

ASX RELEASE

LYCPODIUM LIMITED 2013/14 RESULTS

27 August 2014

Revenue	:	\$154.8 million
Profit Before Tax	:	\$7.7 million
Profit After Tax	:	\$3.7 million
Earnings Per Share	:	10 cents per share
Total Dividend	:	6.5 cents per share

For the financial year ended 30 June 2014, Lycopodium achieved revenues of \$154.8 million and a net profit after tax of \$3.7 million.

In addition to the segment reporting format in the Appendix 4E report, we are also including our supplemental segment reporting format (over page).

The Directors have resolved to pay a final dividend of 1.5 cents fully franked. The total dividend for the year is 6.5 cents fully franked, which is in line with the dividend policy.

During the 2013/14 financial year Lycopodium was subject to the downturn in the mining cycle and as a result our revenue and profit figures for the year were down on the preceding financial year. Specifically the lower profit reflects the reduction in workload across the group, the continued tightening of market conditions including competition for new work and the impacts of redundancies from staff reductions. The second half, in particular, contributed negatively upon the full year result. These impacts were previously advised in an earlier release in May 2014.

The headwinds within the mining and manufacturing sectors remain, however Lycopodium has taken necessary actions to reduce overheads. Moving forward we will continue to monitor our overhead levels against our current and forward workloads. Additionally there is a heightened level of marketing to identify new opportunities within the group. Once a study or project is awarded, there remains a strong focus on innovative technical and project delivery solutions to strengthen the financial robustness of our client's projects and thereby enhance the likelihood of these projects progressing rapidly into implementation. Lycopodium is also tendering lump sum opportunities, in addition to EPCM services, to increase the potential workload within the group.

As a result of ongoing efforts we are of the view that the group is well positioned to turn around the poor result in the second half of the last financial year and return to profitability. Our balance sheet also remains in a strong position based on our cash reserves. While visibility into the future remains limited our view is that the net profit after tax for the group in 2014/15 will be above \$4m. Our forecast also reflects the completion of the acquisition of ADP Holdings during the course of the financial year and a contribution to the overall result.

We will continue to actively monitor our forecasts, particularly given the uncertainty which remains in the market at this time.

Lycopodium is extremely proud of the achievements of our personnel over the last year. All of the projects completed during the year have successfully and safely ramped up to nameplate capacity for our clients. The Board of Directors acknowledges that the company's ability to continue to deliver world class services to our Clients and to maintain and enhance the company's performance and capability is dependent on the continued commitment and support of our personnel.

Dividend Entitlements

The final dividend of 1.5 cents per share fully franked will be paid to shareholders on 15 October 2014, with a record date of 1 October 2014.

For further information:
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Lycopodium Ltd
Segment reporting (unaudited)
30 June 2014

	Segment revenues		Segment results	
	Jun-14	Jun-13	Jun-14	Jun-13
EPCM	49,036,701	137,853,344	11,861,780	22,780,035
Design & construct (lump sum)	1,722,098	11,353,011	820,263	1,583,480
Study services	23,499,188	17,436,631	2,166,596	3,449,751
Project services	77,519,698	77,350,868	7,345,747	12,957,699
	<u>151,777,685</u>	<u>243,993,853</u>	<u>22,194,386</u>	<u>40,770,965</u>
Unallocated revenue	2,988,300	1,946,239	0	0
	<u>154,765,985</u>	<u>245,940,092</u>	<u>22,194,386</u>	<u>40,770,965</u>
Unallocated revenue less unallocated expenses			<u>(14,511,795)</u>	<u>(12,236,776)</u>
Profit before income tax expense			7,682,592	28,534,189
Income tax expense			<u>(3,973,206)</u>	<u>(5,993,750)</u>
Profit for the full-year			<u>3,709,386</u>	<u>22,540,439</u>

Lycopodium Limited and Controlled Entities

ABN 83 098 556 159

Appendix 4E - Preliminary Final Report for the year ended 30 June 2014

Lycopodium Limited and Controlled Entities ABN 83 098 556 159

Appendix 4E - Preliminary Final Report - 30 June 2014

Lodged with the ASX under Listing Rule 4.3A.
This information should be read in conjunction with the
Annual report

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Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
For the year ended 30 June 2014

Results for announcement to the market

				\$
Revenue from ordinary activities <i>(Appendix 4E item 2.1)</i>	Down	37.1%	to	154,765,985
Profit from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	Down	83.5%	to	3,709,386
Net profit for the period attributable to members <i>(Appendix 4E item 2.3)</i>	Down	83.5%	to	3,709,386

	\$	\$
Dividends / distributions <i>(Appendix 4E item 2.4)</i>	Amount per security	Franked amount per security
Final dividend <i>(cents)</i>	1.5	1.5

Key ratios	2014	2013
	June	June
Basic earnings per share (cents)	10.0	56.5
Net tangible assets per shares (cents)	143.8	159.8

Record date for determining entitlements to the final dividends

1 October 2014

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Statement of Comprehensive Income
For the year ended 30 June 2014

	Notes	Consolidated 2014 \$	2013 \$
Revenue from operations	3	154,765,985	245,940,092
Employee benefits expense		(83,811,464)	(118,107,866)
Depreciation and amortisation expense	4	(2,340,068)	(2,192,104)
Project expenses		(2,967,808)	(9,748,777)
Equipment and materials		(872,001)	(5,665,636)
Contractors		(44,196,481)	(68,181,612)
Administration and management costs		(16,086,883)	(18,667,684)
Loss on disposal of asset		(6,636)	(235,536)
Finance costs		(145,657)	(232,023)
Share of net profit of joint ventures accounted for using the equity method	9	3,343,605	5,625,335
Profit before income tax		7,682,592	28,534,189
Income tax expense	5	(3,973,206)	(5,993,750)
Profit for the year		3,709,386	22,540,439
Other comprehensive income/(expense)			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets	6(a)	(4,000)	(2,000)
Exchange differences on translation of foreign operations	6(a)	(468,497)	1,045,265
Income tax relating to components of other comprehensive income		1,200	600
Other comprehensive income/(expense) for the year, net of tax		(471,297)	1,043,865
Total comprehensive income for the year		3,238,089	23,584,304
Profit for the year is attributable to:			
Owners of Lycopodium Limited		3,878,969	21,931,946
Non-controlling interests		(169,583)	608,493
		3,709,386	22,540,439
Total comprehensive income for the year is attributable to:			
Owners of Lycopodium Limited		3,407,672	22,975,811
Non-controlling interests		(169,583)	608,493
		3,238,089	23,584,304
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		10.0	56.5
Diluted earnings per share		9.8	55.4

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

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Balance Sheet
As at 30 June 2014

		Consolidated	
	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents		33,302,348	34,997,159
Trade and other receivables		22,069,393	53,254,129
Current tax receivables		3,908,711	1,199,056
Other current assets		1,990,291	4,549,506
Total current assets		61,270,743	93,999,850
Non-current assets			
Investments accounted for using the equity method	9	4,349,205	5,905,599
Available-for-sale financial assets		3,000	7,000
Property, plant and equipment		3,485,811	4,659,138
Intangible assets		6,861,301	7,163,778
Other receivables		872,653	1,050,335
Deferred tax assets		4,693,362	8,026,369
Total non-current assets		20,265,332	26,812,219
Total assets		81,536,075	120,812,069
LIABILITIES			
Current liabilities			
Trade and other payables		15,914,353	44,857,595
Borrowings		554,259	1,763,637
Current tax liabilities		848,020	1,493,638
Provisions		-	1,097,956
Total current liabilities		17,316,632	49,212,826
Non-current liabilities			
Borrowings		351,167	1,012,359
Provisions		988,923	1,157,067
Total non-current liabilities		1,340,090	2,169,426
Total liabilities		18,656,722	51,382,252
Net assets		62,879,353	69,429,817
EQUITY			
Contributed equity		18,999,317	18,951,697
Reserves	6(a)	911,737	1,140,385
Retained profits	6(b)	42,390,395	48,639,753
Parent entity interest		62,301,449	68,731,835
Non-controlling interests	7	577,904	697,982
Total equity		62,879,353	69,429,817

The above preliminary balance sheet should be read in conjunction with the accompanying notes.

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Statement of Changes in Equity
For the year ended 30 June 2014

Consolidated entity	Contributed equity \$	Retained profits \$	Foreign currency translation reserve \$	Available for sale investment revaluation reserve \$	Performance rights reserve \$	Non-controlling interests \$	Total equity \$
Balance at 1 July 2012	18,730,297	40,689,644	(604,666)	(77,700)	977,272	164,740	59,879,587
Profit for the year	-	21,931,946	-	-	-	608,493	22,540,439
Other comprehensive income / (expense)	-	-	1,045,265	(1,400)	-	-	1,043,865
Total comprehensive income for the year	-	21,931,946	1,045,265	(1,400)	-	608,493	23,584,304
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	221,400	-	-	-	-	-	221,400
Foreign currency translation with non-controlling interest	-	-	-	-	-	(75,251)	(75,251)
Dividends provided for or paid	-	(13,981,837)	-	-	-	-	(13,981,837)
Performance rights - value of rights	-	-	-	-	23,014	-	23,014
Performance rights - transfer on exercise	-	-	-	-	(221,400)	-	(221,400)
	221,400	(13,981,837)	-	-	(198,386)	(75,251)	(14,034,074)
Balance at 30 June 2013	18,951,697	48,639,753	440,599	(79,100)	778,886	697,982	69,429,817
Balance at 1 July 2013	18,951,697	48,639,753	440,599	(79,100)	778,886	697,982	69,429,817
Profit for the year	-	3,878,969	-	-	-	(169,583)	3,709,386
Other comprehensive income / (expense)	-	-	(468,497)	(2,800)	-	-	(471,297)
Total comprehensive income for the year	-	3,878,969	(468,497)	(2,800)	-	(169,583)	3,238,089
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	47,620	-	-	-	-	-	47,620
Foreign currency translation with non-controlling interest	-	-	-	-	-	49,505	49,505
Dividends provided for or paid	-	(10,128,327)	-	-	-	-	(10,128,327)
Performance rights - value of rights	-	-	-	-	290,269	-	290,269
Performance rights - transfer on exercise	-	-	-	-	(47,620)	-	(47,620)
	47,620	(10,128,327)	-	-	242,649	49,505	(9,788,553)
Balance at 30 June 2014	18,999,317	42,390,395	(27,898)	(81,900)	1,021,535	577,904	62,879,353

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

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Statement of Cash Flows
For the year ended 30 June 2014

	Notes	Consolidated 2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		177,336,870	263,367,380
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(167,401,728)</u>	<u>(229,460,274)</u>
		9,935,142	33,907,106
Dividends received from joint venture		4,900,000	-
Interest received		721,064	958,113
Interest paid		-	(22)
Income taxes paid		<u>(3,994,272)</u>	<u>(11,366,101)</u>
Net cash inflow from operating activities	11	<u>11,561,934</u>	<u>23,499,096</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(883,169)	(990,509)
Payments for intangible assets		(160,929)	(1,368,569)
Proceeds from sale of property, plant and equipment		35,374	-
Net cash outflow from investing activities		<u>(1,008,724)</u>	<u>(2,359,078)</u>
Cash flows from financing activities			
Proceeds from borrowings		621,062	1,676,587
Repayment of borrowings		(1,157,608)	(1,058,377)
Dividends paid to company's shareholders	8	(10,128,326)	(13,981,837)
Repayment of hire purchase and lease liabilities		(1,479,660)	(1,575,223)
Proceeds from repayment of loans under the senior manager share acquisition plan		177,682	183,500
Net cash outflow from financing activities		<u>(11,966,850)</u>	<u>(14,755,350)</u>
Net (decrease) increase in cash and cash equivalents		<u>(1,413,640)</u>	6,384,668
Cash and cash equivalents at the beginning of the financial year		34,997,159	27,768,444
Effects of exchange rate changes on cash and cash equivalents		<u>(281,171)</u>	844,047
Cash and cash equivalents at end of year		<u>33,302,348</u>	<u>34,997,159</u>

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

1 Summary of significant accounting policies

(a) Basis of preparation

This preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2013 and with any public announcement made by Lycopodium Limited during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year.

2 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from both a product and geographic perspective and has identified nine operating segments of which two (2013: three) are reportable in accordance with the requirements of AASB 8.

The Corporate Services segment consists of managerial and legal services provided to the group in addition to strategic investment holdings.

The Minerals segment consists of engineering and related services provided to the extractive mining industry. The clients, including junior exploration companies and major multinational producers, are developing projects for a wide range of commodities. These projects range in scope from large greenfield projects involving process plant and equipment, civil, building works, control systems, services and infrastructure to small skid-mounted pilot plants.

The Project Services Africa segment consists of project management, construction management and commissioning services provided to the extractive mining industry in Africa.

All other operating segments are not reportable operating segments, as they fall under the quantitative thresholds of AASB 8. The results of these operations are included in the 'Other' column.

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2014
(continued)

2 Segment information (continued)

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2014 and 30 June 2013 are as follows:

2014	Corporate Services	Minerals	Other	Total
	\$	\$	\$	\$
Total segment revenue	17,746,116	150,153,633	46,005,783	213,905,532
Inter-segment revenue	<u>(17,376,149)</u>	<u>(27,933,850)</u>	<u>(13,829,548)</u>	<u>(59,139,547)</u>
Revenue from external customers	369,967	122,219,783	32,176,235	154,765,985
Profit / (loss) before tax	<u>(1,970,332)</u>	<u>9,864,978</u>	<u>(167,054)</u>	<u>7,727,592</u>
Interest in the profit of equity accounted joint ventures		3,343,605		3,343,605
Depreciation and amortisation	(418,095)	(1,228,380)	(693,593)	(2,340,068)
Income tax expense	20,323	(3,310,715)	(682,814)	(3,973,206)
Total segment assets	<u>14,108,834</u>	<u>51,307,135</u>	<u>17,249,491</u>	<u>82,665,460</u>
Total assets includes:				
Investment in joint ventures		4,349,205		4,349,205
Additions to non-current assets (other than financial assets and deferred tax)	-	841,076	203,021	1,044,097
Total segment liabilities	623,291	17,764,992	6,623,953	25,012,236

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2014
(continued)

2 Segment information (continued)

(b) Segment information provided to the Board of Directors (continued)

	Corporate Services	Minerals	Project Services Africa	Other	Total
2013					
	\$	\$	\$	\$	\$
Total segment revenue	21,148,404	192,882,374	28,987,639	52,243,557	295,261,974
Inter-segment revenue	(21,025,563)	(13,300,810)	(448,024)	(14,547,485)	(49,321,882)
Revenue from external customers	122,841	179,581,564	28,539,615	37,696,072	245,940,092
Profit / (loss) before tax	(1,264,278)	17,966,938	4,086,969	7,789,560	28,579,189
Interest in the profit of equity accounted joint ventures		5,625,336			5,625,336
Depreciation and amortisation	(457,450)	(951,749)	(13,463)	(769,442)	(2,192,104)
Income tax expense	594	(3,325,473)	(1,033,737)	(1,635,134)	(5,993,750)
Total segment assets	12,791,180	71,005,059	12,060,806	24,193,836	120,050,881
Total assets includes:					
Investment in joint ventures		5,905,599			5,905,599
Additions to non-current assets (other than financial assets and deferred tax)	-	2,109,909	35,485	557,054	2,702,448
Total segment liabilities	1,267,569	36,198,420	7,262,607	11,150,112	55,878,708

(c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the board of directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

2 Segment information (continued)

(c) Other segment information (continued)

(i) Segment revenue (continued)

The entity is domiciled in Australia. The result of its revenue from external customers in Australia is \$72,337,916 (2013: \$117,791,446), and the total of revenue from external customers from other countries is \$82,427,767 (2013: \$128,148,645). Segment revenues are allocated based on the country in which the customer is located.

Revenues of approximately \$62,790,822 (2013: \$122,976,660) are derived from the top 3 customers. These revenues are attributable to the Minerals segment.

(ii) Segment profit before tax

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax.

A reconciliation of segment profit before tax to the profit before tax in the statement of comprehensive income is provided as follows:

	Consolidated	
	2014	2013
	\$	\$
Segment profit before tax	7,727,592	28,579,189
Amortisation of customer relationships	(45,000)	(45,000)
Profit before income tax as per preliminary statement of comprehensive income	7,682,592	28,534,189

(iii) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial report. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as per the preliminary balance sheet as follows:

	Consolidated	
	2014	2013
	\$	\$
Segment assets	82,665,460	120,050,881
Intersegment eliminations	(6,711,877)	(4,852,804)
Intangibles arising on consolidation	5,609,492	5,654,492
Deferred tax arising on consolidation	(27,000)	(40,500)
Total assets as per the preliminary balance sheet	81,536,075	120,812,069

(iv) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial report. These liabilities are allocated based on the operations of the segment.

Reportable segments' liabilities are reconciled to total liabilities as per the preliminary balance sheet as follows:

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2014
(continued)

2 Segment information (continued)

(c) Other segment information (continued)

(iv) Segment liabilities (continued)

	Consolidated	
	2014	2013
	\$	\$
Segment liabilities	25,012,236	55,878,708
Intersegment eliminations	(6,355,514)	(4,496,456)
Total liabilities as per the preliminary balance sheet	18,656,722	<u>51,382,252</u>

3 Revenue

	Consolidated	
	2014	2013
	\$	\$
From operations		
<i>Sales revenue</i>		
Contract revenue	152,752,992	244,800,461
<i>Other revenue</i>		
Rents and sub-lease rentals	37,054	14,427
Bank interest	702,302	929,771
Other revenue	1,273,637	195,433
	2,012,993	<u>1,139,631</u>
Total revenue from operations	154,765,985	<u>245,940,092</u>

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2014
(continued)

4 Expenses

	2014	2013
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Fixtures and fittings	538,783	520,972
Leasehold improvements	456,567	531,774
Leased plant and equipment	724,037	788,846
Motor vehicles	18,425	23,949
Total depreciation	1,737,812	1,865,541
<i>Amortisation</i>		
Computer software	557,256	281,563
Customer contracts	45,000	45,000
Total amortisation	602,256	326,563
Total depreciation and amortisation	2,340,068	2,192,104
<i>Finance costs</i>		
Interest and finance charges paid/payable	145,657	232,023
Net loss on disposal of property, plant and equipment	6,636	235,536
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	7,452,786	7,511,313

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2014
(continued)

5 Income tax expense

(a) Income tax expense

	Consolidated	
	2014	2013
	\$	\$
Current tax	1,323,277	10,073,708
Deferred tax	3,334,192	(3,480,144)
Adjustments for current tax of prior periods	(684,263)	(599,814)
	3,973,206	5,993,750

Deferred income tax included in income tax expense comprises:

Increase in deferred tax assets	3,529,147	(3,123,441)
(Decrease)/increase in deferred tax liabilities	(194,955)	(356,703)
	3,334,192	(3,480,144)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated	
	2014	2013
	\$	\$
Profit before income tax expense	7,682,592	28,534,189
Tax at the Australian tax rate of 30% (2013: 30%)	2,304,778	8,560,257
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payment	87,080	6,904
Sundry items	143,282	42,723
Non-assessable, non-exempt income and related non-deductible expenses	(958)	(155,351)
Exchange differences on translation	8,859	180,350
	2,543,041	8,634,883
Adjustments for current tax of prior periods - over provision of prior year income tax	(684,263)	(599,814)
Difference in overseas tax rates	(260,476)	(403,923)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(761,551)
Deferred tax asset not recognised	2,769,060	358,847
Income tax paid in foreign jurisdiction	608,926	452,909
Share of net profit of joint ventures accounted for using the equity method	(1,003,082)	(1,687,601)
Income tax expense	3,973,206	5,993,750

Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2014
(continued)

6 Reserves and retained profits

(a) Reserves

	Consolidated	
	2014	2013
	\$	\$
Available-for-sale investment revaluation reserve	(81,900)	(79,100)
Performance rights reserve	1,021,535	778,886
Foreign currency translation reserve	(27,898)	440,599
	911,737	1,140,385

	Consolidated	
	2014	2013
	\$	\$

Movements:

<i>Available-for-sale investment revaluation reserve</i>		
Balance 1 July	(79,100)	(77,700)
Revaluation - gross	(4,000)	(2,000)
Deferred tax	1,200	600
Balance 30 June	(81,900)	(79,100)

<i>Performance rights reserve</i>		
Balance 1 July	778,886	977,272
Performance rights plan expense	290,269	23,014
Transfer to share capital - exercise of rights	(47,620)	(221,400)
Balance 30 June	1,021,535	778,886

<i>Foreign currency translation reserve</i>		
Balance 1 July	440,599	(604,666)
Currency translation differences arising during the year	(468,497)	1,045,265
Balance 30 June	(27,898)	440,599

(b) Retained profits

	Consolidated	
	2014	2013
	\$	\$
Balance 1 July	48,639,753	40,689,644
Profit for the year	3,878,969	21,931,946
Dividends	(10,128,327)	(13,981,837)
Balance 30 June	42,390,395	48,639,753

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For the year ended 30 June 2014
(continued)

7 Non-controlling interests

	Consolidated	
	2014	2013
	\$	\$
Interest in:		
Share capital	28	28
Reserves	(23,615)	(73,120)
Retained profits	601,491	771,074
	577,904	697,982

8 Dividends

(a) Ordinary shares

	Parent entity	
	2014	2013
	\$	\$
Final dividend for the year ended 30 June 2013 of 21.0 cents (2012 - 21.0 cents) per fully paid share paid on 15 October 2013 (2012 - 15 October 2012) Fully franked based on tax paid @ 30% (2012: 30%)	8,180,572	8,138,572
Interim dividend for the year ended 30 June 2014 of 5.0 cents (2013 - 15.0 cents) per fully paid share paid on 15 April 2014 (2013 - 15 April 2013) Fully franked based on tax paid @ 30% (2013: 30%)	1,947,755	5,843,265
Total dividends provided for or paid	10,128,327	13,981,837

(b) Dividends not recognised at the end of the reporting period

	Parent entity	
	2014	2013
	\$	\$
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 1.5 cents per fully paid ordinary share (2013 - 21.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 15 October 2014 out of retained earnings at 30 June 2014, but not recognised as a liability at year end, is	584,477	8,180,572

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9 Investment in joint ventures

(a) Movements in carrying amounts

	Consolidated	
	2014	2013
	\$	\$
Carrying amount at the beginning of the financial year	5,905,599	280,264
Share of profits after income tax	3,343,605	5,625,335
Dividends received	(4,900,000)	-
Carrying amount at the end of the financial year	4,349,204	5,905,599

(b) Summarised financial information of joint ventures

The group's share of the results of its joint ventures and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Company's share of:			
		Assets \$	Liabilities \$	Revenues \$	Profit \$
2014					
Joint ventures	50	7,449,793	3,100,591	28,871,777	3,343,605
2013					
Joint ventures	50	14,932,757	9,027,156	31,896,501	5,625,335

10 Events occurring after the reporting period

With the exception of the dividends as noted in note 8(b), no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

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11 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2014	2013
	\$	\$
Profit for the year	3,709,386	22,540,439
Depreciation and amortisation	2,340,068	2,192,104
Non-cash employee benefits expense - share-based payments	290,268	23,014
Net loss on sale of non-current assets	6,636	235,536
Share of profits of joint venture partnership	(3,343,605)	(5,625,335)
Interest relating to financing activities	145,657	232,000
Dividends received from joint venture	4,900,000	-
Change in operating assets and liabilities:		
Decrease / (increase) in trade debtors and other receivables	31,184,717	(663,759)
Decrease / (increase) in deferred tax assets	3,334,207	(3,489,979)
Decrease / (increase) in other operating assets	2,559,215	(1,001,518)
(Decrease) / increase in trade creditors	(28,943,242)	10,699,063
Decrease in provision for income taxes payable	(3,355,273)	(1,882,372)
(Decrease) / increase in other provisions	(1,266,100)	239,903
Net cash inflow from operating activities	11,561,934	23,499,096

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12 Earnings per share

(a) Basic earnings per share

	Consolidated	
	2014	2013
	Cents	Cents
Basic earnings per share attributable to the ordinary equity holders of the company	10.0	56.5

(b) Diluted earnings per share

	Consolidated	
	2014	2013
	Cents	Cents
Diluted earnings per share attributable to the ordinary equity holders of the company	9.8	55.4

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

	Consolidated	
	2014	2013
	\$	\$
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	3,878,969	21,931,946
<i>Diluted earnings per share</i>		
Used in calculating diluted earnings per share	3,878,969	21,931,946

(d) Weighted average number of shares used as denominator

	Consolidated	
	2014	2013
	Number	Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	38,955,870	38,796,747
Adjustments for calculation of diluted earnings per share:		
Performance rights	432,233	801,329
<i>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	39,388,103	39,598,076

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Supplementary Appendix 4E information
As at 30 June 2014

Additional dividend/distribution information (Appendix 4E item 6)

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2014 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
2 October 2013	15 October 2013	Final	21.0 cents	\$8,180,572	21.0 cents
2 April 2014	15 April 2014	Interim	5.0 cents	\$1,947,755	5.0 cents
1 October 2014	15 October 2014	Final	1.5 cents	\$584,477	1.5 cents

Audit Alert (Appendix 4E items 15 - 17)

This report is based on accounts which are in the process of being audited.