relationships and goodwill recognised on acquisition. As the acquisition has not yet occurred the initial accounting for the business combination is incomplete and the amounts disclosed above have been determined only provisionally.

4. No account has been taken of the financial performance of the Group since 31 December 2014, the financial performance of the D&M Group since 30 June 2014, nor of any other event save as disclosed above.

PART V

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors of the Company, whose names are set out on page 5 of this Document, and the Company, accept responsibility, both individually and collectively, for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company is incorporated under the name Management Resource Solutions plc.

2.2 The Company is domiciled in the United Kingdom and was incorporated and registered in England and Wales on 26 April 2012 as a public limited company with the name Management Resource Solutions No. 2 plc and registered number 08046513. On 3 July 2012, the Company changed its name from Management Resource Solutions No. 2 plc to Management Resource Solutions plc. The liability of its members is limited. The Company obtained a trading certificate on 31 August 2012. On 6 March 2013, the Company was admitted to trading on the entry level of the Frankfurt Stock Exchange. On 30 May 2014, the Company gave notice of a voluntary delisting from the Frankfurt Stock Exchange which took effect from the close of business on 18 July 2014. On 11 December 2014 the Existing Ordinary Shares were admitted to trading on AIM.

2.3 The Company is governed by and its securities were created under the Act.

2.4 The Company's registered office is located at 1 Arbrook Lane, Esher, Surrey KT10 9EG and its principal place of business is Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia. The telephone number of the Company's principal place of business is +61 7 5503 0232.

2.5 The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee and the Audit Committee all of whose members are Directors.

2.6 The Company's auditors for the period covered by the financial information set out in Part III of this Document were Price Bailey LLP and BDO LLP, both of whom are members of the Institute of Chartered Accountants.

2.7 The ISIN number of the Ordinary Shares is GB00B8BL4R23.

3. Subsidiaries

3.1 The Company is the holding company of the Group. The following table contains details of the Company's significant directly held Subsidiaries at the date of this Document and immediately following Admission:

As at the date of this Document

Company name	*Principal Activity*	*Country of incorporation*	*Percentage ownership*
Management Resource Solutions Pty Ltd	Consulting business	Australia	100%
MRS PNG Limited	Consulting business	England	100%
MRS Guernsey Limited	Consulting business	Guernsey	100%

As at Admission

Company name	*Principal Activity*	*Country of incorporation*	*Percentage ownership*
Management Resource Solutions Pty Ltd	Consulting business	Australia	100%
MRS PNG Limited	Consulting business	England	100%
MRS Guernsey Limited	Consulting business	Guernsey	100%
D&M Plant Hire Pty Ltd	Plant and equipment supply	Australia	100%
Wright's Plant Hire Pty Ltd	Plant and equipment supply	Australia	100%
DMR Plant Hire Pty Ltd	Plant and equipment supply	Australia	100%
Titan Manufacturing Pty Ltd	Plant and equipment repairs and servicing	Australia	100%

4. Securities being admitted

4.1 The Ordinary Shares are ordinary shares of €0.01 each in the capital of the Company and were issued in Euros. No Ordinary Shares are being issued in connection with the Acquisition or Admission. The Company has also granted Warrants and Options over Ordinary Shares and will, upon completion of the Acquisition, grant Consideration Warrants over Ordinary Shares to the Vendors of the D&M Group. No application has been or will be made for the Warrants, Options or Consideration Warrants to trading on AIM or any other stock exchange. Details of the Warrants, Options and Consideration Warrants are set out below in paragraph 6 of this Part V.

4.2 The Ordinary Shares may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST Regulations. The Company's registrars, Equiniti are responsible for keeping the Company's register of members. The Warrants, Options and Consideration Warrants will be held in certificated form and will be unlisted.

4.3 The dividend and voting rights attaching to the Ordinary Shares are set out in paragraph 7 of this Part V.

4.4 Section 561 of the Act gives the Shareholders pre-emption rights on any issue of shares by the Company to the extent not disapplied by a special resolution passed pursuant to sections 570 or 571 of the Act. Details of the current section 570 disapplication are set out in paragraph 4.8 below.

4.5 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital; further details of which are set out in paragraph 7 below.

4.6 Each Ordinary Share is entitled on a *pari passu* basis with all other issued Ordinary Shares to share in any surplus on a liquidation of the Company.

4.7 The Ordinary Shares have no redemption or conversion provisions.

4.8 The Directors are authorised to grant the Consideration Warrants, and are authorised to allot and issue further Ordinary Shares or grant rights to subscribe for Ordinary Shares, pursuant to:-

(a) an ordinary resolution passed on 22 December 2014 authorising the Directors pursuant to section 551 of the Act to allot securities with an aggregate nominal value of up to €385,000; and

(b) a special resolution passed on 22 December 2014 authorising the Directors pursuant to section 570 of the Act to allot securities in the Company in connection with a rights issue, open offer or other pre-emptive offer, and otherwise non-preemptively up to an aggregate nominal value of €150,000, for cash pursuant to the authority referred to above as if section 561 of the Act did not apply to such allotment,

such authorities to expire on the date falling 15 months from the date of the passing of the resolutions, or, if earlier, at the annual general meeting of the Company to be held in 2015 (unless previously renewed, varied or revoked by the Company in general meeting).

4.9 The Ordinary Shares are freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped, is in favour of not more than four joint transferees and is in respect of only one class of shares. The Warrants are freely transferable. The Options and the Consideration Warrants are not freely transferable.

4.10 The Company will be subject to the City Code. Under Rule 9 of the City Code ("**Rule 9**"), any person, or group of persons acting in concert, who acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares in the Company which, taken together with any shares in the Company which he or persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, or any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, is normally required to make a general offer in cash to all its shareholders to acquire the remaining shares in the company at not less than the highest price paid by him or any persons acting in concert with him within the preceding twelve months. Rule 9 is subject to a number of dispensations.

4.11 As at the date of this Document and upon Admission (assuming no further issues of Ordinary Shares occur prior to Admission), SCOPN Pty Ltd (a company controlled by Paul Morffew and his wife, Santina Morffew), Paul Morffew and Santina Morffew own in aggregate approximately 46.2 per cent. of the Existing Share Capital. These holdings constitute control of the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company. The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

4.12 No person has made a public takeover bid for the Company's issued share capital since its incorporation.

4.13 Each Shareholder is required pursuant to Rule 5.1.2 of the DTR to notify the Company when he acquires or disposes of a major proportion of the voting rights (either as a Shareholder or through his direct or indirect holding of certain financial instruments or a combination of such holdings) of the Company equal to or in excess of 3 per cent. of the nominal value of the Company's share capital (and every 1 per cent. thereafter).

5. Share Capital of the Company

5.1 The Company does not have an authorised share capital.

5.2 The nominal value of each Ordinary Share is €0.01.

5.3 The Company has no issued Ordinary Shares that are not fully paid up.

5.4 The Company was incorporated on 26 April 2012 with 10 ordinary shares of €1.50 each.

5.5 On 24 August 2012, the existing 10 ordinary shares in capital of the Company were subdivided into 15 ordinary shares of €1.00 each. This subdivision was ratified by shareholders on 4 July 2014.

5.6 In October 2012, the Company issued and allotted a total of 30,400,000 ordinary shares of €1.00 each as consideration for the Company's acquisition of MRS from the previous shareholders of MRS.

5.7 On 4 July 2014, each then existing ordinary share of €1.00 was subdivided into 1 Ordinary Shares of €0.01 each and 1 Deferred Share of €0.99 each. The Deferred Shares have minimal rights, all of which are set out in the Company's articles of association further details are set out in paragraph 7 of this Part V.

5.8 On 4 December 2014, the Company executed the Warrant Instrument and constituted 2,600,000 Warrants.

5.9 On 11 December 2014, the Company issued 2,416,667 Ordinary Shares at 30 pence per share and granted 2,566,667 Warrants pursuant to a placing.

5.10 The issued share capital of the Company as at the date of publication of this Document and upon Admission is and will be made up of 32,816,682 Ordinary Shares and 30,400,015 Deferred Shares, assuming no further issue of Ordinary Shares occurs, for example as a result of the exercise of any Options or Warrants. As at the date of publication of this Document and as at the date of Admission there will be in issue 3,264,417 Options and 2,566,667 Warrants, assuming no such Options or Warrants are exercised prior to Admission. Upon completion of the Acquisition the Company will grant to Doug Phillips and Margaret Phillips 1,700,000 Consideration Warrants.

5.11 Save as disclosed in the paragraphs above and paragraph 6 below:-

(a) no share or loan capital of the Company has been issued or is proposed to be issued;

(b) there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

(c) there are no shares in the Company not representing capital;

(d) there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;

(e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;

(f) no person has any preferential or subscription rights for any share capital of the Company; and

(g) no share or loan capital of the Company or any member of the Enlarged Group is under option or agreed conditionally or unconditionally to be put under option.

6. Options and Warrants

6.1 Options

The Board adopted the rules of a Share Option Plan on 4 December 2014 and granted the following options to Directors on 11 December 2014 exercisable for seven years at 30 pence per share.

(a)	Paul Morffew	1,640,834
(b)	Timothy Jones	492,250
(c)	Murray d'Almeida	492,250

Further Options have been granted to key employees. In total, 3,264,417 Options have been granted under the terms of the Share Option Plan being 9.9 per cent. of the company's undiluted ordinary share capital on Admission. A summary of the terms are set out below.

Summary of main terms of the Share Option Plan

Eligibility and Grant of Options

Under the rules of the Share Option Plan, the Board may grant Options over ordinary shares of the Company to any current employee (including any director). The grant of an Option is conditional upon the Option holder agreeing to indemnify the Company for the cost of any applicable tax, duties, employee social security or national insurance contributions (for the avoidance of doubt the employee will not have to indemnify the Company for any employer social security or national insurance contributions or their equivalent).

Option Price

The price payable to exercise the Options will be determined by the Board and specified to each Option holder at the date of grant. The initial Options granted to the Directors upon the Company's original admission to AIM have an exercise price of 30 pence and Options granted to certain of the employees have an exercise price of €0.01. For any future grants of Options, the Option price can be set by the Board and may be less than market value. New shares may not be acquired at less than their nominal value.

Limits

The maximum value of ordinary shares of the Company to be made available under the Share Option Plan shall not exceed 12 per cent. of the Company's issued undiluted ordinary share capital when added to any other options granted under all Group (or, following Admission, Enlarged Group) employee share schemes and similar individual share option agreements. This is subject to any adjustment made by the Board with the approval by ordinary resolution of the Company. Any Options that have lapsed or been surrendered are excluded.

Exercise and Lapse of Options

The Board will specify at the date of grant the vesting date and the exercise period or periods of the Options. The exercise period ends on the day prior to the seventh anniversary of the grant of the Options.

Options will lapse immediately on the Option holder ceasing to be an employee or director of the Group (or, following Admission, Enlarged Group), unless the Board determines that such cessation is as a good leaver (as such term is defined in the Share Option Plan) in which case the Options will lapse 6 months after such cessation. Good leaver situations are confined to death, injury, disability, serious illness or *bona fide* redundancy.

If the option holder dies before exercising an Option and he was an employee of the Group (or, following Admission, Enlarged Group) immediately prior to this, the Options must be exercised within the earlier of twelve months from the date of death and the expiry of the exercise period.

Options are personal and will lapse on assignment or other transfer by the Option holder, except to a personal representative.

Options may be granted subject to performance conditions which will be set out at the date of grant of the Options. The Board may vary or revise performance conditions if it considers that they no longer represent a fair measure of performance (and a variation is no more difficult to satisfy). There are no performance conditions attached to the initial grant of Options.

Voting Dividend and Other Rights

On exercise the Ordinary Shares issued are ranked *pari passu* but, until then, Option holders have no voting or dividend rights. The grant of an Option does not form part of the Option holder's entitlement to remuneration or benefits pursuant to his contract of employment.

Amendments

The Board has the discretion to make alterations to the rules of the Share Option Plan provided that, prior to any alteration to the 12 per cent. overall limit, an ordinary resolution must be passed in a general meeting of Shareholders and, before making any alteration that would materially increase the liability of any Option holder or which would materially decrease the value of his subsisting rights, the Option holder's written consent must be received.

Takeover and Winding Up of the Company

If the Company is subject to a change of control an Option holder may exercise any Option or part thereof which has not lapsed within up to six months of the time the person making the offer has obtained control of the Company, or, if earlier, the date specified in a notice to the Option holder of such a change of control. Any performance conditions shall apply on a change of control unless the Board determines otherwise.

In the event of the Company being put into voluntary liquidation, the Options remain exercisable in whole or in part until the commencement of winding-up.

6.2 **Warrants and Consideration Warrants**

On 11 December 2014, the Company granted, in aggregate, 2,566,667 Warrants to subscribe for new Ordinary Shares at 30 pence per share. The Warrants are exercisable, in whole or in part, at any time until 11 December 2017 and are freely transferable. No application has been made or will be made for the Warrants to be admitted to trading on AIM. Further details of the Warrant Instrument are set out in paragraph 15.10 of this Part V.

Upon completion of the Acquisition, the Company will grant, in aggregate, 1,700,000 Consideration Warrants to subscribe for new Ordinary Shares at 30 pence per share. The Consideration Warrants will be exercisable, in whole or in part, at any time until the seventh anniversary of Admission and are non-transferable. No application has been made or will be made for the Consideration Warrants to be admitted to trading on AIM. Further details of the Consideration Warrant Instrument are set out in paragraph 15.11 of this Part V.

7. Articles of Association

The Articles include provisions to the following effect:

7.1 Under the Act, the objects of the Company are unrestricted. The Articles do not specify any restrictions on the objects of the Company.

7.2 Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the directors determine otherwise, if any calls in respect of shares held by him have not been paid.

7.3 All general meetings which are not annual general meetings are deemed general meetings. General meetings may be called by directors whenever they think fit or within 28 days of receipt of a requisition of members served in accordance with the Act. If there are insufficient directors in the UK to form a quorum, any director or two members may convene a general meeting, in the same manner as nearly as possible as that in which meetings may be convened by the directors.

An annual general meeting and a general meeting for the passing of a resolution requiring special notice shall be called by twenty-one clear days' notice at least and all other general meetings shall be called by at least fourteen clear days' notice.

7.4 The special rights attached to any class of shares may, subject to any applicable law, be altered or cancelled with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

The provisions of the Articles applicable to general meetings apply mutatis mutandis to class meetings.

7.5 The Deferred Shares have no voting rights or rights to receive a dividend and have only a very limited right to any distribution on a return of capital.

7.6 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

7.7 Subject to the provisions of the Act, the Company may by special resolution (and, with court approval where required) reduce its issued share capital or any capital redemption reserve and any share premium account in any way subject to authority required by law. Subject to applicable law, the Company may purchase its own shares.

7.8 Directors

(a) A director is not required to hold any shares in order to maintain his appointment as a director.

(b) The amount of any fees payable to directors shall be fixed by the directors or by any committee appointed by the directors. The directors are entitled to be repaid all expenses properly incurred by them.

7.9 All transfers of shares may be effected by transfer in any usual form or in any other form acceptable to the directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee.

7.10 There are no fixed dates on which a divided entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the directors. In addition the directors may pay interim dividends if justified by the profits of the Company available for distribution.

The dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.

All unclaimed dividends may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the directors, be forfeited and shall revert to the Company.

There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident shareholders are present.

7.11 The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

7.12 Section 979 of the Act provides that if an offer is made for the share capital of the Company within certain time limits, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

7.13 Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

8. Significant Shareholders

8.1 In addition to the interests of the Directors disclosed in paragraph 9 below, as at the date of this Document, insofar as is known to the Company, the following persons were, and are expected upon Admission (assuming they do not acquire or dispose of any Ordinary Shares) to be, directly or indirectly interested (within the meaning of Part V of FSMA and the DTR) in three per cent. or more of the Existing Share Capital of the Company:

	At the date of this Document and at Admission	
	Number of Ordinary Shares	*Percentage of issued share capital*
Daniela Athan	5,457,917	16.6%
Min Duy Le	1,196,315	3.6%

Note 1: the above percentages assume that no additional Ordinary Shares are issued prior to Admission.

Note 2: Upon the Company's original admission to AIM Daniela Athan signed a lock-in undertaking summarised in paragraph 9 of Part I and paragraph 15.9 of Part V of this Document.

8.2 The voting rights of the Shareholders set out in paragraph 8.1 above do not differ from the voting rights of other Shareholders.

8.3 Save as disclosed above and in paragraph 9 of this Part V, so far as the Directors are aware, there are no persons who are, at the date of this Document, or will be immediately following Admission, interested directly or indirectly in three per cent. or more of the Company's issued share capital or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

9. Directors' Interests

9.1 As at the date of this Document and as expected to be immediately following Admission, the holdings of the Directors and their families in the share capital of the Company (i) which would have been required to be notified by the Company pursuant to Rule 17 of the AIM Rules; or (ii) which are holdings of a person connected (within the meaning of section 252 of the Act) with a Director which would, if the connected person were a Director, be required to be disclosed under (i) above and the existence of which is known to or could with reasonable diligence be ascertained by the Directors are as follows:

	At the date of this document and on Admission			
Name	*Number of Ordinary Shares*	*Percentage of issued share capital*	*Number of Options held*	*Number of Warrants held*
Paul Morffew[1]	15,170,296	46.2%	1,640,834	Nil
Timothy Jones[2]	133,333	0.4%	492,250	133,333
Murray d'Almeida	Nil	Nil	492,250	Nil

Note 1: Paul Morffew's interest is held as to 15,102,601 Ordinary Shares in the name of SCOPN Pty Ltd., a company controlled by Paul Morffew and his wife Santina Morffew, 67,680 Ordinary Shares registered in his own name and 15 Ordinary Shares registered in the name of Santina Morffew.

Note 2: Tim Jones' interest is held as to 33,333 Ordinary Shares registered in his own name and the balance held by his pension fund.

Note 3: The above percentages assume that no further Ordinary Shares are issued prior to Admission.

9.2 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors, nor are there any outstanding loans or guarantees provided by the Directors to or for the benefit of the Company, save that Paul Morffew has provided a guarantee and indemnity in respect of a A$750,000 loan facility provided by Suncorp-Metway Ltd to the Company's Australian subsidiary, MRS.

9.3 Save as disclosed in this paragraph 9 and paragraph 17 of this Part V, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

9.4 Save as otherwise disclosed in this Document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.

9.5 None of the Directors nor any member of a Director's family is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the ordinary shares, including a contract for differences or a fixed odds bet.

10. Directors' Service Agreements/Letters of Appointment

10.1 *Paul Morffew*

On 26 November 2014, Paul Morffew entered into an employment agreement with the Company under the terms of which Mr. Morffew agreed to act as the Chief Executive Officer and Executive Director of the Company for a salary of £250,000 per annum plus £23,750 in superannuation together with, at the Board's discretion, a bonus. The agreement anticipates that, subject to the approval of the Remuneration Committee, Mr Morffew will be granted up to 50 per cent. of the options granted by the Company in any year. The agreement is terminable on either party giving 12 months' written notice to the other.

In addition, on 29 October 2014, Mr. Morffew entered into a letter of appointment with Management Resource Solutions Pty Ltd under the terms of which he agreed to act as a non-executive director of that company. No additional sums are payable to Mr. Morffew in relation to that appointment.

10.2 *Timothy Jones*

On 4 December 2014, Timothy Jones entered into a letter of engagement with the Company under the terms of which Mr. Jones agreed to act as Non-Executive Director and Company Secretary of the Company for a fee of £48,000 per annum. In addition, in respect of any time spent in excess of three days per month, the Company shall pay fees to Mr. Jones of £1,250 per day. The appointment is terminable on 3 months' written notice by either side.

In addition, on 27 January 2014 the Company entered into a consultancy agreement with Esher Management Services Limited, a company controlled by Timothy Jones, for the provision of Mr. Jones's services in connection with the preparation of the Company for its original admission to AIM for a fee of £25,000 which was paid upon such admission.

10.3 *Murray d'Almeida*

On 4 December 2014, Murray d'Almeida entered into a letter of appointment with the Company under the terms of which Mr. d'Almeida agreed to act as non-executive director and Chairman of the Company for a fee of £48,000 per annum. In addition, in respect of any time spent in excess of four days per month, the Company shall pay fees to Mr d'Almeida of £1,250 per day. The agreement is terminable on either party giving 3 months' written notice to the other.

In addition, on 29 October 2014, Mr. d'Almeida entered into a letter of appointment with Management Resource Solutions Pty Ltd under the terms of which he agreed to act as a non-executive director of that company. No additional sums are payable to Mr. d'Almeida in relation to that appointment.

On 19 February 2015 Mr. d'Almeida resigned as a director of Management Resource Solutions Pty Ltd and on 2 March 2015 gave notice of his retirement as a director of the Company with effect from 2 June 2015.

10.4 Save as disclosed in sub-paragraphs 10.1 to 10.3 above, there are no service contracts, existing or proposed, between any Director and any member of the Enlarged Group.

10.5 There are no service contracts in place between any member of the Enlarged Group and any member of the administrative/management or supervisory board which provides for benefits on termination of employment.

10.6 Details of the commencement and expiration of the term of office of each Director who were in office during the Company's last financial year are set out below:

Name	*Commencement of period of office*	*Date of expiration of term of office*
Tim Jones	27 January 2014	Annual General Meeting to be held in 2016
Paul Morffew	26 April 2012	Annual General Meeting to be held in 2015
Murray d'Almeida	1 August 2012	2 June 2015

11. Additional Information on the Board

11.1 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	*Age*	*Current Directorships and Partnerships*	*Past Directorships and Partnerships*
Paul Morffew	48	Environmental Auditors Australia Pty Ltd MRS Guernsey Limited MRS PNG Limited Management Resource Solutions Pty Ltd	Management Resource Solutions Project Management Limited Management Resource Solutions Australia Pty Ltd Management Resource Solutions Qatar Pty Ltd
Timothy Jones	65	Esher Management Services Limited Club 2000 Bingo Limited Falkland Oil and Gas Limited Full House Bingo Limited Desire Petroleum Limited Xcite Energy Limited MRS Guernsey Limited MRS PNG Limited Kisenge Limited Yurastar Limited	Beacon Hill Resources plc Point Leisure Limited MacEvents Limited
Murray d'Almeida	67	Beacon Hill Resources plc Beacon Hill Resources Pty Ltd Institute of Business Leaders Pty Ltd MC Consultancy Pty Ltd Tasmania Magnesite NL 1300 Strategy Pty Ltd Barter Capital Pty Ltd Barter Futures Pty Ltd Bartercard Australia Pty Ltd Bartercard Exchange Ltd BPS Technology Limited Independent Superannuation Solutions Australia Pty Ltd Premium Brand Distributors Pty Ltd Procoachgroup Pty Ltd Stunod Pty Ltd Bartercard Charity Foundation Limited Bartercard International Limited Bartercard Limited Bartercard Real Estate Limited Bartercard UK Limited	Asia Pacific Coal & Steel Pty Ltd Connecting Southern Gold Coast Ltd DG Capital Partners Pty Ltd Enermode Pty Ltd Australian Blood Olives Pty Ltd Australian Grain Exchange Pty Ltd Bartercard Operations Aus Pty Ltd Belec Pty Ltd Dias Australia Pty Ltd Digital Initiatives Pty Ltd Electronic Exchanges Limited Graincom Pty Ltd Hyperion Asset Management Limited Hyperion Holdings Limited International Hospitality & Tourism Academy Pty Ltd Locke Crescent Pty Ltd Manneida Pty Ltd Mediterranean Food Services Pty Ltd Bartercard Services Pty Ltd

Director	*Age*	*Current Directorships and Partnerships*	*Past Directorships and Partnerships*
Murray d'Almeida *(continued)*		D-ISC (UK) Limited Dalking Trading Pty Ltd Pacific Environment Limited Barrack St Investments Limited	Monteray Mining Group Ltd Murolsio Pty Ltd Pit Bull Energy Drinks Australasia Pty Ltd Saxa Holdings Pty Ltd Trade Exchange Software Services Pty Ltd Valentines MT Gravatt Pty Ltd Rugby Gold Coast Limited Firststore Limited Retail Food Group (UK) Limited Management Resource Solutions Pty Ltd

11.2 Reg Hayter Limited, of which Mr Jones was a director at the time, became subject to an administration order on 11 November 2002. Subsequently the assets of the company were successfully sold and the company was dissolved on 10 November 2005.

11.3 Beacon Hill Resources Plc, of which Mr d'Almeida is a director, was placed into administration on 12 January 2015 and, at the date of this Document, remains in administration.

11.4 Save as disclosed above, none of the Directors has:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any voluntary arrangements;

(c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

12. Employees

12.1 As at the date of this Document the Group has 37 employees and engages 10 contractors.

12.2 On Admission the Enlarged Group is expected to have 100 employees and 12 contractors.

12.3 Save for the Share Option Plan (further details of which are set out in paragraph 6 above) there are currently no arrangements for involving employees in the capital of the Company.

13. Assets

13.1 As at the date of this Document, the Group does not own any material plant or equipment.

13.2 On Admission, the Enlarged Group will own various plant and equipment in connection with the business of: (i) D&M Plant Hire Pty Ltd; (ii) Wright's Plant Hire Pty Ltd; (iii) DMR Plant Hire Pty Ltd; and (iv) Titan Manufacturing Pty Ltd, no item of which is itself significant to the Enlarged Group.

14. Environment

As at the date of this Document the Company is not aware of any environmental factors that may give rise to any environmental liability of the Enlarged Group.

15. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company, a member of the Group or a member of the Enlarged Group within the two years immediately preceding the date of this Document or will be entered into prior to Admission and are, or may be, material or contain any provision under which the Company or any member of the Group or any member of the Enlarged Group has any obligation or entitlement which is or may be material to the Group or the Enlarged Group as at the date of this Document:

15.1 The Acquisition Agreement dated 4 March 2015 between MRS, the Vendors and the D&M Group, whereby MRS has conditionally agreed to acquire the entire issued share capital of each of the D&M Group companies from the Vendors for an initial cash consideration of A$6,724,095.70, as reduced by an amount equal to 70 per cent. of the aggregate monetary value of entitlements of the employees of the D&M Group as at the date of completion (estimated to be approximately A$50,000).

Shortly after completion, MRS will pay Doug Phillips and Margaret Phillips the value of the stock held by the D&M Group at completion, subject to a maximum of A$200,000. Further, within 90 days of completion, accounts will be prepared to determine the amount of the trade debts and cash of the business less the trade credits of the D&M Group as at the date of completion. If the accounts result in a net profit, MRS must pay that net profit to Doug Phillips and Margaret Phillips. If the accounts result in a net loss, Doug Phillips and Margaret Phillips must pay the net loss to MRS. In addition, upon completion of the Acquisition the Company will grant the Consideration Warrants to Doug Phillips and Margaret Phillips.

Completion of the Acquisition Agreement is conditional, *inter alia*, on the following: (i) the passing of the Resolution at the General Meeting; (ii) the D&M Group key personnel entering into employment agreements approved by MRS; (iii) there being no subsisting material adverse change as at the date of completion of the Acquisition Agreement; (iv) the Company granting the Consideration Warrants; (v) MRS paying all monies owing to National Australia Bank under financing agreements including equipment finance; (vi) Halcyon confirming all conditions precedent under the finance agreements are satisfied and that the funds are ready for drawdown; and (vii) the repayment of certain loans due to the D&M Group.

Under the Acquisition Agreement, the Vendors indemnify MRS against any claims in relation to:

(a) the employment of the employees and the engagement of any contractor prior to completion;

(b) the employment and the termination of employment of certain employees;

(c) the breach of any warranty given by the Vendors;

(d) the breach of any provision of the Acquisition Agreement;

(e) the conduct of the business of the D&M Group prior to completion;

(f) any tax arising from the conduct of the business of the D&M Group prior to completion; and

(g) any loss arising directly from any breach by a Vendor of indemnity (f) above.

However, in relation to items (c), (d) and (e) alone, the Vendors are not liable unless the amount finally awarded or agreed as being payable is not less than AUD$50,000 and the aggregate amount finally awarded or agreed as being payable in respect of such claims under or in connection with the Acquisition Agreement exceeds A$250,000. The maximum liability of the Vendors is such part of the purchase price that has been paid to the Vendors at the time the claim is made or, if lower, $6,724,095.70. Any claims must be made prior to 2 March 2018.

15.2 Two leases to be entered into prior to Admission, with one between D&M Plant Hire Pty Ltd and Titan Manufacturing Pty Ltd as lessee and Titan Tidal Technology Pty Ltd as lessor, and the other between D&M Plant Hire Pty Ltd as lessee and Douglas Phillips and Margaret Phillips as lessor, pursuant to which, with effect from Admission, the relevant lessees are granted a lease of 55-57 Enterprise Street, Cleveland QLD and 59 Enterprise Street, Cleveland QLD for a period of 5 years, with two options to renew for a further 5 years. The combined rent payable pursuant to these leases will be A$517,000 (including GST) per annum.

15.3 A debt facility dated 4 March 2015 between Halcyon as lender, MRS as borrower, and the D&M Group as obligors, pursuant to which the Lender has agreed to lend $17,113,300 to MRS. The commercial terms of the facility are as follows:

(i) Facility limit of $17,113,300, to be available in two tranches (Tranche 1: $13,613,300, Tranche 2: $3,500,000);

(ii) Tranche 1 is provided to facilitate:

- a loan by MRS to a related party;
- MRS's acquisition of the shares in the D&M Group; and
- meeting the costs of establishing the facility, including Halcyon's legal costs;

(iii) Tranche 2 is a working capital facility;

(iv) Five (5) year term, interest only with a bullet repayment at the end of the term;

(v) An interest rate of 8.25% per annum, with interest payable monthly in arrears. A further 8.25% is charged on all amounts which remain outstanding after they are due and payable;

(vi) To secure the obligations of MRS under the facility, MRS has agreed to grant Halcyon a general security interest over all its present and after acquired property. Moreover, the

D&M Group have agreed to guarantee the obligations of MRS under the facility, and have provided general security interest over each of their present and after acquired property as collateral;

(vii) MRS is to pay the following fees: An acceptance fee of $35,000, and establishment fee of $245,000 and legal fees of approximately $15,000. All fees are to be paid on the date of the first drawdown under the loan (unless paid earlier); and

(viii) Financial covenants: As at each test date (being the last day of each quarter), the borrowing group is to have an interest cover ratio of not less than 2.0x. The interest cover ratio is to be determined by dividing the aggregate EBITDA of MRS and the D&M Group by the aggregate amount of all interest payable by MRS to Halcyon for that test period.

The legal terms of the debt facility (such as the representations and warranties, covenants, and default provisions) are in accordance with, and on terms comparable to, common market practice for a facility of this nature.

15.4 A consultancy agreement dated 12 January 2015 between the Company (1), Doak Pty Ltd (2) and David Johnstone (3), pursuant to which the Company agreed to pay Doak Pty Ltd a fee of $500,000 for the introduction by David Johnstone of suitable financiers to assist and facilitate the purchase of the D&M Group.

15.5 A nominated advisor and broker agreement dated 4 December 2015 between the Company and Northland pursuant to which the Company appointed Northland to act as Nominated Adviser, financial adviser and broker to the Company. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.

15.6 A placing agreement (the "**Placing Agreement**") dated 4 December 2014 between the Company, Paul Morffew, Murray d'Almeida, Tim Jones and Northland pursuant to which Northland agreed to use reasonable endeavours to procure subscribers for Ordinary Shares in the placing conducted in conjunction with the Company's original admission to AIM.

The Placing Agreement contained warranties from the Company and the Directors who are party to it and indemnities from the Company in favour of Northland together with provisions which enabled Northland to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate in any material respect. The liability of those Directors for breach of warranty is limited.

Under the terms of the Placing Agreement each of Paul Morffew, Murray d'Almeida and Tim Jones undertook in respect of himself and persons connected with him not to dispose of any interest in Ordinary Shares they hold for a period of 12 months from Admission, other than through Northland in such orderly manner as required to maintain an orderly market in the Ordinary Shares.

15.7 An acquisition agreement dated 21 May 2014 between MRS (1) and Douglas Phillips, Margaret Phillips, Wrights Consolidated Pty Ltd and Raymond Phillips ("**the D&M Vendors**") (2), whereby the entire issued share capital of each of the D&M Group was to be sold by the D&M Vendors to MRS, subject to certain conditions. The acquisition agreement was terminated by mutual consent on 21 November 2014 and has now been superseded by the Acquisition Agreement summarised in paragraph 15.1 above.

15.8 The relationship agreement between Paul Morffew and the Company dated 4 December 2014, details of which are summarised in paragraph 12 of Part I of this Document.

15.9 A Lock-in Undertaking dated 4 December 2014 between the Company, Northland and Daniela Athan, pursuant to which Ms Athan has undertaken to the Company and (for so long as it is the Company's Nominated Adviser) Northland that (i) until 11 March 2015 she will not dispose of any interest in the Ordinary Shares in which she was interested on the Company's original admission to AIM, and (ii) for a further nine months she will only dispose of such Ordinary Shares via Northland (or the Company's then broker) on an orderly market basis and the maximum number of such Ordinary Shares that she may dispose of during such period is 500,000. Such restrictions will not apply upon acceptance of a takeover offer, in accordance with a court-sanctioned compromise or arrangement or a scheme of reconstruction, with the consent of Northland (or the Company's then broker) or upon death.

15.10 A Warrant Instrument executed by the Company on 4 December 2014 by which the Company constituted up to 2,600,000 Warrants, with each Warrant giving the holder the right to subscribe for one Ordinary Share at 30 pence per Ordinary Share at any time before the third anniversary of the Company's original admission to AIM (or, if earlier, the date twenty business days after a takeover offer for the Company becomes or is declared unconditional in all respects). 2,566,667 Warrants were granted upon the Company's original admission to AIM.

15.11 A Consideration Warrant Instrument executed by the Company on 4 March 2015 by which the Company constituted up to 1,700,000 Consideration Warrants, with each Consideration Warrant giving the holder the right to subscribe for one Ordinary Share at 30 pence per Ordinary Share at any time before the seventh anniversary of Admission (or, if earlier, the date twenty business days after a takeover offer for the Company becomes or is declared unconditional in all respects). Upon completion of the Acquisition the Company will grant all 1,700,000 Consideration Warrants to Doug Phillips and Margaret Phillips or their nominees.

15.12 A Deed of Guarantee and Indemnity dated 27 April 2006 entered into by Titan Manufacturing Pty Ltd by which it agreed to guarantee and indemnify D&M Plant Hire Pty Ltd in its capacity as trustee for the D&M Phillips Family Trust for the amount of AUD$3,850,000. The Deed of Guarantee and Indemnity provided by Titan Manufacturing Pty Ltd is a continuing security for all amounts owed by D&M Phillips Family Trust to the National Australia Bank. Titan Manufacturing Pty Ltd will be removed as the guarantor prior to completion of the Acquisition.

16. Dependence on Intellectual Property

16.1 As at the date of this Document the Group does not hold any trademarks or patents.

16.2 The Group is not dependent on any patents, licences, industrial, commercial or financial contracts or new manufacturing processes which have a material effect on the Group's business or profitability.

16.3 The Group is the registered holder of the domain names www.mrslimited.com and www.mrsplc.net.

16.4 Following Admission, the Enlarged Group will be interested in the following trademarks, patents and other intellectual property:

(a) D&M Plant Hire Pty Ltd has two pending applications for the following trademarks:

TM number	*Words/Image Phrase*	*Class*	*Status*
1601526	We'll move the earth for you	7,37	Pending – under examination – extension fees not required
10601527	The most trusted name in plant hire	7,37	Pending – under examination – extension fees not required

(b) Titan Manufacturing Pty Ltd has three filed applications for the following patents:

Application Number	*Title*	*Inventor(s)*	*Filing Date*	*Application Status*
2013211449	A Fluid Actuator with Internal Safety Locking Mechanism	Mangala Ariyarathna, Dhanushka Phillips, Douglas Roy	30 July 2013	Filed
2013211448	A Safety Coupler for Earth Moving Equipment Using an Internal Locking Actuator	Mangala Ariyarathna, Dhanushka Phillips, Douglas Roy	30 July 2013	Filed
2013206464	A Ratchet and Pawl Locking Coupler for Earth Moving Equipment	Mangala Ariyarathna, Dhanushka Phillips, Douglas Roy	21 June 2013	Filed

16.5 The Enlarged Group will not be dependent on any patents, licences, industrial, commercial or financial contracts or new manufacturing processes which have a material effect on the Enlarged Group's business or profitability.

16.6 In addition to those listed in paragraph 16.3 above, the Enlarged Group with be the registered holder of the domain names www.dandmplanthire.com.au and www.titanmanufacturing.com.au.

17. Related Party Transactions

During the period from the Company's incorporation to the date of this Document, the Company has not entered into any related party transactions save for:

17.1 an arrangement dated 30 December 2010 with Environmental Auditors Australia Pty Ltd ("EAA"), a company controlled by Paul Morffew and his wife, whereby EEA provides office space to MRS at a charge of AUD$58,952 per annum (excluding GST). The lease is due to expire on 30 December 2015. The rent is increased by 5 per cent. on each anniversary of the date of the agreement; and

17.2 the arrangements with Esher Management Services Limited, a company controlled by Timothy Jones, summarised in paragraph 10.1 of this Part V.

18. Litigation

No member of the Enlarged Group is involved or has been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or have had in the recent past a significant effect on the Enlarged Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or any other member of the Enlarged Group.

19. No Significant Change

Save as disclosed in this Document, there has been no significant change in the financial or trading position of the Group since 31 December 2014, the date to which the unaudited financial statements for the six months then ended of the Company referred to in Section IIIA have been drawn up.

Save as disclosed in this Document, there has been no significant change in the financial or trading position of the D&M Group since 30 June 2014, the date to which the audited financial statements for the year then ended of the D&M Group set out in Section IIIB of this Document have been drawn up.

20. Working Capital

The Directors are of the opinion, having made due and careful enquiry and taking into consideration the proceeds of the Debt Facility, that the working capital available to the Enlarged Group will be sufficient for its present requirements that is for at least twelve months from the date of Admission.

21. Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HM Revenue & Customs published practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his own professional adviser immediately.

Taxation on dividends

Under current UK tax legislation, no amounts in respect of tax will be withheld at source from dividend payments made by the Company. A dividend paid to a non-corporate Shareholder is treated as being paid with a tax credit equal to one ninth of the net dividend. Thus, there will be a tax credit of 10 per cent. on the gross dividend, that gross dividend being equal to the sum of the net dividend and the accompanying tax credit. Individual Shareholders whose income is within the basic rate band will be liable to tax at 10 per cent. on their gross dividend income and the tax credit will therefore satisfy their income tax liability on the dividends. No amount of the tax credit will be refunded if it exceeds the tax liability on the income.

Individual Shareholders who are liable to income tax at the higher rate will be charged to tax at 32.5 per cent. on their gross dividend income. After taking account of the 10 per cent. tax credit, this will represent additional tax of 25 per cent. of the net dividend received.

Individual Shareholders who are liable to income tax at the additional rate, and the trustees of certain UK trusts, will be charged to tax at 37.5 per cent. on their gross dividend income. After taking account of the 10 per cent. tax credit, this will represent additional tax of approximately 30.6 per cent. of the net dividend received.

Subject to certain exceptions for certain insurance companies and companies which hold shares as trading stock, a UK resident corporate Shareholder that receives a dividend paid by the Company will not normally be taxed on the dividend.

Persons who are not resident in the UK should consult their own tax advisers on whether or not they can benefit from all or part of any tax credit and what relief or credit may be claimed in the jurisdiction in which they are resident.

Taxation on chargeable gains

If a shareholder who is a UK resident individual or a trustee of a UK trust disposes of all or some of his Ordinary Shares, a liability to Capital Gains Tax may arise. The extent of the tax liability on any gains which may arise will depend on the availability of the annual CGT exemption and any other tax relief such as existing capital losses.

Subject to the availability of any such exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by UK resident individuals, trustees and personal representatives will generally be subject to CGT at the rate of 28 per cent. Individuals whose taxable income for the year in question is less than the upper limit of the basic rate income tax band are subject to CGT at the rate of 18 per cent., except to the extent that the aggregate of their total taxable income and gains (less allowable deductions) in that year exceeds the upper limit of the basic rate income tax band. Any such excess over the upper limit is subject to CGT at the rate of 28 per cent.

A UK resident corporate Shareholder holding shares as an investment will be subject to corporation tax on any gain arising, subject to potential mitigation by indexation allowance and losses available for relief and a corporation tax exemption that may apply if certain conditions are met.

Subject to the availability of any exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by companies subject to UK corporation tax will generally be subject to UK corporation tax at the prevailing rate of up to 21 per cent (20 per cent. from 1 April 2015). Indexation allowance may be available to reduce any chargeable gain arising on such disposal but cannot act to create or increase a chargeable loss.

Shareholders who are not normally resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency with which their Shares are connected). Individual Shareholders who are temporarily neither UK resident nor ordinarily resident may also be liable to UK capital gains tax on chargeable gains realised on their return to the UK.

Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their personal circumstances.

Inheritance Tax

The Ordinary Shares are assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of Ordinary Shares by, or the death of, an individual Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the Shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom.

Shares in AIM listed trading companies may qualify for Business Property Relief for UK inheritance tax purposes.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

As from 28 April 2014, no stamp duty or SDRT should apply as the shares will be listed on a "recognised growth market" (which presently includes AIM) and will not be listed on any other type of market.

If the company were at any time to become listed on a market other than a recognised growth market, stamp duty would be levied at ½ per cent. on any document of transfer of the shares on the amount or value of the consideration payable thereunder. Any agreement to transfer shares through Crest would not be subject to stamp duty provided that no document of transfer or memorandum effecting the transfer is executed but would be subject to SDRT at 0.5 per cent. of the amount or value of the consideration for the agreement.

If you are in any doubt as to your position, or are subject to taxation in a jurisdiction other than the United Kingdom you should consult an appropriate professional advisor without delay.

22. General

22.1 The total costs and expenses relating to the Acquisition and Admission are payable by the Company and are estimated to amount to approximately £580,000 (excluding Value Added Tax).

22.2 Other than the current admission to trading on AIM and application for Admission and their listing on the Frankfurt Stock Exchange (which was terminated on 18 July 2014), the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares. No application has been, or will be, made for the Warrants, Options or Consideration Warrants to be admitted to trading on AIM or any other recognised investment exchange.

22.3 Save as disclosed in this Document, there are no investments in progress and there are no future principal investments on which the Directors have already made firm commitments which are significant to the Company.

22.4 The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

22.5 Northland has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.

22.6 BDO LLP has given and not withdrawn its written consent to the inclusion in this Document of its audit report on the audited financial statements for the year ended 30 June 2014 in the form and context in which it appears.

22.7 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

22.8 The accounting reference date of the Company is 30 June.

22.9 Save as disclosed above no person directly or indirectly (other than the Company's professional advisors and trade suppliers or save as disclosed in this Document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisors otherwise than as disclosed in this Document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or any other benefit to such value or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

23. Availability of Admission Document

Copies of this Admission Document are available free of charge from the Company's registered office and at the offices of Northland, 131 Finsbury Pavement, London EC2A 1NT, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 4 March 2015

Management Resource Solutions PLC

(Registered in England and Wales No. 08046513)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Management Resource Solutions PLC (the "**Company**") will be held at the offices of **MRS, Suite 30402, Tower 3, Level 4, 9 Lawson Street, Southport, QLD 4215, Australia** on **23 March 2015 at 6.00 p.m. QLD time** for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution.

ORDINARY RESOLUTION

THAT the proposed acquisition by Management Resource Solutions Pty Ltd ("**MRS**"), a wholly-owned subsidiary of the Company, of the entire issued share capital of each of D&M Plant Hire Ltd, Wright's Plant Hire Pty Ltd, DMR Plant Hire Pty Ltd and Titan Manufacturing Pty Ltd (the "**D&M Group**") on the terms, and subject to the conditions, of the acquisition agreement dated 4 March 2015 between MRS, the D&M Group and each of Douglas Phillips, Margaret Phillips, Raymond Phillips and Wrights Consolidated Pty Ltd (the "**Acquisition Agreement**") be and is hereby approved for the purposes of Rule 14 of the AIM Rules for Companies, and that the directors of the Company be authorised to do all such things as are necessary to give effect to the Acquisition Agreement in accordance with its terms, subject to any modifications thereto as the directors may consider expedient or appropriate.

4 March 2015

Registered Office:
1 Arbrook Lane
Esher, Surrey
KT10 9EG

By order of the Board
Timothy Jones
Company Secretary

Notes

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

   (a) 6.00 p.m. on 21 March 2015; or

   (b) if the meeting is adjourned, at 6.00 p.m. on the day two days before the date of the adjourned meeting,

   shall be entitled to attend and vote at the meeting.

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a Form of Proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Completion and return of the enclosed Form of Proxy will not preclude members from attending and voting at the meeting.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars, Equiniti, at the address set out in note 5.

5. The notes to the Form of Proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the Form of Proxy, the form must be:

   (a) completed and signed;

   (b) sent or delivered to **Equiniti** at **Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom**; and

   (c) received by Equiniti at the address above on or before **8.00 a.m.** on **21 March 2015** or, if the meeting is adjourned, no later than 48 hours before the time fixed for the adjourned meeting at which the proxy is to vote.

   In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of that company or an attorney for that company.

   Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

7. Except as provided above, members who have general queries about the meeting should do so by calling **0871 384 2030**. Calls to this number cost 8 pence per minute plus additional network charges where applicable. Non UK callers should dial **+44 121 415 7047**. Lines are open **8.30am to 5.30pm Monday to Friday**. Equiniti cannot advise you how to cast your vote at the meeting. No other methods of communication will be accepted.

8. You may not use any electronic address provided either:

   (a) in this notice of general meeting; or

   (b) any related documents (including the Admission Document to which this notice of general meeting is attached, or the Form of Proxy),

   to communicate with the Company for any purposes.

9. If a corporation is a member of the Company, it may by resolution of its directors or other governing body authorise one or more persons to act as its representative or representatives at the meeting and any such representative or representatives shall be entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual member of the Company. Corporate representatives should bring with them either an original or certified copy of the appropriate board resolution or an original letter confirming the appointment, provided it is on the corporation's letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory's authority.

10. As at 3 March 2015 (being the last business day prior to the date of publication of this notice of general meeting) the Company's issued share capital consists of 32,816,682 ordinary shares, carrying one vote each, and 30,400,015 deferred shares, which carry no voting rights. Therefore, the total voting rights in the Company as at 3 March 2015 are 32,816,682.

Printed by Michael Searle & Son Limited