

RCR TOMLINSON LTD

ABN 81 008 898 486

APPENDIX 4E STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

CONTENTS

1. Media Release
2. Results for Announcement to the Market
3. Directors Report
4. Financial Statements

ASX Release
28 August 2009

RCR FULL YEAR RESULTS

- **Revenue Increases 14% to \$589M**
- **Net Profit After Tax \$13.95M**
- **2.5 cents Fully Franked Dividend Declared**
- **Order Book of \$245M, up 44 % From PCP**

Leading integrated engineering services provider, RCR Tomlinson Ltd (RCR), is pleased to announce its full year results for the financial year ended 30 June 2009. In the sixth consecutive year of record sales for RCR, net profit after tax was \$13.95 million, down from \$17.9 million last year. Profitability was impacted by margin constriction and assisted by research and development tax credits.

SUMMARY OF RESULTS

Item	2009FY	2008FY	Comment
Revenue	\$589M	\$518M	Up 14%
EBITDA	\$34.8M	\$40.0M	Down 13%
Net profit after tax	\$13.95M	\$17.9M	Down 22%
Earnings per share	11.1 cents per share	14.7 cents per share	Down 22%
Dividend per share	2.5 cents per share	5.0 cents per share	Fully Franked
Order Book	\$245M	\$170M	Up 44%
Gearing	21%	24%	Improved 12.5%

RESULTS COMMENTARY

The strong sales throughout 2009 were not reflected in underlying profit, predominantly due to project delays from the global economic slowdown and a small number of one-off loss making contracts.

RCR's strong balance sheet and conservative gearing has enabled the Board to declare a fully franked dividend of 2.5 cents per share.

The results reflect the strong contribution from the Company's RCR Mining Equipment and RCR Resources businesses, contrary to global economic trends, however poor performance in our RCR Energy and RCR Power businesses, through delayed and one-off loss making projects, reduced underlying profit (EBITDA) by 13%.

RCR Tomlinson Ltd

ABN 81 008 898 486

HEAD OFFICE

PO Box 141, Welshpool DC WA 6986 239 Planet Street, Welshpool WA 6106

T +61 8 9355 8100 F +61 8 9361 0724

E ho@rcrtom.com.au W www.rcrtom.com.au



Recurring income derived from maintenance work throughout the Australian operations continued to deliver steady revenues. A strong result was achieved from mining equipment sales and off-site repairs from the Bunbury, Bayswater and Welshpool operations. Sales were robust in this sector, in particular for our mobile mining equipment, belt and apron feeders. Sales were flat for our RCR Energy business and down for the RCR Power business. Profitability for both these business units was reduced, predominantly due to one off loss making contracts and delayed projects due to global economic conditions. The RCR Energy business suffered from delays on major projects due to restricted access to credit for key customers in Q2 2008 resulting in contract deferment and cancellation of contracts.

The profit after tax result was assisted by an increased tax benefit resulting from our research and development program completed during the 2008 / 2009 financial year. The increased spending on research and development projects will be maintained over the next year as RCR continues to offer clients new innovative mining equipment and process technologies that position RCR as a national supplier of leading mining equipment.

OUTLOOK

RCR has commenced the new financial year with a strong order book, up 44% from 2008. The Company has continued to deliver high levels of recurring revenue in Q1 2009 and there is a significant number of construction and engineering projects at advanced negotiation stages with blue chip customers.

The recent improvement in commodity prices and the approved capital spending for gas and minerals projects, coupled with the infrastructure expenditure commitments announced by State and Federal Governments allow RCR to look forward to another year of revenue growth. The outlook for the RCR Energy and RCR Power businesses is positive with the reactivation of a number of stalled projects and the expenditure predicted on planned infrastructure projects.

Commenting on the results, RCR Chief Executive Officer, Paul Dalgleish said:

“RCR is well positioned to take advantage of the major spending on gas and other resource projects. We have already seen an increase in activity in July and August and do not expect it to slow down in the remainder of this financial year.

“Considerable opportunity exists for RCR to improve our financial performance and deliver profitability to our shareholders from our strong revenue base. Our significant investment in financial systems will substantially assist achieving this target.”

Media Contact:

Paul Dalgleish
RCR Tomlinson Ltd, Chief Executive Officer
Tel: +61 8 9251 4583

Paul Downie
FD Third Person, Director
Tel: +61 (8) 9386 1233

RCR TOMLINSON LTD
ABN 81 008 898 486

PRELIMINARY FINAL REPORT
FINANCIAL YEAR ENDED 30 JUNE 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The current reporting period is the financial year ended 30 June 2009. The previous corresponding period is the financial year ended 30 June 2008.

				<u>\$'000</u>
Revenues from ordinary activities	up	14%	to	589,415
Profit from ordinary activities after tax attributable to Members	down	22%	to	13,950
Net profit for the period attributable to members	down	22%	to	13,950

DIVIDENDS	Amount per security	Franked amount per security
Final dividend	2.5¢	2.5¢
Previous corresponding period	5.0¢	5.0¢
Record date for determining entitlements to the dividend	6 October 2009	
Payable by	22 October 2009	
Dividend Reinvestment Plan will apply to this dividend.		
NTA BACKING	2009	2008
Net tangible assets per share (cents)	85.9	74.2

COMMENTARY ON THE RESULTS FOR THE PERIOD

This report should be read in conjunction with the attached Directors' Report, audited financial statements and notes.

AUDIT/REVIEW STATUS

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited and the audit report contains no qualifications	<input checked="" type="checkbox"/>	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	

RCR TOMLINSON LTD

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

INFORMATION ON RCR TOMLINSON LTD FINANCIAL STATEMENTS

The financial statements and disclosures in the financial statements are based on the 2009 Financial Report of RCR Tomlinson Ltd and Controlled Entities. A copy of the Full Financial Report and Auditors Report will be sent to any Shareholder, free of charge, upon request.

This discussion and analysis is provided to assist shareholders in understanding the financial statements, and is based on RCR Tomlinson Ltd and Controlled Entities full financial report.

INCOME STATEMENT

Revenue grew \$71 million to \$589.4 million, an increase of 14% resulting from a combination of organic growth and an acquisition.

The consolidated profit from ordinary activities after income tax attributable to shareholders for the year is \$13.9 million, a decrease of \$4.0 million over the results for the previous year. This profit represents 2.4% return on sales.

Earnings per share amounted to 11.1 cents (2008: 14.7 cents) and the Directors have approved the payment of a dividend of 2.5 cents per share (2008: 5.0 cents) and the Dividend Reinvestment Plan (DRP) will apply to this dividend.

BALANCE SHEET

During the financial year the Company acquired the business and assets of Davo-Weldtite (3 July 2008) for \$4 million. This acquisition was made with internally funded cash.

The Company's total assets increased by \$0.4 million to \$343.4 million. The major components making up this increase are:

- current assets have increased by \$1.2 million comprising an increase in cash of \$3.8 million, decrease in receivables of \$16 million and increase in inventory of \$9.7 million which includes an increase in Work In Progress of \$8.4 million.
- property, plant and equipment have increased by \$3.8 million and are largely attributable to the assets from the acquisition during the year.
- intangibles have decreased by \$6 million as a result of amortisation of identifiable intangible assets.

Total liabilities decreased by \$8.8 million to \$157.7 million, a decrease of 5%. The major changes to liabilities are:

- payables (current and non current) have decreased by \$10 million.
- provision for employee entitlements has increased by \$3.5 million.
- bank and other debt have decreased by \$4 million.

The Company's gearing position, defined as net debt to equity, has decreased compared to last year:

- Net Debt to Equity - 21% (2008: 24%)

RCR TOMLINSON LTD

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

CHANGES IN EQUITY

The Company's equity increased by \$9.2 million for the year to \$185.7 million, an increase of 5%.

The Company's share capital has increased by \$1.2 million, mostly as a result of issuing a total of 777,266 new shares to the vendors of the Applied Laser Group for the completion of the Purchase Earn-out during the year.

Retained Earnings rose by \$7.7 million after paying dividends of \$6.3 million.

At balance date the Company had a total of 125,754 million issued shares.

CASH FLOW STATEMENT

The Company generated cash flows of \$30.8 million from operations compared to an inflow of \$19.1 million last year. These funds were used to purchase the acquired business, repay bank and lease debt, for purchases of plant and equipment and the payment of a dividend.

At balance date the Company had unutilised bank facilities of \$43.1 million together with cash balances of \$10.2 million.

RCR TOMLINSON LTD
ABN 81 008 898 486

FINANCIAL REPORT
30 June 2009

RCR TOMLINSON LTD

DIRECTORS' REPORT

COMPANY PARTICULARS

DIRECTORS

R J M Brown - AWASM, AICD, AusIMM (Chairman)
J L Noordhoek - BSc, MIE Aust CPEng, AICD
C J Birmingham - AICD
K J Edwards – LLB, AICD
D P Dippie – NZCE, MNZIoD
J C Hogan
E Skira - B.A. (Hons), MBA, SF Fin, FAICD, FAIM

COMPANY SECRETARY

P J Crighton – B Bus FCPA, FCIS

CHIEF EXECUTIVE OFFICER

P J Dalglish – B.E. (Hons), FIE Aust.

EXECUTIVE GENERAL MANAGERS

RCR Construction and Maintenance
D T Hegerty

RCR Engineering
J Smith

RCR Energy & Industrial Services
J L Noordhoek

RCR Positron
D W Russell

Chief Financial Officer
P J Crighton

REGISTERED AND PRINCIPAL OFFICE AND WELSHPOOL OPERATIONS

239 Planet Street
Welshpool WA 6106
Tel: 08 9355 8100
Fax: 08 9361 0724
E-mail: ho@rcrtom.com.au

Website: www.rcrtom.com.au

AUDITORS

RSM Bird Cameron Partners
8 St George's Terrace
Perth WA 6000

SOLICITORS

Williams & Hughes
25 Richardson Street
West Perth WA 6005

BANKERS

Commonwealth Bank Australia
150 St George's Terrace
Perth WA 6000

SHARE REGISTER

Computershare Investor Services
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000
Tel: 08 9323 2000
Fax: 08 9323 2033

RCR TOMLINSON LTD

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity for the financial year ended 30 June 2009.

DIRECTORS

The following persons were Directors of RCR Tomlinson Ltd during the whole of the year:

- Charles Birmingham
- Roderick James McKenzie Brown
- David Paul Dippie
- Kevin John Edwards
- Jeffrey Charles Hogan
- John Leendert Noordhoek
- Eva Skira

John Noordhoek was a Director of the Company at the beginning of the financial year until his resignation on 19 June 2009.

PRINCIPAL ACTIVITIES

During the year, the principal continuing activities of the consolidated entity were the provision of integrated engineering solutions comprising design, manufacture, service, construction, repair and maintenance to industry.

The following significant changes in the scope of the activities of the consolidated entity occurred during the year:

- Acquisition of business and assets of Davo-Weldtite in July 2008.

RESULTS

The net profit of the consolidated entity for the financial year after income tax was \$13,950,000 (2008: \$17,948,000).

DIVIDENDS

The Directors have approved a dividend of 2.50 cents per share fully franked (2008: 5.0 cents per share) in respect of the year ended 30 June 2009, payable by 22 October 2009, and have resolved that the Dividend Reinvestment Plan (DRP) will apply to this dividend, and that the DRP will not be underwritten.

The final dividend in respect of the 2008 financial year of \$6,286,000 (5.0 cents per share) was paid on 23 September 2008.

RCR TOMLINSON LTD

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Contributed Equity increased by \$1,238,000 as a result of:

	\$'000
• Issue of 777,266 fully paid ordinary shares @ \$0.96 each to the vendors of Applied Laser Group for the completion of the purchase Earn-out	746
• Issue of 25,000 fully paid ordinary shares @ \$0.90 each on the exercise of options granted to employees	23
• Value of options issued to Directors, executives and employees	<u>475</u>
	1,244
• Less Transaction costs arising on the share issues	<u>6</u>
	<u>1,238</u>

SUBSEQUENT EVENTS

In July 2009, the Company has issued 4,270,644 ordinary shares in the Company to Vendors of the Eagle Engineering Pty Ltd pursuant to the Sale of Business Agreement for reaching predetermined EBIT levels during the Earn Out period.

Except for the issue of ordinary shares discussed above, no other matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- A. the entity's operations in future financial years;
- B. the results of those operations in future financial years; and
- C. the entity's state of affairs in future financial years.

FUTURE DEVELOPMENTS

In the opinion of the Directors disclosure of information regarding likely developments in the consolidated entity's operations and the expected results of those operations in subsequent financial years could prejudice the Company's interests. Accordingly this information has not been included in this report.

ENVIRONMENTAL REGULATION

The Company is subject to a range of environmental regulation in respect of its manufacturing activities.

During the year RCR Tomlinson Ltd met all reporting requirements under relevant legislation. There were no incidents which required reporting.

RCR TOMLINSON LTD

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

The following persons acted as Directors of the Company during the year and up to the date of this report.

Mr Roderick James McKenzie Brown, AWASM, AICD, AusIMM
Chairman – Independent Non-executive

Experience and expertise:

Is an engineer with extensive experience in marketing and general management. He has held various senior management positions, including Managing Director, with companies involved in the engineering, mining, and industrial service sectors in Australia, USA and Europe and has 19 years experience as a Company Director. He is presently the Chairman of Immersive Technologies Pty Ltd.

Period in office:

Four (4) years, appointed October 2005

Other current Australian Directorships:

No other Directorships held in other listed companies

Former Directorships in last three (3) years:

Kresta Holdings Ltd

Special responsibilities:

Member of the Remuneration Committee

Chairman of the Nomination Committee

Interest in shares and options:

36,500 ordinary shares

Mr Charles Birmingham, AICD
Non-executive Director

Experience and expertise:

An experienced Business Manager, he has managed Mining and Engineering, Product Development and Engineering business Units of the Company for over 25 years and has been a Director of the holding Company for over 10 years.

Period in office:

13 years appointed April 1996

Other current Australian Directorships:

No Directorships held in other listed companies

Former Directorships in last three (3) years:

No Directorships held in other listed companies

Special responsibilities:

Member of the Audit & Risk Committee

Interest in shares and options:

663,934 ordinary shares

RCR TOMLINSON LTD

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONT.)

Mr Kevin John Edwards, LLB, AICD
Independent Non-executive Director

Experience and expertise:

Is a solicitor who practices in Corporate, Commercial and Natural Resource Development areas of the law and is a partner of the law firm Warren Symington Ralph.

Period in office:

Four (4) years appointed December 2005

Other current Australian Directorships:

No Directorships held in other listed companies

Former Directorships in last three (3) years:

No Directorships held in other listed companies

Special responsibilities:

Chairman of the Remuneration Committee

Member of the Audit & Risk Committee

Member of the Nomination Committee

Interest in shares and options:

50,000 ordinary shares

Mr David Paul Dippie, NZCE, MNZIoD
Non-executive Director

Experience and expertise:

Is a Diploma qualified engineer and was a principal and Managing Director of Eastel Industries Ltd prior to RCR acquiring the company. As well as still holding Directorships in private companies, Mr. Dippie served on the electricity utility Scanpower Board during its restructuring to a private company. He has experience in marketing, an international perspective and experience outside of Australasia, including offshore procurement, and a wide understanding of our industry and customer base.

Period in office:

Two (2) year appointed March 2007

Other current Australian Directorships:

No Directorships held in other listed companies

Former Directorships in last three (3) years:

No Directorships held in other listed companies

Special responsibilities:

Was Acting Executive General Manager, RCR Positron Electrical Services to 1 February 2009

Interest in shares and options:

2,625,736 ordinary shares

RCR TOMLINSON LTD

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONT.)

Mr Jeffrey Charles Hogan
Non-executive Director

Experience and expertise:

Is an electrician by training and worked for WMC Resources as a Supervisor and for SECWA / Mines Department as a Mines Inspector prior to founding the Positron Group in Kalgoorlie in 1987. As Founder and CEO of the Positron Group, Mr. Hogan developed the business and established operations across Australia with sales exceeding \$100 million at the time of sale to RCR Tomlinson Ltd in October 2007. Since RCR purchased the Positron Group Mr. Hogan has held the position of Executive General Manager, Electrical Services Business Unit.

Period in office:

One and a half (1.5) years appointed January 2008

Other current Australian Directorships:

No Directorships held in other listed companies

Former Directorships in last three (3) years:

No Directorships held in other listed companies

Special responsibilities:

Was an Executive General Manager to 1 December 2008

Interest in shares and options:

13,110,000 ordinary shares

Ms Eva Skira, B.A (Hons), MBA, SF Fin, FAICD, FAIM
Independent Non-executive Director

Experience and expertise:

Has a background in banking, capital markets, stockbroking and the financial markets, previously holding executive positions at Commonwealth Bank in the Corporate Banking/Capital Markets divisions, and later with stockbroker Barclays de Zoete Wedd. Ms. Skira has served on a number of governance, regulatory and advisory boards in business, government and the not-for-profit sectors. She is currently Deputy Chairman of St John of God Health Care Group, Chairman Forest Products Commission, Deputy Chancellor of Murdoch University, and a Director of Doric Group Holdings Ltd and MDA National Insurance Ltd.

Period in office:

1.3 years appointed May 2008

Other current Australian Directorships:

No Directorships held in listed companies

Former Directorships in last 3 years:

Retired as Chairman and Director of Advanced Ocular Systems Ltd on 26 June 2008

Special responsibilities:

Chairman of the Audit & Risk Committee

Interest in shares and options:

Nil ordinary shares

RCR TOMLINSON LTD

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONT.)

Mr John Leendert Noordhoek, BSc, MIE Aust CPEng, AICD
Executive Director – (Resigned 19 June 2009)

Experience and expertise:

Is a mechanical engineer with over 25 years experience within the engineering and resource industries. He has held senior management positions with companies involved in the engineering and packaging industries within Australia.

Period in office:

Three (3) years appointed October 2005

Other current Australian Directorships:

No Directorships held in other listed companies

Former Directorships in last three (3) years:

No Directorships held in other listed companies

Special responsibilities:

Chief Executive Officer – responsibilities concluded 22 May 2009

Interest in shares and options:

1,541,072 ordinary shares
600,000 options

Company Secretary

The Company Secretary is Mr Phillip Crighton FCPA, FCIS who is a qualified accountant with over 25 years experience within the engineering and construction industries and who is also the Chief Financial Officer. He was appointed to the position on 21 February 2006.

DIRECTORS' MEETINGS

During the year, the number of meetings of the Board of Directors and the Audit and Remuneration Committees were as tabulated below:

Board Member	Board of Directors		Audit & Risk Committee		Remuneration Committee		Nomination Committee	
	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible
R Brown	14	14	8	8	2	2	2	2
J Hogan	14	14	-	-	-	-	-	-
J Noordhoek	12	12	-	-	-	-	-	-
C Birmingham	12	14	8	9	-	-	-	-
K Edwards	13	14	8	9	2	2	2	2
D P Dippie	13	14	-	-	-	-	-	-
E Skira	14	14	9	9	-	-	-	-

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT

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

- A. Principles used to determine the nature and amount of remuneration.
- B. Details of remuneration
- C. Service Agreements
- D. Share based compensation

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

The objective of the Company's remuneration policy is to ensure it is competitive and appropriate for the results delivered. The policy attempts to align executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Company, using independent surveys, has structured a remuneration framework that is market competitive. The major features are:

- economic profit is a core component
- attraction and retention of high quality executives
- rewards capability and experience
- reflects competitive rewards for contributing to growth in shareholder wealth
- provides recognition for contribution

As such the framework provides a mix of fixed and variable pay together with a mix of short and long term incentives.

Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' Fees

The current base remuneration was last reviewed with effect from 1 January 2008. Directors who chair a committee receive additional yearly fees.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$500,000 and was approved by shareholders at the General Meeting on 19 October 2007.

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

The following fees on an annual basis have applied:

Base Fees	From 1 January 2008
Chairman	\$120,000
Other Non-executive Directors	\$60,000

Additional fees	From 1 January 2008
Audit & Risk Committee – Chairman	\$24,000
Audit & Risk Committee – Member	\$12,000
Remuneration Committee – Chairman	\$6,000

Executive Pay

Executive remuneration comprises four components:

- base pay and benefits
- short-term performance incentives
- long-term incentives through the issue of options
- other remuneration such as superannuation

The combination of these comprises an executive's total remuneration.

Base Pay and Benefits

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

Executives are offered a competitive base pay that comprises the fixed component of pay and other rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

Retirement Benefits

Retirement benefits may be delivered by contributions to a superannuation fund of the executive's choice.

Short-Term Incentives (STI)

Should the company achieve a pre-determined profit target set by the Board then a short-term incentive is available for allocation to executives. Cash incentives (bonuses) are payable in July each year. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan.

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

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

Long-Term Incentives (LTI)

Long-term performance incentives are delivered through the issue of options to senior executives. The objectives of this form of reward are to:

- Align the behaviour of senior executives to maximise shareholder value
- Align senior executives' rewards with the financial benefits delivered to shareholders

The grant of options is based on Company performance.

Company Performance and Shareholder Wealth

The Company's remuneration policy aims to achieve a link between the remuneration received by executives, increased Company earnings and the creation of shareholder wealth. The STI is focused on achieving operational targets and short-term profitability and the LTI is focused on achieving long-term growth in shareholders wealth.

B. Details of Remuneration

Amounts of Remuneration

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the consolidated entity are set out in the following tables (refer overleaf).

The key management personnel of the consolidated entity are the Directors of RCR Tomlinson Ltd and those executives that have authority and responsibility for planning, directing and controlling the activities of the group. This includes the five executives who received the highest remuneration for the year ended 30 June 2009. The Executives, in addition to the Executive Directors, are:

- P Dagleish, Chief Executive Officer
- D Hegerty, Executive General Manager, RCR Construction and Maintenance
- J Smith, Executive General Manager, RCR Engineering
- J Noordhoek, Executive General Manager, RCR Energy and Industrial Services
- W Arthur, Executive General Manager, RCR Energy and Industrial Services until 5 June 2009
- D Russell, Executive General Manager, RCR Positron
- P Crighton, Company Secretary and Chief Financial Officer

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

Directors	Year	Primary			Post Employment	Equity	Other	Total \$'000	Total Performance Related %	Total Options Related %
		Salary/ Fees \$'000	Non Monetary \$'000	Cash Bonus \$'000	Super annuation \$'000	Options \$'000	Termination Benefits \$'000			
R Brown (Chairman – Independent)	2009	110	-	-	10	-	-	120	-	-
	2008	78	-	-	7	-	-	85	-	-
C Birmingham (Non-executive Director)	2009	66	-	-	6	-	-	72	-	-
	2008	119	15	-	21	-	300	455	-	-
J Hogan (Non-executive Director) ¹	2009	186	-	-	3	-	-	189	-	-
	2008	162	19	-	16	-	-	197	-	-
K Edwards (Independent Non-executive)	2009	66	-	-	6	-	-	72	-	-
	2008	56	-	-	5	-	-	61	-	-
D P Dippie (Non-executive Director) ²	2009	166	-	-	13	-	293	472	-	-
	2008	229	-	-	-	-	-	229	-	-
E Skira (Independent Non-executive)	2009	84	-	-	-	-	-	84	-	-
	2008	8	-	-	-	-	-	8	-	-
J Noordhoek (Executive Director) Resigned 19 Jun 2009 ³	2009	409	22	85	39	-	-	555	15.3	-
	2008	341	261	-	33	32	-	667	4.8	4.8
R Lynch (Chairman – Independent) Retired 1 Jan 2008	2009	-	-	-	-	-	-	-	-	-
	2008	40	-	-	-	-	120	160	-	-
J McColl (Independent Non-executive) Retired 19 Oct 2007	2009	-	-	-	-	-	-	-	-	-
	2008	10	-	-	1	-	-	11	-	-
Total	2009	1,087	22	85	77	-	293	1,564	15.3	-
	2008	1,043	295	-	83	32	420	1,873	4.8	4.8

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

Specified Executives	Year	Primary			Post employment	Equity	Other	Total \$'000	Total Performance Related %	Total Options Related %
		Salary/ Fees \$'000	Non Monetary \$'000	Cash Bonus \$'000	Superannuation \$'000	Options \$'000	Termination Benefits \$'000			
P Dalglish (CEO) Commenced 25 May 2009	2009	76	2	-	7	11	-	96	11.5	11.5
	2008	-	-	-	-	-	-	-	-	-
D Hegerty (Executive GM, RCR Construction and Maintenance)	2009	287	30	-	29	36	-	382	9.6	9.6
	2008	283	15	-	27	44	-	369	11.9	11.9
J Smith (Executive GM, RCR Engineering)	2009	311	25	75	30	36	-	477	23.3	7.5
	2008	234	25	-	23	44	-	326	13.5	13.5
W Arthur (Executive GM, RCR Energy and Industrial Services) Resigned 5 June 2009	2009	294	25	75	29	30	360	813	12.9	3.7
	2008	242	25	-	24	44	-	335	13.1	13.1
D Russell (Executive GM, RCR Positron) ⁴ Commenced 9 Mar 2009	2009	323	8	-	20	-	-	351	-	-
	2008	-	-	-	-	-	-	-	-	-
P Crighton (Company Secretary / CFO)	2009	240	25	-	24	36	-	325	11.0	11.0
	2008	204	25	-	21	33	-	283	11.7	11.7
Total	2009	1,531	115	150	139	149	360	2,444	12.2	6.1
	2008	963	90	-	95	165	-	1,313	12.6	12.6

¹ Mr Hogan retired as an Executive General Manager of the company on 1 December 2008 and remains as a Non-executive Director.

² Mr Dippie retired as an Executive General Manager of the company on 1 February 2009 and remains as a Non-executive Director.

³ Mr Noordhoek's non-monetary compensation includes relocation expenses and associated fringe benefits tax paid by the company.

⁴ Mr Russell was employed by Positron prior to his commencement as Executive General Manager of RCR Positron.

The primary salary is determined on the basis of cost to the Company and prescribed non-monetary benefits such as motor vehicles and expense payment plans at the executives' discretion.

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

C. Service Agreements

Senior executives (including Executive Directors) are appointed as permanent employees. Remuneration and other terms of employment are formalised in service agreements. The service agreements stipulate at least three months as resignation periods and one to two years as termination payment bases. Termination payments are generally not payable on dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. None of the service agreements are for a fixed term. The major provisions of the agreements are set out below.

The Company has formalised service agreements with each of its key personnel including Executive Directors and General Managers.

Chief Executive Officer

Relevant terms are as follows:

- Chief Executive Officer, Paul Dagleish.
- Contract of employment with RCR Tomlinson Ltd dated 3^o October 2008 with no prescribed duration with commencement of employment 25 May 2009.
- Fixed remuneration of \$800,000 per annum (inclusive of superannuation).
- Mr Dagleish may terminate his employment at any time in the first year of employment by giving 12 months' notice in writing or such shorter period of notice as agreed in writing with RCR. After the first year of employment is completed, Mr Dagleish may terminate his employment by giving 6 months' notice in writing.
- RCR may terminate the employment of Mr Dagleish by giving 12 months' notice in writing or payment of 12 months' remuneration in lieu of notice (or a combination of notice and payment in lieu of notice) plus any applicable plus pro-rated short term incentives and/or long term incentives.
- Short Term Incentives - For the financial year ended 30 June 2010 (FY 2010), up to 150% of fixed remuneration per annum, subject to achievement of performance hurdles related to net profit after tax (NPAT) and safety. Maximum short term incentive payment will only be made if RCR's NPAT growth of 60% over the NPAT in financial year 2009 is reached for FY 2010 and the total company lost time incident frequency rate (LTIFR) does not exceed 2.5. The short term incentive payment reduces on a sliding scale where the LTIFR exceeds 2.5. No short term incentive payment will be paid if the LTIFR exceeds 4.
- Long Term Incentives - RCR will grant to Mr Dagleish up to 8,000,000 options (all of which are to be exercisable at a price equivalent to the market price of RCR shares on the commencement date of Mr Dagleish's employment) over fully paid ordinary shares in RCR, as set out below:
 - 1,000,000 options to vest in three tranches between 1 January 2012 and 1 January 2014 on completion by Mr Dagleish of continuous employment with RCR to the vesting dates.
- Up to a maximum of 7,000,000 options to vest in five equal tranches between 30 September 2010 and 30 September 2014, subject to:
 - the achievement in each of the financial years ended 30 June 2010 to 30 June 2014 of a minimum Earnings Per Share compound annual growth rate (CAGR) of 115% over the financial year ended 30 June 2009; and
 - total shareholder returns for all years exceeding the ASX Industrials 300 Accumulative Index.

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

- The number of options that vest in each tranche will depend on the amount by which the CAGR for the relevant financial year exceeds 115%, up to a maximum CAGR of 125%.

Executive General Managers

The relevant terms are as follows:

Executive	Salary (per annum)	Length of service (to date)	Termination Payment	Other Benefits
Mr John Noordhoek Executive General Manger, RCR Energy & Industrial Services	\$490,500	18 years	Two times annual salary at the time of retirement or termination	Participation in long term option incentive scheme (Mr Noordhoek currently holds 600,000 options with an exercise price of \$0.90 per share, which were approved by members on 30 Sept 2005. The options may be exercised after 30 Jun 2008 and expire on 30 Jun 2010); and Participation in Short Term Bonus Scheme*.
Executive General Managers	\$293,000 - \$386,000	-	1 years salary after vesting of 3 years from 1 Jan 2006	Participation in Long Term Incentive Scheme and Short Term Bonus Scheme.

* The Company's annual short term bonus scheme is set on a formula basis depending on the Company's achieved pre-tax profit. However this is reviewed by the Board depending on the percentage that the increase in sales has attributed to net profit after tax. The bonus is distributed to senior management and Executive Directors at the discretion of the Board and in proportion to the salary packages of the Senior Managers and Executive Directors.

D. Share Based Compensation

Options are granted to executives at the discretion of the Board, and are granted for no consideration. Entitlements to the options are vested as soon as they become exercisable. Other than the Board's discretion to issue options and the achievement of the relevant exercise price there is no specific performance criteria related to the issue of options.

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are shown in the following table (refer overleaf).

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

Grant Date	Expiry Date	Exercise Price	Value per Option at Grant Date	Date Exercisable	Amount Paid/ Payable by Recipient
17 Jun 2009	30 Sept 2015	\$0.39	\$0.106	1 Jan 2012*	\$0
17 Jun 2009	30 Sept 2015	\$0.39	\$0.088	1 Jan 2013*	\$0
17 Jun 2009	30 Sept 2015	\$0.39	\$0.07	1 Jan 2014*	\$0
17 Jun 2009	30 Sept 2012	\$0.39	\$0.069	30 Sept 2010	\$0
17 Jun 2009	30 Sept 2013	\$0.39	\$0.052	30 Sept 2011	\$0
17 Jun 2009	30 Sept 2014	\$0.39	\$0.035	30 Sept 2012	\$0
17 Jun 2009	30 Sept 2015	\$0.39	\$0.021	30 Sept 2013	\$0
17 Jun 2009	30 Sept 2016	\$0.39	\$0.011	30 Sept 2014	\$0
17 Jun 2009	30 Sept 2012	\$0.39	\$0.035	30 Sept 2010	\$0
17 Jun 2009	30 Sept 2013	\$0.39	\$0.021	30 Sept 2011	\$0
17 Jun 2009	30 Sept 2014	\$0.39	\$0.011	30 Sept 2012	\$0
17 Jun 2009	30 Sept 2015	\$0.39	\$0.004	30 Sept 2013	\$0
17 Jun 2009	30 Sept 2016	\$0.39	\$0.001	30 Sept 2014	\$0
24 Sept 2008	24 Sept 2013	\$1.20	\$0.18	100% after 22 Sept 2010	\$0
2 Jul 2007 and 13 Jul 2007	2 Jul 2012 and 13 Jul 2012	\$2.20	\$0.75	100% after 2 Jul 2010 and 13 Jul 2010	\$0
7 Feb 2006	6 Feb 2009	\$1.50	\$0.27	100% after 7 Feb 2006	\$0
24 Jun 2005	30 Jun 2010	\$0.90	\$0.27	100% after 1 Jul 2008	\$0
7 Dec 2005	30 Jun 2010	\$0.90	\$0.41	100% after 1 Jul 2008	\$0

* Denotes subject to completion of continuous service to vesting date

Options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The amounts disclosed for emoluments relating to options above are the assessed fair values at grant date of options granted to Executive Directors and other executives, allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Bi-nominal or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the company's performance against pre determined hurdles.

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

Loans to Directors and Executives

There are no loans made to Directors or specified executives.

Options to Directors and Executives

Share options over ordinary shares in the Company that were granted as compensation to each Director or specified executive during the reporting period and details on options that were vested during the reporting period are as follows:

Options Issued

Executives / Directors	Balance 1 Jul 2008	Number of options granted during 2009	Grant date	Fair value per option at grant date	Exercise price per option	Expiry date	Number of options vested during 2009
R Brown	100,000	-	7 Feb. 2006	\$0.27	\$1.50	6 Feb. 2009	-
K Edwards	100,000	-	7 Feb. 2006	\$0.27	\$1.50	6 Feb. 2009	-
P Dagleish (CEO) Commenced 25 May 2009	0	333,000	17 Jun 2009	\$0.106	\$0.39	30 Sept 2015	-
		333,000	17 Jun 2009	\$0.088	\$0.39	30 Sept 2015	-
		334,000	17 Jun 2009	\$0.07	\$0.39	30 Sept 2015	-
		900,000	17 Jun 2009	\$0.069	\$0.39	30 Sept 2012	-
		900,000	17 Jun 2009	\$0.052	\$0.39	30 Sept 2013	-
		900,000	17 Jun 2009	\$0.045	\$0.39	30 Sept 2014	-
		900,000	17 Jun 2009	\$0.021	\$0.39	30 Sept 2015	-
		900,000	17 Jun 2009	\$0.011	\$0.39	30 Sept 2016	-
		500,000	17 Jun 2009	\$0.035	\$0.39	30 Sept 2012	-
		500,000	17 Jun 2009	\$0.021	\$0.39	30 Sept 2013	-
		500,000	17 Jun 2009	\$0.011	\$0.39	30 Sept 2014	-
500,000	17 Jun 2009	\$0.004	\$0.39	30 Sept 2015	-		
500,000	17 Jun 2009	\$0.001	\$0.39	30 Sept 2016	-		
D Hegerty (Executive GM, RCR Construction and Maintenance)	400,000	-	-	\$0.27	\$0.90	30 Jun 2010	400,000
	150,000	-	-	\$0.75	\$2.20	2 Jul 2012	-
	-	90,000	24 Sept 2008	\$0.18	\$1.20	24 Sept 2013	-
J Smith (Executive GM, RCR Engineering)	400,000	-	-	\$0.27	\$0.90	30 Jun 2010	400,000
	150,000	-	-	\$0.75	\$2.20	2 Jul 2012	-
	-	90,000	24 Sept 2008	\$0.18	\$1.20	24 Sept 2013	-
W Arthur (Executive GM, RCR Energy and Industrial Services) Resigned 5 Jun 2009	400,000	-	-	\$0.27	\$0.90	30 Jun 2010	400,000
	150,000	-	-	\$0.75	\$2.20	2 Jul 2012	-
J Noordhoek (Executive GM, RCR Energy and Industrial Services)	600,000	-	-	\$0.41	\$0.90	30 Jun 2010	600,000
P Crighton (Company Secretary)	50,000	-	-	\$0.41	\$0.90	30 Jun 2010	50,000
	150,000	-	-	\$0.75	\$2.20	2 Jul 2012	-
	-	90,000	24 Sept 2008	\$0.18	\$1.20	24 Sept 2013	-

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

Vested and Lapsed Options

Executives / Directors	For the Financial Year End Jun 2009					Overall		
	Number Exercised	Exercise \$	Lapsed Number	Lapsed \$	Unvested number	% Vested in year	% Lapsed In year	% unvested
R Brown	-	-	100,000	-	-	-	100	-
K Edwards	-	-	100,000	-	-	-	100	-
P Dalglish (CEO)	333,000	\$0.39	-	-	333,000	-	-	100
	333,000	\$0.39	-	-	333,000	-	-	100
	334,000	\$0.39	-	-	334,000	-	-	100
	900,000	\$0.39	-	-	900,000	-	-	100
	900,000	\$0.39	-	-	900,000	-	-	100
	900,000	\$0.39	-	-	900,000	-	-	100
	900,000	\$0.39	-	-	900,000	-	-	100
	900,000	\$0.39	-	-	900,000	-	-	100
	500,000	\$0.39	-	-	500,000	-	-	100
	500,000	\$0.39	-	-	500,000	-	-	100
	500,000	\$0.39	-	-	500,000	-	-	100
	500,000	\$0.39	-	-	500,000	-	-	100
	500,000	\$0.39	-	-	500,000	-	-	100
	500,000	\$0.39	-	-	500,000	-	-	100
D Hegerty (Executive GM, RCR Construction and Maintenance)	-	-	-	-	-	100	-	-
	-	-	-	-	150,000	-	-	100
	-	-	-	-	90,000	-	-	100
J Smith (Executive GM, RCR Engineering)	-	-	-	-	-	100	-	-
	-	-	-	-	150,000	-	-	100
	-	-	-	-	90,000	-	-	100
W Arthur (Executive GM, RCR Energy and Industrial Services)	-	-	400,000	-	-	-	100	-
	-	-	150,000	-	-	-	100	-
J Noordhoek (Executive GM, RCR Energy and Industrial Services)	-	-	-	-	-	100	-	-
P Crighton (Company Secretary)	-	-	-	-	-	100	-	-
	-	-	-	-	150,000	-	-	100
	-	-	-	-	90,000	-	-	100

Shares Under Option

Unissued ordinary shares of RCR Tomlinson Ltd under option at the 30 June 2009 are as follows:

Date options granted	Expiry date	Issue price of shares	Shares under option
24 Jun 2005	30 Jun 2010	\$0.90	2,155,000
2 Jul 2007 & 13 Jul 2007	2 Jul & 13 Jul 2012	\$2.20	1,780,000
24 Sept 2008	24 Sept 2013	\$1.20	1,392,500
17 Jun 2009	30 Sept 2012 – 30 Sept 2016	\$0.39	8,000,000

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

No option holder has any right under the options to participate in any other share issue of the Company.

Shares Issued on the Exercise of Options

The following ordinary shares of RCR Tomlinson Ltd were issued during the year ended 30 June 2009 on the exercise of options. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
24 Jun 2005	\$0.90	25,000

INSURANCE OF OFFICERS

During the financial year, RCR Tomlinson Ltd paid premiums in respect of Directors' and Officers' liability. The Directors have not included in this report details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors' and Officers' liability, as such disclosure is prohibited under the terms of the contract.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of entities in the consolidated entity.

NON-AUDIT SERVICES

The Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

RCR TOMLINSON LTD

DIRECTORS' REPORT

REMUNERATION REPORT (CONT.)

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial statements.

Details of the amount paid or payable to RSM Bird Cameron Partners in relation to the provision for non-audit services are set out below:

	\$'000
- Tax Compliance Services	49
- Total Remuneration Other Services	<u>49</u>

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 under the option available to the Company under ASIC Class Order 98/0100.

Signed in Accordance with a Resolution of the Directors:



Roderick J M Brown
Chairman

Signed at Perth on the 27th day of August 2009

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9111
www.rsmi.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

RCR TOMLINSON LIMITED

Report on the Financial Report

We have audited the accompanying financial report of RCR Tomlinson Limited ("the company"), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 opinions.

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of RCR Tomlinson Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report which is included in the directors' report for the financial year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of RCR Tomlinson Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.



RSM BIRD CAMERON PARTNERS
Chartered Accountants



D J WALL
Partner

Perth, WA
Dated: 27 August 2009

RCR TOMLINSON LTD

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the Corporations Act 2001.

Signed in Accordance with a Resolution of the Directors:



Roderick J M Brown
Director

Signed at Perth on the 27th day of August 2009

RCR TOMLINSON LTD
ABN: 81 008 898 486
INCOME STATEMENT
For the Year Ended 30 June 2009

	Note	Consolidated Entity		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Sales Revenue	2	589,415	518,489	-	-
Cost of Sales	3	(545,568)	(476,878)	-	-
Gross Profit		43,847	41,611	-	-
Other Income	2	277	2,387	15,259	16,337
Administrative Expenses		(25,550)	(17,797)	(7,781)	(1,294)
Finance Costs	3	(5,535)	(5,580)	(4,252)	(4,285)
Other Expenses		(837)	(1,180)	-	-
Profit Before Income Tax		12,202	19,441	3,226	10,758
Income Tax Benefit / (Expense)	4	1,748	(1,493)	2,137	(1,228)
Profit for the Year After Tax		13,950	17,948	5,363	9,530
Profit Attributable to Members of the Parent Entity		13,950	17,948	5,363	9,530
OVERALL OPERATIONS					
Basic Earnings per Share (cents per share)	8	11.10	14.67		
Diluted Earnings per Share (cents per share)	8	11.10	14.34		
Dividends per Share (cents)		5.0	5.0		

The accompanying notes form part of these financial statements.

RCR TOMLINSON LTD
ABN: 81 008 898 486
BALANCE SHEET
As At 30 June 2009

		Consolidated Entity		Parent Entity	
	Note	2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT ASSETS					
-					
-	9	10,212	6,433	4,048	-
-	10	102,425	118,294	68,016	76,344
-	11	36,533	26,788	100	-
-	16	4,288	717	5,097	1,515
TOTAL CURRENT ASSETS		153,458	152,232	77,261	77,859
NON-CURRENT ASSETS					
-					
-	12(a)	26	251	-	-
-	12(b)	15	15	67,434	67,434
-	14	105,951	102,149	33,956	33,894
-	19	6,254	4,572	6,254	4,572
-	15	77,696	83,808	28,266	28,541
TOTAL NON-CURRENT ASSETS		189,942	190,795	135,910	134,441
TOTAL ASSETS		343,400	343,027	213,171	212,300
CURRENT LIABILITIES					
-					
-	17	74,590	81,495	14,986	10,451
-	18	5,391	7,061	-	3,069
-	19	-	136	-	391
-	20	14,233	8,527	20	441
TOTAL CURRENT LIABILITIES		94,214	97,219	15,006	14,352
NON-CURRENT LIABILITIES					
-					
-	17	-	3,000	-	-
-	18	53,443	55,812	45,000	45,000
-	19	7,094	7,238	7,013	7,110
-	20	2,989	3,288	-	-
TOTAL NON-CURRENT LIABILITIES		63,526	69,338	52,013	52,110
TOTAL LIABILITIES		157,740	166,557	67,019	66,462
NET ASSETS		185,660	176,470	146,152	145,838
EQUITY					
-					
-	21	115,442	114,205	115,442	114,205
-	22	12,937	12,648	13,973	13,973
-		57,281	49,617	16,737	17,660
TOTAL EQUITY		185,660	176,470	146,152	145,838

The accompanying notes form part of these financial statements.

RCR TOMLINSON LTD
ABN: 81 008 898 486
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2009

	Note	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total
		\$000	\$000	\$000	\$000	\$000
CONSOLIDATED ENTITY						
<i>BALANCE AT 1 JULY 2007</i>		88,417	37,417	14,861	172	140,867
Shares Issued (Net)		25,788	-	-	-	25,788
Net Profit		-	17,948	-	-	17,948
Revaluation Increment		-	-	(893)	-	(893)
Adjustments from Translation of Foreign Controlled Entities		-	-	-	(1,492)	(1,492)
Sub-total		114,205	55,365	13,968	(1,320)	182,218
Dividends Paid or Provided for	7	-	(5,748)	-	-	(5,748)
<i>BALANCE AT 30 JUNE 2008</i>		114,205	49,617	13,968	(1,320)	176,470
CONSOLIDATED ENTITY						
<i>BALANCE AT 1 JULY 2008</i>		114,205	49,617	13,968	(1,320)	176,470
Shares issued (net)		1,237	-	-	-	1,237
Net profit		-	13,950	-	-	13,950
Revaluation decrement		-	-	4	-	4
Adjustments from translation of foreign controlled entities		-	-	-	285	285
Sub-total		115,442	63,567	13,972	(1,035)	191,946
Dividends paid or provided for	7	-	(6,286)	-	-	(6,286)
<i>BALANCE AT 30 JUNE 2009</i>		115,442	57,281	13,972	(1,035)	185,660

The accompanying notes form part of these financial statements.

RCR TOMLINSON LTD
ABN: 81 008 898 486
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2009

	Note	Issued Capital \$000	Retained Earnings \$000	Asset Revaluation Reserve \$000	Total \$000
PARENT ENTITY					
<i>BALANCE AT 1 JULY 2007</i>		88,417	13,878	14,861	117,156
Shares issued (net)		25,788	-	-	25,788
Profit attributable to members of parent entity		-	9,530	-	9,530
Revaluation increment		-	-	(888)	(888)
Sub-total		114,205	23,408	13,973	151,586
Dividends paid or provided for	7	-	(5,748)	-	(5,748)
<i>BALANCE AT 30 JUNE 2008</i>		114,205	17,660	13,973	145,838
PARENT ENTITY					
<i>BALANCE AT 1 JULY 2008</i>		114,205	17,660	13,973	145,838
Shares issued (net)		1,237	-	-	1,237
Profit attributable to members of parent entity		-	5,363	-	5,363
Revaluation decrement		-	-	-	-
Sub-total		115,442	23,023	13,973	152,438
Dividends paid or provided for	7	-	(6,286)	-	(6,286)
<i>BALANCE AT 30 JUNE 2009</i>		115,442	16,737	13,973	146,152

The accompanying notes form part of these financial statements.

RCR TOMLINSON LTD
ABN: 81 008 898 486
CASH FLOW STATEMENT
For the Year Ended 30 June 2009

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
- Receipts from customers		609,962	482,844	21,836	11,807
- Interest received		142	678	241	213
- Other income		779	1,710	16	16,124
- Payments to suppliers and employees		(571,713)	(449,309)	-	-
- Finance costs		(4,146)	(5,580)	(4,057)	(4,285)
- Income tax paid		(4,207)	(11,239)	(4,367)	(3,842)
Net cash provided by operating activities	26(a)	<u>30,817</u>	<u>19,104</u>	<u>13,669</u>	<u>20,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
- Proceeds from sale of property, plant and equipment		487	598	-	-
- Purchase of property, plant and equipment		(13,896)	(17,294)	(266)	(603)
- Payment for subsidiary and other businesses, net of cash acquired	26(b)	(3,958)	(23,711)	-	(23,711)
Net cash used in investing activities		<u>(17,367)</u>	<u>(40,407)</u>	<u>(266)</u>	<u>(24,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
- Proceeds from issue of shares		-	-	-	-
- Proceeds from borrowings		3,036	61,863	-	45,000
- Repayment of borrowings		(6,421)	(50,071)	-	(54,422)
- Dividends paid		(6,286)	(5,748)	(6,286)	(5,748)
Net cash provided by (used in) financing activities		<u>(9,671)</u>	<u>6,044</u>	<u>(6,286)</u>	<u>(15,170)</u>
Net increase (decrease) in cash held		3,779	(15,259)	7,117	(19,467)
Cash at beginning of financial year		<u>6,433</u>	<u>21,692</u>	<u>(3,069)</u>	<u>16,398</u>
Cash at end of financial year	9	<u>10,212</u>	<u>6,433</u>	<u>4,048</u>	<u>(3,069)</u>

The accompanying notes form part of these financial statements.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of RCR Tomlinson Ltd and controlled entities, and the separate financial statements and notes of RCR Tomlinson Ltd as an individual parent entity.

The financial report was authorised for issued on 27th August 2009 for issue by the Board of Directors.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity RCR Tomlinson Ltd has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(b) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Income Tax

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

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

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

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

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

RCR Tomlinson Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax balances resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered into a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(d) 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 portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(e) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date. Where it is probable that a loss will arise from a construction contract, the excess of total expected contract costs over total expected contract revenue is recognised as an expense immediately. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and Equipment

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

The cost of fixed assets constructed within the consolidated entity 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 charged to the income statement during the financial period in which they are incurred.

Revaluation

Increases in the carrying amount arising on revaluation of land and buildings recognised as one class of asset are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	2.5%
Plant and equipment	5-40%
Leased plant and equipment	5-40%

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets at Fair Value Through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-Maturity Investments

These investments have fixed maturities, and it is the consolidated entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the consolidated entity's are stated at amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(h) Financial Instruments (Cont.)

Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

At the inception of the transaction the relationship between hedging instruments and the hedged item as well as its risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk.

Fair Value

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

Impairment

At each reporting date, the consolidated entity assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(i) Impairment of Assets

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

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

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

(j) Investment in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the consolidated entity's share of post-acquisition reserves of its associates.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(k) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and Trademarks

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

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Technology

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

(l) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the entities in the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(l) Foreign Currency Transactions and Balances (Cont.)

Foreign Operations

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(m) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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

Equity-Settled Compensation

The consolidated entity operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(n) Provisions

Provisions are recognised when the consolidated entity 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.

(o) Provision for Warranties

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

(p) 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 balance sheet.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(q) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue and expenses on construction contracts are recognised on an individual contract basis using the percentage of completion method when the stage of completion can be reliably determined, costs can be clearly identified and the total contract revenue and costs to complete can be reliably estimated. Profit recognition for lump sum fixed price contracts does not commence until costs to complete can be reliably estimated which is generally when the contract is above 35% actually complete. Where the outcome of a contract cannot be reliably estimated, contract costs are expensed as incurred. Where it is probable that costs will be recovered, revenue is recognised to the extent of costs incurred. An expected loss is recognised immediately as an expense.

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

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

(r) 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 the income statement in the period in which they are incurred.

(s) Trade Receivables

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

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

(t) Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unrealisable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(t) Business Combinations (Cont.)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the consolidated entity's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

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

(u) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(v) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(w) Dividends

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

(x) Earnings Per Share

(i) Basic Earnings per share

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

(ii) Diluted Earnings per Share

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

(y) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(y) Goods and Services Tax (GST) (Cont.)

Receivables and payables in the balance sheet are shown inclusive of GST.

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

(z) Comparative Figures

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

(aa) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Director's report have been rounded off to the nearest \$1,000.

(bb) Critical Accounting Estimates and Judgments

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

Key Estimates and Judgements

Impairment

The Directors assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment of Available-for-sale Assets

After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

Construction Contracts

When accounting for construction contracts, the contracts are either combined or segregated if this is deemed necessary to reflect the substance of the agreement. Revenue arising from fixed price contracts is recognised in accordance with the percentage of completion method. Stage of completion is agreed with the customer on a work certified to date basis, as a percentage of the overall contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred plus a percentage of fees earned during the financial year. The percentage of fee earned during the financial year is based on the stage of completion of the contract. Where a loss is expected to occur from a construction contract the excess of the total expected contract costs over expected contract revenue is recognised as an expense immediately.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(bb) Critical Accounting Estimates and Judgments (Cont.)

Provision for Loss on Long-Term Contracts

Where it is probable that a loss will arise on a long-term contract, the excess of total expected contract costs over total contract revenue is recognised as an expense immediately.

For the year ended 30 June 2009, the company has estimated the expected loss from onerous contracts. This estimation has been based upon management's judgement which has been based upon the most up-to-date available information at the date of this financial report.

Taxation

The company's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependant on the generation of sufficient future taxable profits.

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

NOTE 2: REVENUE

	Note	Consolidated Entity		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Operating Activities					
-		589,415	518,489	-	-
Non-operating Activities					
-	2(a)	2	2	1	2
-	2(b)	142	678	241	213
-		8	116	8	11
-		84	312	-	-
-		-	-	15,000	16,100
-		41	1,279	9	11
		<u>277</u>	<u>2,387</u>	<u>15,259</u>	<u>16,337</u>
(a) Dividend Revenue From:					
-		2	2	1	2
Total dividend revenue		<u>2</u>	<u>2</u>	<u>1</u>	<u>2</u>
(b) Interest revenue from:					
-		142	678	241	213
Total interest revenue		<u>142</u>	<u>678</u>	<u>241</u>	<u>213</u>

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 3: PROFIT FOR THE YEAR

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
(a) Expenses				
Cost of Sales	545,568	476,878	-	-
Finance Costs:				
- External	5,535	5,580	4,252	4,285
Foreign Currency Losses	182	158	223	-
Bad and Doubtful Debts:				
- Trade Receivables	1,164	137	1,162	-
Rental Expense on Operating Leases				
- Minimum Lease Payments	10,378	9,116	-	-
Depreciation and Amortisation:				
- Depreciation/Amortisation on Fixed Assets	13,370	11,882	204	174
- Amortisation of Intangibles	3,675	3,113	680	980
Employee Benefits Expense	218,450	167,447	-	-

(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Loss Incurred on Onerous Construction Contracts	1,235	713	-	-
---	-------	-----	---	---

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 4: INCOME TAX EXPENSE

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$000	\$000	\$000	\$000

Note 4: Income Tax Expense

(a) The Components of Tax Expense Comprise:

- Current Tax		(3,821)	1,194	(3,670)	2,728
- Deferred Tax	19(c)	1,826	1,609	1,780	(190)
- Over Provision in Respect of Prior Years		247	(1,310)	(247)	(1,310)
		(1,748)	1,493	(2,137)	1,228

(b) The Prima Facie Tax on Profit Before Income Tax

is Reconciled to the Income Tax as Follows
Prima Facie Tax Payable on Profit Before
Income Tax at 30% (2008: 30%)

- consolidated entity		3,661	5,832	-	-
- parent entity		-	-	968	3,227
		3,661	5,832	968	3,227
Add:					
Tax effect of:					
- Non-deductible depreciation and amortisation		1,033	875	-	-
- other non-allowable items		832	343	-	-
Less:					
Tax effect of:					
- research and development expenses		(6,876)	(4,096)	(2,707)	(538)
- other capital allowance		(151)	(151)	(151)	(151)
- over provision of prior year tax		(247)	(1,310)	(247)	(1,310)
Income tax (benefit)/expense attributable to entity		(1,748)	1,493	(2,137)	1,228

The applicable weighted average effective tax rates are as follows:

	-	8%	-	13%
--	---	----	---	-----

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

<i>Person</i>	<i>Position</i>
Roderick James McKenzie Brown	Chairman (Non-executive)
Charles Birmingham	Non-executive Director
Kevin John Edwards	Non-executive Director
David Paul Dippie	Non-executive Director <i>Retired as Executive General Manager 1 February 2009</i>
Jeffrey Charles Hogan	Non-executive Director <i>Retired as Executive General Manager 1 December 2008</i>
Eva Skira	Non-executive Director
Paul Dalglish	Chief Executive Officer <i>Commenced Employment 25 May 2009</i>
Phillip John Crighton	Company Secretary and Chief Financial Officer
John Leendert Noordhoek	Executive General Manager <i>Resigned as Director 19 June 2009 and CEO 22 May 2009</i>
Jeffrey Smith	Executive General Manager
David Thomas Hegerty	Executive General Manager
Warren Craig Arthur	Executive General Manager <i>Resigned 5 June 2009</i>
David Russell	Executive General Manager

(b) Shares Issued on Exercise of Compensation Options

There were no options exercised during the year that were granted as compensation in prior periods.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

(c) Options held by Key Management Personnel

2009 - Number	Balance 1 July 08	Granted as Compen- sation	Options Exer- cised*	Net Change Other*	Balance 30 Jun 09	Total Vested	Total Exercis- able	Total Un- Exercis- able
Roderick James	100,000	-	-	(100,000)	-	-	-	-
McKenzie Brown	-	-	-	-	-	-	-	-
Charles Birmingham	-	-	-	-	-	-	-	-
Kevin John Edwards	100,000	-	-	(100,000)	-	-	-	-
David Paul Dippie	-	-	-	-	-	-	-	-
Jeffrey Charles Hogan	-	-	-	-	-	-	-	-
Eva Skira	-	-	-	-	-	-	-	-
Paul Dalglish	-	8,000,000	-	-	8,000,000	-	-	8,000,000
John Leendert Noordhoek	600,000	-	-	-	600,000	600,000	600,000	-
Phillip John Crighton	200,000	90,000	-	-	290,000	50,000	50,000	240,000
Jeffrey Smith	550,000	90,000	-	-	640,000	400,000	400,000	240,000
David Thomas	550,000	90,000	-	-	640,000	400,000	400,000	240,000
Hegerty	-	-	-	-	-	-	-	-
David Russell	-	-	-	-	-	-	-	-
Warren Craig Arthur	550,000	-	-	(550,000)	-	-	-	-
	<u>2,650,000</u>	<u>8,270,000</u>	<u>-</u>	<u>(750,000)</u>	<u>10,170,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>8,720,000</u>

The net change other column above includes those options that have been forfeited by holders as well as options issued during the year.

(d) Shareholdings by Key Management Personnel

2009 - Number	Balance 1 July 2008	Received as Compensation	Options Exercised	Net Change Other*	Balance 30 June 2009
Roderick James McKenzie	36,500	-	-	-	36,500
Brown	-	-	-	-	-
Charles Birmingham	663,934	-	-	-	663,934
John Leendert Noordhoek	1,541,072	-	-	-	1,541,072
David Paul Dippie	2,625,736	-	-	-	2,625,736
Kevin John Edwards	50,000	-	-	-	50,000
Jeffrey Charles Hogan	12,000,000	-	-	1,110,000	13,110,000
Eva Skira	-	-	-	-	-
Paul Dalglish	-	-	-	-	-
Phillip John Crighton	33,800	-	-	-	33,800
Jeffrey Smith	150	-	-	20,000	20,150
David Thomas Hegerty	220,000	-	-	-	220,000
David Russell	-	-	-	-	-
Warren Craig Arthur	-	-	-	-	-
	<u>17,171,192</u>	<u>-</u>	<u>-</u>	<u>1,130,000</u>	<u>18,301,192</u>

* Net change other refers to shares received, purchased or sold during the financial year.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 6: AUDITORS' REMUNERATION

	Consolidated Entity		Parent Entity	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	240	238	160	238
- taxation services	49	31	20	31
	<u>289</u>	<u>269</u>	<u>180</u>	<u>269</u>
Remuneration of other auditors of subsidiaries for:				
- auditing or reviewing the financial report of subsidiaries	66	54	-	-

NOTE 7: DIVIDENDS

Distributions paid				
Final fully franked ordinary dividend of 5.0 cents per share (2008: 5.0 cents per share) franked at the tax rate of 30% (2008:30%)	6,286	5,748	6,286	5,748
Balance of franking account at year end adjusted for franking credits arising from:				
- payment of provision for income tax	15,472	14,571	15,472	14,571

NOTE 8: EARNINGS PER SHARE

	Consolidated Entity	
	2009 \$000	2008 \$000
(a) Reconciliation of earnings to profit or loss		
Profit	13,950	17,948
Earnings used to calculate basic EPS	13,950	17,948
Earnings used in the calculation of dilutive EPS	13,950	17,948
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	125,564	122,349
Weighted average effect of dilutive options outstanding	-	2,825
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	125,564	125,174

For the purposes of calculating diluted earnings per share, the effect of dilutive stock options is added to the weighted average number of shares outstanding.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 9: CASH AND CASH EQUIVALENTS

	Note	Consolidated Entity		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Cash at bank and in hand		10,212	6,433	4,048	-
Reconciliation of cash					
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:					
- Cash and cash equivalents		10,212	6,433	4,048	-
- Bank overdraft	18	-	-	-	(3,069)
		<u>10,212</u>	<u>6,433</u>	<u>4,048</u>	<u>(3,069)</u>

NOTE 10: TRADE AND OTHER RECEIVABLES

	Note	Consolidated Entity		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT					
Trade receivables		91,954	112,036	-	-
Provision for impairment of receivables		(717)	-	-	-
		<u>91,237</u>	<u>112,036</u>	<u>-</u>	<u>-</u>
Due from customers for construction contracts	10(a)	7,117	5,466	-	-
Other receivables		-	792	-	-
Tax refund due		4,071	-	3,976	-
Amounts receivable from:					
- wholly-owned entities		-	-	64,040	76,344
		<u>102,425</u>	<u>118,294</u>	<u>68,016</u>	<u>76,344</u>

The carrying amounts of the economic entity's trade receivables (net of provisions for doubtful debts) are denominated in the following currencies:

New Zealand Dollar	4,311	6,276
Australian Dollar	94,043	111,226
	<u>98,354</u>	<u>117,502</u>

Trade Receivables are generally on 30 day term from the end of the month.

At 30 June 2009, \$717,081 of current trade receivables of the consolidated entity are considered impaired (2008: Nil). There were no impaired trade receivables for the parent in 2009 and 2008. These amounts have been included in the administration expenses in the income statement.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 10: TRADE AND OTHER RECEIVABLES (CONT)

At 30 June 2009, trade receivables of \$15,890,000 (2008: \$11,852,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default or other indicators of impairment. The ageing analysis of these trade receivables is as follows:

	Consolidated Entity	
	2009	2008
	\$000	\$000
Current, within initial trade terms	64,806	67,333
- 31 - 60 days	17,658	38,317
- 61 - 90 days	8,033	7,862
- 91 days plus	7,857	3,990
	98,354	117,502

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

Opening balance	-	78
Provision for impairment recognised during the year	1,164	37
Receivables written off during the year as uncollectible	(447)	(37)
Reversal of unused provisions	-	(78)
Closing balance	717	-

With respect to trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

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

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$000	\$000	\$000	\$000
NON-CURRENT					
Term receivables		-	-	-	-
(a) Construction contracts					
- Contract costs incurred		143,438	97,287	-	-
- Recognised profits		24,974	13,690	-	-
		168,412	110,977	-	-
Progress billings		(172,327)	(111,251)	-	-
		(3,915)	(274)	-	-
Amounts due from customers – included in debtors	10	7,117	5,466	-	-
Amounts due to customers for contract work	17	(11,032)	(5,740)	-	-
		(3,915)	(274)	-	-

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 11: INVENTORIES

CURRENT

- Raw materials and stores	6,786	7,130	-	-
- Work in progress	21,712	13,288	100	-
- Finished goods	8,035	6,370	-	-
	36,533	26,788	100	-

NOTE 12: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND FINANCIAL ASSETS

Consolidated Entity		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

(a) Investments Accounted for Using Equity Method

- Pinebeam Pty Ltd	26	251	-	-
--------------------	----	-----	---	---

Pinebeam, Pty Ltd is an industrial supplies company incorporated in Australia. Eagle Engineering Pty Ltd, a wholly owned subsidiary of RCR Tomlinson Ltd holds a 24% ownership interest in Pinebeam Pty Ltd.

Consolidated Entity		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

Movements During the Year in Equity Accounted Investment in Associated Companies

- Balance at beginning of the financial year	251	655	-	-
- Add: New investments during the year	-	-	-	-
- Less: Share of associated company's loss	(25)	(75)	-	-
- Less: Impairment charge	(200)	(329)	-	-
- Balance at end of the financial year	26	251	-	-

(b) Financial Assets Comprise:

(i) Available for sale				
- shares in unlisted entity at fair value	15	15	15	15
(ii) Other financial assets				
- shares in controlled entities at cost	-	-	67,419	67,419
Total financial assets	15	15	67,434	67,434

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 13: CONTROLLED ENTITIES
Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2009	2008
Parent Entity:			
- RCR Tomlinson Ltd	Australia		
Subsidiaries of RCR Tomlinson Ltd:			
- RCR Engineering Pty Ltd	Australia	100	100
- RCR Energy Services Pty Ltd	Australia	100	100
- RCR Heat Treatment Pty Ltd	Australia	100	100
- RCR Corporate Pty Ltd	Australia	100	100
- RCR Construction and Maintenance Pty Ltd	Australia	100	100
- RCR Stelform Pty Ltd	Australia	100	100
- Sartap Pty Ltd	Australia	100	100
- Stelform Piping Systems Pty Ltd	Australia	100	100
- RCR Stelform VRBT Pty Ltd	Australia	100	100
- RCR Energy Systems Pty Ltd	Australia	100	100
- RCR Laser Pty Ltd	Australia	100	100
- Container Lift Pty Ltd*	Australia	50	50
- Australasian Technology Pty Ltd	Australia	100	100
- Capital Developments Corporation Pty Ltd	Australia	100	100
- RCR Energy Systems Ltd	New Zealand	100	100
- RCR Eagle Engineering Pty Ltd	Australia	100	100
- Applied Laser Pty Ltd	Australia	100	100
- Positron Group Pty Ltd	Australia	100	100
- RCR Positron Pty Ltd	Australia	100	100
- Positron Power Pty Ltd	Australia	100	100
- RCR Tripower Pty Ltd	Australia	100	100
- RCR Spliceline Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
LAND AND BUILDINGS				
Freehold land:				
- at fair value	31,450	29,607	27,180	27,180
Total land	31,450	29,607	27,180	27,180
Buildings at:				
- at fair value	15,775	14,880	6,534	6,281
Less accumulated depreciation	(1,513)	(1,036)	(330)	(161)
Total buildings	14,262	13,844	6,204	6,120
Total land and buildings	45,712	43,451	33,384	33,300
PLANT AND EQUIPMENT				
Plant and equipment:				
at cost	103,873	94,254	619	606
accumulated depreciation	(55,365)	(47,006)	(47)	(12)
	48,508	47,248	572	594
Leased plant and equipment				
Capitalised leased assets	19,090	16,677	-	-
Accumulated depreciation	(7,359)	(5,227)	-	-
	11,731	11,450	-	-
Total plant and equipment	60,239	58,698	572	594
Total Property, Plant and Equipment	105,951	102,149	33,956	33,894

The land and buildings were re-valued during June 2007 by independent valuers. Valuations were made on the basis of an open market value. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 14: PROPERTY, PLANT AND EQUIPMENT (CONT.)

(a) Movements in Carrying Amounts

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

	Freehold Land \$000	Buildings \$000	Capital Work in Progress \$000	Plant and Equipment \$000	Leased Plant and Equipment \$000	Total \$000
Consolidated Entity:						
- Balance at the beginning of year	29,607	13,844	2,822	44,426	11,450	102,149
- Additions	-	704	-	10,392	2,823	13,919
- Disposals	-	-	-	(359)	(127)	(486)
- Additions through acquisition of entity	1,065	885	-	1,809	-	3,759
- Transfers	767	(126)	(2,049)	1,583	(175)	-
- Revaluation increments/ (decrements)	-	-	-	(65)	-	(65)
- Depreciation expense	-	(1,055)	-	(10,075)	(2,240)	(13,370)
- Foreign exchange translation	11	10	-	24	-	45
- Carrying amount at the end of year	31,450	14,262	773	47,735	11,731	105,951
Parent Entity:						
- Balance at the beginning of year	27,180	6,120	238	356	-	33,894
- Additions	-	253	(226)	239	-	266
- Revaluation increments/ (decrements)	-	-	-	-	-	-
- Transfers	-	-	-	-	-	-
- Depreciation expense	-	(169)	-	(35)	-	(204)
- Carrying amount at the end of year	27,180	6,204	12	560	-	33,956

Consolidated Entity		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

(b) Historical Cost

If land and buildings were stated at historical cost, amounts would be as follows:

- Cost	13,915	11,980	5,282	5,282
- Accumulated depreciation	(4,269)	(3,214)	(2,464)	(2,295)
- Net book value	9,646	8,766	2,818	2,987

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 15: INTANGIBLE ASSETS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Technology				
- Cost	15,720	15,427	6,150	6,150
- Accumulated amortisation	(4,529)	(2,747)	(1,085)	(538)
Net carrying value	11,191	12,680	5,065	5,612
Goodwill				
- Cost	52,606	55,654	19,681	19,116
Net carrying value	52,606	55,654	19,681	19,116
Patents and other industrial property rights, service and operating rights				
- Cost	17,681	17,618	4,200	4,200
- Accumulated amortisation and impairment	(3,874)	(2,226)	(735)	(442)
Net carrying value	13,807	15,392	3,465	3,758
Development costs				
- Cost	1,198	1,182	986	1,146
- Accumulated amortisation and impairment	(1,106)	(1,100)	(931)	(1,091)
Net carrying value	92	82	55	55
Total intangibles	77,696	83,808	28,266	28,541

Consolidated Entity:

	Technology \$000	Goodwill \$000	Patents & Other Rights \$000	Development Costs \$000
Year ended 30 June 2009				
- Balance at the beginning of year	12,680	55,654	15,392	82
- Acquisitions through business combinations	270	204	-	-
- Other costs capitalised during the year	18	280	21	15
- Adjustment to goodwill	-	(3,309)	-	-
- Amortisation charge	(1,786)	(223)	(1,661)	(5)
- Foreign currency translation	9	-	55	-
- Closing carrying value at 30 June 2009	11,191	52,606	13,807	92

Parent Entity:

	Technology \$000	Goodwill \$000	Patents & Other Rights \$000	Development Costs \$000
Year ended 30 June 2009				
- Balance at the beginning of year	5,612	19,116	3,758	55
- Acquisitions through business combinations	-	565	-	-
- Other costs capitalised during the year	-	-	-	-
- Adjustment to goodwill	-	-	-	-
- Amortisation charge	(547)	-	(293)	-
- Foreign currency translation	-	-	-	-
- Closing carrying value at 30 June 2009	5,065	19,681	3,465	55

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 15: INTANGIBLE ASSETS (CONT.)

Intangible assets, other than goodwill, have finite useful lives.

Goodwill has an infinite life. The allocation of goodwill, including that resulting from business acquisitions during the year, has been made to the consolidated entity's business units and at balance date, this goodwill is subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill has been tested for impairment across those cash generating units.

	2009 \$000	2008 \$000
RCR Engineering	4,352	4,048
RCR Energy Services	16,097	16,614
RCR Construction and Maintenance	7,202	10,057
RCR Positron Electrical Services	23,258	23,238
Corporate	1,697	1,697
	<u>52,606</u>	<u>55,654</u>

The recoverable amount of the goodwill in each cash generating unit is based on value in use calculations, using cash flow projections based on the following year's budget and plan, extended over five years. No reasonable possible changes in key assumptions would result in the carrying amount exceeding the recoverable amount.

	Growth Rate	Discount Rate
RCR Engineering	2.5%	12%
RCR Energy Services	2.5%	12%
RCR Construction and Maintenance	2.5%	12%
RCR Positron Electrical Services	2.5%	12%
Corporate	2.5%	12%

NOTE 16: OTHER ASSETS

	Consolidated Entity		Parent Entity	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT				
- Prepayments	4,288	717	5,097	1,515

NOTE 17: TRADE AND OTHER PAYABLES

	Note				
CURRENT					
Unsecured liabilities					
- Trade payables		46,100	64,388	13,761	9,193
- Sundry payables and accrued expenses		14,913	9,071	1,225	1,258
- Amounts due to customers for contract work	10(a)	11,032	5,740	-	-
- Amounts due for acquisition of business		2,545	2,296	-	-
		<u>74,590</u>	<u>81,495</u>	<u>14,986</u>	<u>10,451</u>
NON-CURRENT					
Unsecured liabilities					
- Amount due for acquisition of business		-	3,000	-	-
		<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 17: TRADE AND OTHER PAYABLES (CONT.)

The carrying amounts of the consolidated entity's trade payables are denominated in the following currencies:

-	New Zealand Dollar	2,402	5,166	-	-
-	Other Currencies	-	-	-	-
-	Australian Dollar	43,698	59,222	13,761	9,193
		<u>46,100</u>	<u>64,388</u>	<u>13,761</u>	<u>9,193</u>

NOTE 18: BORROWINGS

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$000	\$000	\$000	\$000
CURRENT					
Unsecured liabilities					
Lease liability	23	4,727	5,803	-	-
		<u>4,727</u>	<u>5,803</u>	-	-
Secured liabilities					
Bank overdraft		-	-	-	3,069
Bank loans		-	-	-	-
Other loans		664	1,258	-	-
		<u>664</u>	<u>1,258</u>	-	<u>3,069</u>
		<u>5,391</u>	<u>7,061</u>	-	<u>3,069</u>
NON-CURRENT					
Unsecured liabilities					
Lease liability	23	8,088	9,793	-	-
		<u>8,088</u>	<u>9,793</u>	-	-
Secured liabilities					
Bank loans		45,000	45,000	45,000	45,000
Other loans		355	1,019	-	-
		<u>45,355</u>	<u>46,019</u>	<u>45,000</u>	<u>45,000</u>
		<u>53,443</u>	<u>55,812</u>	<u>45,000</u>	<u>45,000</u>
(a) Secured liabilities					
-	Total current and Non-current secured liabilities:				
-	Other loans	1,019	2,277	-	-
-	Bank loan	45,000	45,000	45,000	45,000
		<u>46,019</u>	<u>47,277</u>	<u>45,000</u>	<u>45,000</u>
(b) Security					

At 30 June 2009 the bank overdrafts and bank loans of the parent entity and consolidated entity are secured by a fixed and floating charge over the assets and undertakings of each of its wholly owned subsidiaries. Financial ratios relating to EBITDA are also required to be maintained in respect of:

- Interest cover;
- Gearing; and
- Leverage.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 19: TAX

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$000	\$000	\$000	\$000
(a) Liabilities					
CURRENT					
- Income tax		-	136	-	391
NON-CURRENT					
- Deferred tax liability comprises:					
- Tax allowances relating to property, plant and equipment		(1,325)	(1,450)	(1,325)	(1,450)
- Work in progress		-	450	-	450
- Revaluation adjustments taken directly to equity		8,060	8,060	6,032	6,032
- Other		359	178	2,306	2,078
Total		<u>7,094</u>	<u>7,238</u>	<u>7,013</u>	<u>7,110</u>

(b) Assets

- Deferred tax assets comprise:					
- Provisions		4,461	3,654	4,461	3,654
- Transaction costs on equity issue		168	319	168	319
- Other		1,625	599	1,625	599
		<u>6,254</u>	<u>4,572</u>	<u>6,254</u>	<u>4,572</u>

(c) Reconciliations

(i) Gross Movements

The overall movement in the deferred tax account is as follows:

- Opening balance		(2,666)	(4,275)	(2,539)	(2,349)
- Movement to income statement	4	1,826	1,609	1,780	(190)
- Movement to equity		-	-	-	-
- Closing balance		<u>(840)</u>	<u>(2,666)</u>	<u>(759)</u>	<u>(2,539)</u>

(ii) Deferred Tax Liability

The movement in deferred tax liability for each temporary difference during the year is as follows:

Tax allowances relating to property, plant and equipment:

	Opening balance	(1,450)	-	(1,450)	-
- Movement to the income statement		125	(1,450)	125	(1,450)
- Closing balance		<u>(1,325)</u>	<u>(1,450)</u>	<u>(1,325)</u>	<u>(1,450)</u>

Tangible assets revaluation

- Opening balance		8,060	8,060	6,032	6,032
	Movement to equity	-	-	-	-
- Closing balance		<u>8,060</u>	<u>8,060</u>	<u>6,032</u>	<u>6,032</u>

Work in Progress

- Opening balance		450	-	450	-
- Movement to the income statement		(450)	450	(450)	450
- Closing balance		<u>-</u>	<u>450</u>	<u>-</u>	<u>450</u>

Other

- Opening balance		178	28	2,078	38
- Movement to the income statement		181	150	228	2,040
- Closing balance		<u>359</u>	<u>178</u>	<u>2,306</u>	<u>2,078</u>

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 19: TAX (CONT.)

(iii) Deferred Tax Assets

The movement in deferred tax assets for each temporary difference during the year is as follows:

Provisions				
- Opening balance	3,654	2,729	3,654	2,138
- Movement to the income statement	807	925	807	1,516
- Closing balance	4,461	3,654	4,461	3,654
Transaction costs on equity issue				
- Opening balance	319	470	319	470
- Movement to equity	-	-	-	-
- Movement to the income statement	(151)	(151)	(151)	(151)
- Closing balance	168	319	168	319
Other				
- Opening balance	599	614	599	1,113
- Movement to the income statement	1,026	(15)	1,026	(514)
- Closing balance	1,625	599	1,625	599

NOTE 20: PROVISIONS

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
CURRENT				
- Warranty and Contract				
Opening balance at beginning of year	567	1,304	-	-
Additional provisions raised during year	5,666	1,623	-	-
Amounts used	(3,724)	(2,360)	-	-
Balance at end of the year	2,509	567	-	-
- Employee Entitlements				
Opening balance at beginning of year	7,939	7,151	420	420
Additional provisions raised during year	19,972	14,065	-	-
Amounts used	(16,207)	(13,277)	(420)	-
Balance at end of the year	11,704	7,939	-	420
- Dividend Payable				
Opening balance at beginning of year	21	21	21	21
Additional provisions raised during year	6,286	5,748	-	-
Amounts used	(6,287)	(5,748)	(1)	-
Balance at end of the year	20	21	20	21
TOTAL CURRENT PROVISIONS	14,233	8,527	20	441
NON CURRENT				
- Employee Entitlements				
Opening balance at beginning of year	3,288	1,313	-	-
Additional provisions raised during year	3,325	3,676	-	-
Amounts used	(3,624)	(1,701)	-	-
Balance at end of the year	2,989	3,288	-	-
Analysis of Total Provisions				
- Current	14,233	8,527	20	441
- Non-current	2,989	3,288	-	-
	17,222	11,815	20	441

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 21: ISSUED CAPITAL

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
(a) Ordinary Shares				
	Shares	Shares	\$000	\$000
At the beginning of reporting period	124,952	114,952	114,205	88,417
Shares issued during year				
- Issue to vendors of businesses acquired	777	10,000	746	25,200
- Exercise of employee options	25	-	23	-
- Share option expense			474	588
- Share raising costs			(6)	-
At reporting date	<u>125,754</u>	<u>124,952</u>	<u>115,442</u>	<u>114,205</u>

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

(b) Options

- (i) For information relating to the RCR Tomlinson Ltd employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end. Refer to Note 27: Share-based Payments.
- (j) For information relating to share options issued to key management personnel during the financial year. Refer to Note 27: Share-based Payments.

(c) Capital Management

Management controls the capital of the consolidated entity in order to maintain an appropriate 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 consolidated entity's debt and capital includes ordinary share capital and financial liabilities and is supported by financial assets.

There are no externally imposed capital requirements.

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

There have been no changes in the strategy adopted by management to control the capital of the consolidated entity since the prior year. This strategy is to ensure that the group's gearing ratio remains between 30% and 50%. The gearing ratios for the year ended 30 June 2009 and 30 June 2008 are as follows:

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
		\$000	\$000	\$000	\$000
Total borrowings including payables	17&18	133,424	147,368	59,986	58,520
Less cash and cash equivalents	9	(10,212)	(6,433)	(4,048)	-
Net debt		<u>123,212</u>	<u>140,935</u>	<u>55,938</u>	<u>57,840</u>
Total equity		185,660	176,470	131,135	145,838
Total capital		<u>308,872</u>	<u>317,405</u>	<u>187,073</u>	<u>203,678</u>
Gearing ratios		40%	44%	30%	28%

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 22: RESERVES

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 23: CAPITAL AND LEASING COMMITMENTS

	Note	Consolidated Entity		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
(a) Finance Lease Commitments					
- Payable — minimum lease payments					
- not later than 12 months		5,497	6,797	-	-
- between 12 months and 5 years		8,535	10,558	-	-
- greater than 5 years		-	-	-	-
- Minimum lease payments		14,032	17,355	-	-
- Less future finance charges		(1,217)	(1,759)	-	-
- Present value of minimum lease payments	18	12,815	15,596	-	-

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

- Payable — minimum lease payments					
- not later than 12 months		6,630	4,999	-	-
- between 12 months and 5 years		4,342	5,423	-	-
- greater than 5 years		-	-	-	-
		10,972	10,422	-	-

The Company has various property leases under non-cancellable operating leases expiring within five years, with rent payable monthly in advance. Contingent rental provisions within the lease agreement, require that the minimum lease payments shall be increased by CPI or current market rental on a per annum basis. Options exist to renew the leases at the end of their term for additional periods and conditions. The leases allow for subletting of all lease areas.

(c) Capital Expenditure Commitments

- Capital expenditure commitments contracted for:					
- Business acquisitions		-	3,960	-	-
		-	3,960	-	-

These capital commitments are payable within 12 months. There is no capital commitments payable after 12 months.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 24: CONTINGENT LIABILITIES

(a) Legal Actions

RCR Heat Treatment Pty Ltd, a subsidiary of RCR Tomlinson Ltd, received a summons and statement of claim from Goldamere Pty Ltd. RCR Heat Treatment Pty Ltd is one of the 5 defendants named in the summons. The claim is in respect of a fire at the Savage River mine in Tasmania on 4 June 2006. The Directors believe that RCR Heat Treatment Pty Ltd is not at fault and will strongly defend this action.

(b) Performance Guarantees

RCR Tomlinson Ltd has indemnified its bankers in respect of guarantees, bonds and letters of credit to various customers and suppliers for satisfactory contract performance and warranty security, in the following amounts:

2009: \$47,557,287

2008: \$36,789,000

NOTE 25: SEGMENT REPORTING

	RCR Engineering		RCR Energy Systems & Industrial Services		RCR Construction & Maintenance	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Primary Reporting Business Segments						
REVENUE						
- Sales	206,800	164,213	137,314	140,111	210,485	157,212
- Total Sales Revenue	<u>206,800</u>	<u>164,213</u>	<u>137,314</u>	<u>140,111</u>	<u>210,485</u>	<u>157,212</u>
RESULT						
Segment Result	20,290	15,036	9,450	15,889	14,504	11,863
- Unallocated expenses net of unallocated revenue	-	-	-	-	-	-
- Finance costs	-	-	-	-	-	-
- Profit before income tax	<u>20,290</u>	<u>15,036</u>	<u>9,450</u>	<u>15,889</u>	<u>14,504</u>	<u>11,863</u>
- Income tax expense	-	-	-	-	-	-
- Profit after income tax	<u>20,290</u>	<u>15,036</u>	<u>9,450</u>	<u>15,889</u>	<u>14,504</u>	<u>11,863</u>
ASSETS						
- Segment assets	77,069	72,623	72,030	89,646	79,725	67,079
- Allocated assets	30,740	30,697	906	900	1,460	3,505
- Total assets	<u>107,809</u>	<u>103,320</u>	<u>72,936</u>	<u>90,546</u>	<u>81,185</u>	<u>70,584</u>
LIABILITIES						
- Segment liabilities	26,124	20,941	22,071	33,255	26,077	31,331
- Total liabilities	<u>26,124</u>	<u>20,941</u>	<u>22,071</u>	<u>33,255</u>	<u>26,077</u>	<u>31,331</u>
OTHER						
- Depreciation and amortisation of segment assets	<u>3,854</u>	<u>3,288</u>	<u>4,783</u>	<u>3,638</u>	<u>3,396</u>	<u>3,325</u>

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 25: SEGMENT REPORTING (CONT)

	RCR Positron		Eliminations		Consolidated Group (Continuing Operations)	
	Electrical Services 2009	2008	2009	2008	2009	2008
	\$000	\$000	\$000	\$000	\$000	\$000
Primary Reporting Business Segments						
REVENUE						
- Sales	78,683	85,491	(43,867)	(28,538)	589,415	518,489
Total Sales Revenue	78,683	85,491	(43,867)	(28,538)	589,415	518,489
RESULT						
Segment Result	1,395	(155)	-	-	45,639	42,633
Unallocated expenses net of unallocated revenue	-	-	(28,846)	(19,142)	(28,846)	(19,142)
Finance costs	-	-	(4,591)	(4,050)	(4,591)	(4,050)
Profit before income tax	1,395	(155)	(33,437)	(23,192)	12,202	19,441
Income tax expense	-	-	1,748	(1,493)	1,748	(1,493)
Profit after income tax	1,395	(155)	(31,689)	(24,685)	13,950	17,948
ASSETS						
Segment assets	24,323	74,693	28,936	3,884	282,083	307,925
Allocated assets	28,211	-	-	-	61,317	35,102
Total assets	52,534	74,693	28,936	3,884	343,400	343,027
LIABILITIES						
- Segment liabilities	7,992	23,589	75,476	57,441	157,740	166,557
Total liabilities	7,992	23,589	75,476	57,441	157,740	166,557
OTHER						
Depreciation and amortisation of segment assets	2,622	1,262	2,377	3,482	17,032	14,995

Secondary Reporting – Geographical Segments

The company derives its revenue within the one geographical segment being Australasia.

Accounting Policies

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

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arms length" bases and are eliminated on consolidation.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 25: SEGMENT REPORTING (CONT)

Business segments

The consolidated entity has the following four business segments:

RCR Engineering - Offering 'integrated engineering solutions', particularly to the resources sector. RCR Engineering's product offering spans a range of integrated services beginning with the initial concept and ending, often after several major rebuilds, with disposal of the asset.

RCR Energy Systems & Industrial Services - RCR's Energy Systems & Industrial Services division comprises of; RCR Energy Systems, a manufacturer and supplier of energy equipment systems to industry; Tomlinson Boilers, a provider of total repair, maintenance and product support services; RCR Heat Treatment, offering in-house and callout thermal engineering and heat treatment services; RCR Laser, operations in a mainland states providing high precision cutting solutions.

RCR Construction and Maintenance - RCR's construction and maintenance division offers specialised site teams contracted to perform all forms of structural, mechanical and piping installation, construction, plant shutdown repair, refurbishment and planned maintenance functions. With satellite locations throughout Western Australia and Queensland, RCR Construction and Maintenance has the capability to carry out large scale projects across Australia.

RCR Positron Electrical Services – With the purchase of the Positron Group in October 2007, a new business unit was established. RCR's electrical services division offers electrical services including construction, maintenance, manufacture and overhaul of substations and switchboards to customers in the mining, resource and infrastructure sectors across Australia.

NOTE 26: CASH FLOW INFORMATION

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Profit after income tax	13,950	17,948	5,363	9,530
Non-cash flows in profit				
Amortisation	5,915	6,053	680	980
Depreciation	11,130	8,942	204	174
Write-off of obsolete stock	(98)	(156)	-	-
Net gain on disposal of property, plant and equipment	(150)	312	88	-
Write-downs to recoverable amount	290	404	-	-
Effects of foreign exchange translation	195	(708)	-	-
Share based compensation expense	475	588	475	588
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
- Trade and term receivables	20,553	(20,004)	8,598	10,085
- Investments and other debtors	(715)	1,949	(3,582)	(1,535)
- Inventories	(9,561)	5,150	(100)	-
- Trade payables and accruals	(9,990)	5,017	4,535	2,133
- Income taxes payable	(4,207)	(1,293)	(391)	(2,116)
- Deferred taxes payable	(1,826)	(4,770)	(1,780)	199
- Provisions	4,856	(328)	(421)	(21)
Cash flow provided by operations	30,817	19,104	13,669	20,017

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 26: CASH FLOW INFORMATION (CONT.)

(b) Acquisition of Entities

Year ended 30 June 2009

During the year, the consolidated entity acquired the business and assets of Davo-Weldtite (3 July 2008) Details of this transaction is:

	Davo-Weldtite \$'000	Total \$'000
Total purchase consideration	3,958	3,958
Less shares issued to vendors	-	-
	<hr/> 3,958	<hr/> 3,958
Cash balances acquired	-	-
Cash outflow	<hr/> 3,958	<hr/> 3,958
Inventories	198	198
Property, plant and equipment	3,294	3,294
Provisions	(8)	(8)
	<hr/> 3,484	<hr/> 3,484
Intangible assets	270	270
Goodwill	204	204
	<hr/> 3,958	<hr/> 3,958

The goodwill is attributable to the profitability of the acquired business and the significant synergies expected to arise after the group's acquisition of all of the businesses.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.

The profit of the business of Davo-Weldtite included in consolidated profit of the consolidated entity since the acquisition date on 3 July 2008 amounted to \$167,177.

(c) Non-cash Financing and Investing Activities

(i) Share Issue

777,266 ordinary shares were issued at \$746,000 as part of the consideration for the completion of the final purchase of the Applied Laser Group pursuant to the Sale of Business Agreement for reaching predetermined EBIT levels during the Earn out period.

(ii) Finance Leases

During the year, the consolidated entity acquired plant and equipment with an aggregate value of \$3,026,933 (2008: \$9,427,000) by means of finance leases. These acquisitions are not reflected in the cash flow statement.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 26: CASH FLOW INFORMATION (CONT.)

(d) Bank Loan Facilities	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
The consolidated entity had access to the following bank facilities at balance date:				
• Bank overdraft, bank guarantee, and trade finance facility				
- Used	61,905	37,716	61,905	37,716
- Unused	33,095	22,284	33,095	22,284
• Bank loan – cash advance				
- Used	45,000	45,000	45,000	45,000
- Unused	10,000	10,000	10,000	10,000
• Acquisition bank loan facility				
- - Used	-	-	-	-
- - Unused	-	25,000	-	25,000

Facility use, expiry and interest rates

- Bank cash advance facility

The consolidated entity has a \$55 million three year, non-revolving interest only cash advance facility that provides liquidity for its operations and currently maturing debts. At 30 June 2009, \$10 million of this facility was undrawn. This facility expires on 10 March 2011 and the interest rate is at the bank's base rate plus a margin totalling 4.55% at 30 June 2009.

- Bank overdraft, bank guarantees, and trade finance facility

The consolidated entity has a \$95 million two year, revolving, multi option bank facility that provides for bank overdrafts, bank guarantees and trade finance. Bank guarantees include a guarantee, performance bond and standby letter of credit facility, relating to satisfactory contract performance in the normal course of business. At balance date the drawn facility was in respect of bank guarantees issued to customers relative to contract performance. At 30 June 2009, \$33.1 million of this facility was undrawn. This facility expires on 10 March 2011 and the interest rate is at the quoted rate at the time of the draw.

- Acquisition bank loan facility

The consolidated entity had a \$25 million one year cash advance facility that was relinquished during the period.

NOTE 27: SHARE-BASED PAYMENTS

(a) Commentary

The following share-based payment arrangements existed at 30 June 2009:

- On 29 June 2005, 2,400,000 share options were granted to employees to take up ordinary shares at an exercise price of 90 cents each. The options are exercisable between 30 June 2008 and 30 June 2010. The options hold no voting or dividends rights and are not transferable. During the period, 25,000 options were exercised and 820,000 were cancelled leaving 2,155,000 options unexercised at balance date.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 27: SHARE-BASED PAYMENTS (CONT.)

- On 29 June 2005, 600,000 share options were issued to a Director to take up ordinary shares at an exercise price of 90 cents each. On 30 September 2005 the Shareholders ratified this issue. The options are exercisable between 30 June 2008 and 30 June 2010. The options hold no voting or dividends rights and are not transferable. During the year nil options were exercised, leaving 600,000 options unexercised at balance date.
- In July 2007, a total of 2,275,000 share options were granted to employees to accept ordinary shares at an exercise price of \$2.20. The options are exercisable after 2 July and 13 July 2010 but before 2 July and 13 July 2012. The options hold no voting or dividends rights and are not transferable. During the period, nil options were exercised and 495,000 have been cancelled, leaving 1,780,000 options unexercised at balance date
- In September 2008, a total of 1,430,000 share options were granted to employees to accept ordinary shares at an exercise price of \$1.20. The options are exercisable between 22 September and 24 September 2013. These options were issued in accordance with the rules of the RCR Tomlinson Ltd Employee Share Option Plan. The options hold no voting or dividends rights and are not transferable. During the period, nil options were exercised and 37,500 have been cancelled, leaving 1,392,500 options unexercised at balance date.
- In June 2009, a total of 8,000,000 share options were granted to Paul Dalgleish to accept ordinary shares at an exercise price of \$0.39 under the terms of his employment contract. The options are exercisable between 30 September 2010 and 30 September 2016. The options hold no voting or dividends rights and are not transferable. During the period, nil options were exercised and nil have been cancelled, leaving 8,000,000 options unexercised at balance date

(b) Options

All options granted are for ordinary shares in RCR Tomlinson Ltd which confer a right of one ordinary share for every option held.

	Consolidated Entity				Parent			
	2009		2008		2009		2008	
	Number of Options 000's	Weighted Average Exercise Price \$	Number of Options 000's	Weighted Average Exercise Price \$	Number of Options 000's	Weighted Average Exercise Price \$	Number of Options 000's	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	5,345	1.47	3,300	0.95	5,345	1.47	3,300	0.95
Granted	9,430	0.51	2,275	2.20	9,430	0.51	2,275	2.20
Exercised	(25)	0.90	-	-	(25)	0.90	-	-
Cancelled or Expired	(1,423)	1.44	(230)	1.21	(1,423)	1.44	(230)	1.21
Outstanding at year-end	13,327	0.80	5,345	1.47	13,327	0.80	5,345	1.47
Exercisable at year-end	2,155	0.90	3,125	0.96	2,155	0.90	3,125	0.96

There were 25,000 options exercised during the year ended 30 June 2009. These options had a weighted average share price of \$0.90 at exercise date.

The options outstanding at 30 June 2009 had a weighted average exercise price of 80 cents and a weighted average remaining contractual life of 4.23 years. Exercise prices range from 0.39 cents to \$2.20 in respect of options outstanding at 30 June 2009.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 27: SHARE-BASED PAYMENTS (CONT.)

(b) Options (Cont.)

The options outstanding at 30 June 2008 had a weighted average exercise price of \$1.47 and a weighted average remaining contractual life of 2.76 years. Exercise prices range from 0.90 cents to \$2.20 in respect of options outstanding at 30 June 2008.

Included under employee benefits expense in the income statement is \$475,000 (2008:\$588,000) and relates, in full, to equity-settled share-based payment transactions.

The fair values at grant date are independently determined using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the company's performance against pre determined hurdles.

The following inputs were used for options issued in September 2008:

- Black Scholes Merton pricing model
- Dividend yield - 6.25%
- Expected volatility - 45%
- Risk free interest rate - 6.27%

The following inputs were used for options issued in June 2009:

- Bi-nominal pricing model
- Dividend yield - 8%
- Expected volatility – 60%
- Risk free interest rate - 4.13% - 4.74%

Unissued ordinary shares of RCR Tomlinson Ltd under option at the 30 June 2009 are as follows:

Date options granted	Expiry date	Issue price of shares	Shares under option	Fair Value per Option at Grant Date
24 Jun 2005	30 Jun 2010	\$0.90	2,155,000	\$0.27
2 Jul 2007 & 13 Jul 2007	2 Jul & 13 Jul 2012	\$2.20	1,780,000	\$0.75
24 Sept 2008	24 Sept 2013	\$1.20	1,392,500	\$0.18
17 Jun 2009	30 Sept 2012 – 30Sept 2016	\$0.39	8,000,000	\$0.001 - \$0.106

(c) Other Share Based Payments

A total of 777,266 ordinary shares were issued at \$746,000 as part of the consideration for the completion of the final purchase of the Applied Laser Group pursuant to the Sale of Business Agreement for reaching predetermined EBIT levels during the Earn out period.

NOTE 28: EVENTS AFTER THE BALANCE SHEET DATE

Issue of Ordinary Shares

In July 2009, the Company has issued 4,270,644 ordinary shares in the company to Vendors of the Eagle Engineering Pty Ltd pursuant to the Sale of Business Agreement for reaching predetermined EBIT levels during the Earn Out.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 29: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

(a) Ultimate Parent Company

RCR Tomlinson Ltd is the ultimate Australian parent company.

(b) Controlled Entities

Interests in controlled entities are set out in Note 13.

During the year, funds have been advanced between entities within the consolidated entity for the purposes of working capital requirements only. The aggregate of amounts due from and to wholly owned controlled entities at balance date are disclosed in Note 10. All loans are interest free and have no fixed repayment date.

(c) Transactions with Director Related Parties

Rental payments of \$116,000 for the Positron Electrical Services headquarters in Booragoon WA were paid to an entity associated with Mr Jeffrey Hogan on normal commercial terms (2008: 87,000).

NOTE 30: FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by the finance function under policies approved by the Board of Directors. The finance function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management and the finance function provides policies with regard to financial risk management that are clearly defined and consistently applied.

(a) Market Risk

(i) Foreign Exchange Risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand dollar and to a lesser extent other currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the parent entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Australian dollar is the functional currency for most of the entities in the consolidated entity and business activities.

Management has instituted a policy requiring entities in the consolidated entity to manage their foreign exchange risk against their functional currency.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 30: FINANCIAL RISK MANAGEMENT (CONT.)

(i) *Foreign Exchange Risk (Cont.)*

At 30 June 2009, had the Australian Dollar weakened / strengthened by 10% against the New Zealand dollar with all other variables held constant, post-tax profit for the year would have been \$31,000 higher / \$31,000 lower (2008: \$155,000 higher / \$155,000 lower), mainly as a result of the change in value of the net income earned by entities in the consolidated entity with the New Zealand dollar as their functional currency. Equity would have been \$1,070,000 higher / \$1,070,000 lower (2008: \$1,000,000 higher / \$1,000,000 lower) had the Australian dollar weakened / strengthened by 10% against the New Zealand dollar arising mainly as a result of the change in value of the net equity of entities in the consolidated entity with the New Zealand dollar as their functional currency.

(ii) *Price Risk*

The consolidated entity and parent entity are exposed to immaterial price risk on profit or loss and total equity for unlisted securities that are available for sale. It has therefore not been included in the sensitivity analysis.

(iii) *Cash Flow and Fair Value Interest Rate Risk*

The economic entity's main interest rate risk arises from short and long-term borrowings and interest bearing assets. Borrowings at variable rates expose the consolidated entity to cash flow interest rate risk and borrowings at fixed interest rates expose the consolidated entity to fair value interest rate risk. The consolidated entity's bank borrowings are in Australian Dollars at variable interest rates primarily tied to the BBSY. The consolidated entity's finance lease liabilities are at fixed interest rates.

The consolidated entity analyses its interest rate exposure on a dynamic basis. Various interest rate shifts are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these interest rate shifts, the consolidated entity calculates the impact on profit and loss. The interest rate shift scenario is run only for liabilities and assets that represent the major interest-bearing positions. Based on the simulations performed, the annual impact on profit or loss of a one percent shift in interest rates, with all other variables held constant, is estimated to be a maximum increase or decrease of \$486,000 (2008: \$390,000). The simulation is done on a bi-annual basis to estimate the maximum loss potential.

(iv) *Summarised Sensitivity Analysis*

The following table summarises the sensitivity of the consolidated entity's financial assets and financial liabilities to interest rate risk and foreign exchange risk.

	Carrying Amount 000's	Interest Rate Risk				Foreign exchange risk			
		+1%		-1%		+10%		-10%	
		Profit 000's	Equity 000's	Profit 000's	Equity 000's	Profit 000's	Equity 000's	Profit 000's	Equity 000's
30 June 2009									
Financial Assets									
Cash and cash equivalents	10,212	102	-	(102)	-	-	216	-	(216)
Trade and other receivables	102,425	-	-	-	-	-	629	-	(629)
Financial Liabilities									
Trade and other payables	74,590	-	-	-	-	-	451	-	(451)
Short-term borrowings	5,391	(54)	-	54	-	-	-	-	-
Long-term borrowings	53,443	(534)	-	534	-	-	-	-	-
Total increase/(decrease)		(486)	-	486	-	-	1,296	-	(1,296)

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 30: FINANCIAL RISK MANAGEMENT (CONT.)

(iv) Summarised Sensitivity Analysis (Cont.)

The following table summarises the sensitivity of the Parent's financial assets and financial liabilities to interest rate risk.

	Carrying Amount 000's	Interest Rate Risk			
		+1%		-1%	
		Profit 000's	Equity 000's	Profit 000's	Equity 000's
30 June 2009					
Financial Assets					
Cash and cash equivalents	4,048	40	-	(40)	-
Financial Liabilities					
Long-term borrowings	45,000	(450)	-	450	-
Total increase/(decrease)		(410)	-	410	-

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. Credit risk is co-operatively managed by the finance function and the operating units for customers, including outstanding receivables and committed transactions and at the group level for credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

Individual risk exposures are set for customers in accordance with specified limits established by the Board of Directors based on independent credit reports, financial information obtained, credit references, and the consolidated entity's credit and trading history with the customer. Outstanding customer receivables are regularly monitored and any credit concerns highlighted to senior management. High risk projects or shipments for customers are generally covered by letters of credit or other forms of guarantee.

At 30 June 2009, the consolidated entity did not have any material credit risk exposures to any single receivable or group of receivables under financial instruments.

(c) Liquidity and Capital Risk

The consolidated entity's total capital is defined as the shareholders' net equity plus net debt, and amounted to \$234 million at 30 June 2009 (30 June 2008: \$233 million). The objectives when managing the consolidated entity's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The consolidated entity does not have a fixed target debt /equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise.

The consolidated entity maintains backup liquidity for its operations and currently maturing debts through a combination bank overdrafts, bank guarantees and trade finance facility as well as a cash advance facility, of which \$33.1 million and \$10 million was undrawn at 30 June 2009, respectively. These facilities expire on 10 March 2011 and the interest rate is at the bank's base rate plus a margin or a quoted rate at the time of the draw totalling 4.55% at 30 June 2009.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 30: FINANCIAL RISK MANAGEMENT (CONT.)

(c) Liquidity and Capital Risk

The consolidated entity must maintain three covenants relating to the debt drawn under the bank's credit facilities, for which a compliance certificate must be produced attesting to certain ratios for interest cover, leverage, and gearing. The consolidated entity's policy is to centralise debt and surplus cash balances whenever possible.

The table below analyses the consolidated entity's financial liabilities into maturity groupings based on the remaining period from the balance date to the contractual maturity date. As amounts disclosed in the table are the contractual undiscounted cash flows including future interest payments, these balances will not necessarily agree with the amounts disclosed on the balance sheet.

30 June 2009

	Within 1 year 000's	Between 1 and 5 years 000's	After 5 years 000's
Financial Liabilities			
Trade and other payables	74,590	-	-
Bank borrowings	1,979	46,485	-
Other borrowings	664	355	-
Finance lease liabilities	5,497	8,535	-
Total:	82,730	55,375	

30 June 2008

	Within 1 year 000's	Between 1 and 5 years 000's	After 5 years 000's
Financial Liabilities			
Trade and other payables	81,495	3,000	-
Bank borrowings	3,888	51,804	-
Other borrowings	1,258	1,019	-
Finance lease liabilities	6,797	10,558	-
Total:	93,438	66,381	-

Interest payments are included in the bank borrowings and finance lease liability amounts above. Interest payments are projected using interest rates applicable at 30 June 2008 and 2009. As the bank borrowings are subject to variable interest rates, future interest payments are subject to change in line with market changes.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 31: FINANCIAL INSTRUMENTS

The financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bank loans and leases.

(a) Financial Assets and Liabilities by Category

2009	Total	Loans and Receivables	Available for Sale Securities	Held at Fair Value	Other Financial Assets and Liabilities
Financial Assets:					
Cash and cash equivalents	10,212	10,212	-	-	-
Receivables	102,425	102,425	-	-	-
Equity shares in unlisted entity	15	-	15	-	-
Investments accounted using the equity method	26	-	-	-	26
Total Financial Assets	112,678	112,637	15	-	26
Financial Liabilities:					
Bank loans and overdrafts	45,000	-	-	-	45,000
Trade and sundry payables	74,590	-	-	-	74,590
Lease liabilities	12,815	-	-	-	12,815
Other loans	1,019	-	-	-	1,019
Total Financial Liabilities	133,424	-	-	-	133,424
2008					
	Total	Loans and Receivables	Available for Sale Securities	Held at Fair Value	Other Financial Assets and Liabilities
Financial Assets:					
Cash and cash equivalents	6,433	6,433	-	-	-
Receivables	118,294	118,294	-	-	-
Equity shares in unlisted entity	15	-	15	-	-
Investments accounted using the equity method	251	-	-	-	251
Total Financial Assets	124,993	124,727	15	-	251
Financial Liabilities:					
Bank loans and overdrafts	45,000	-	-	-	45,000
Trade and sundry payables	84,495	-	-	-	84,495
Lease liabilities	15,596	-	-	-	15,596
Derivatives	45	-	-	-	45
Other loans	2,277	-	-	-	2,277
Total Financial Liabilities	147,413	-	-	-	147,413

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 31: FINANCIAL INSTRUMENTS (CONT.)

(b) Derivative Financial Instruments

Currency Forward Exchange Contracts

The consolidated entity enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the consolidated entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

	2009 Total Fair Value	2008 Total Fair Value
Liabilities		
Buy US dollar : Sell Australian dollar (less than 1 year)	487	24
Buy US dollar : Sell New Zealand dollar (less than 1 year)	-	2
Buy NZ dollar : Sell Australian dollar (less than 1 year)	12	3
Buy South African Rand : Sell New Zealand dollar (less than 1 year)	-	2
Buy Euro : Sell Australian dollar (less than 1 year)	12	7
Buy Euro : Sell New Zealand dollar (less than 1 year)	-	(4)
Buy Thailand Baht : Sell Australian dollar (less than 1 year)	(44)	6
Buy Thailand Baht : Sell New Zealand dollar (less than 1 year)	-	5
Total liabilities related to currency forward contracts	467	45

(c) Net Fair Values

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	2009		2008	
	Carrying Amount \$000	Net Fair Value \$000	Carrying Amount \$000	Net Fair Value \$000
Financial Assets:				
Cash and cash equivalents	10,212	10,212	6,433	6,433
Loans and receivables	102,425	102,425	118,294	118,294
Equity shares in unlisted entity	15	15	15	15
Investments accounted using the equity method	26	26	251	251
Total Financial Assets	112,678	112,678	124,993	124,993
Financial Liabilities				
Bank loans and overdrafts	45,000	45,000	45,000	45,000
Trade and other payables	74,590	74,590	84,495	84,495
Lease liabilities	12,815	12,815	15,596	15,596
Other loans	1,019	1,019	2,277	2,277
Total Financial Liabilities	133,424	133,424	147,368	147,368

None of the above financial assets and financial liabilities are readily traded on organised markets in standardised form. The net fair value is determined by valuing them at the present value of contractual future cash flows.

The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 32: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8*

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The economic entity will adopt AASB 8 from 1 July 2009. It is not likely to result in an increase in the number of reportable segments presented. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the Chief Operating Decision-maker.

- (ii) *Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The consolidated entity intends to apply the revised standard from 1 July 2009.

- (iii) *Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from [AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12) (effective 1 January 2009).*

The revised AASB 123 has removed the option to expense all borrowing costs and will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The consolidated entity intends to apply the revised standard from 1 July 2009. This will not be a material impost on the consolidated entity's financial standards.

- (iv) *AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations (effective 1 January 2009)*

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The consolidated entity will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the consolidated entity's share-based payments.

- (v) *Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from MBB 3 and AASB 127 (effective 1 July 2009)*

RCR TOMLINSON LTD
ABN: 81 008 898 486
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

NOTE 32: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT.)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

The consolidated entity will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

- (viii) *AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments* (effective for annual periods beginning on or after 1 January 2009)

In April 2009, the AASB published amendments to AASB 7 Financial Instruments: Disclosure to improve the information that II entities report about their liquidity risk and the fair value of their financial instruments. The amendments require fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The consolidated entity will apply the amendments from 1 July 2009. They will not affect any of the amounts recognised in the financial statements.

NOTE 33: COMPANY DETAILS

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

RCR Tomlinson Ltd
239 Planet Street
Welshpool WA 6106

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9111
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of RCR Tomlinson Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall

D J WALL
Partner

Perth, WA
Dated: 27 August 2009

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



CORPORATE GOVERNANCE

The Company is committed to implementing the highest practical standards of corporate governance. In determining those standards the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* and the Company's practices are largely consistent with those ASX guidelines.

RCR Tomlinson Ltd corporate governance practices were in place throughout the year ended 30 June 2009 and complies in all material respects with the Council's best practice recommendations unless otherwise stated.

Various corporate governance practices are discussed within this statement. Further information on RCR Tomlinson Ltd corporate governance policies can be obtained from our website.

1. BOARD OF DIRECTORS

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful performance of the Company.

Responsibility for the day to day management of the Company is delegated to the Chief Executive Officer and Senior Executives.

1.2 Composition of the Board

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated in the Director's report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and/or on the independence of their decision-making and judgment.

Term of Office

The Company's Constitution specifies that all Directors (excluding Chief Executive Officer) must retire from office no later than the third annual general meeting (AGM) following their last election or at least one third of the Directors are required to retire from office at each AGM. Retiring Directors may stand for re-election.

The Company recognises the importance of both Executive and Non-executive Directors and the external perspective and advice that Non-executive Directors can offer. Mr Brown, Mr Edwards, and Ms Skira are independent Non-executive Directors and Mr Birmingham is a Non-executive Director.

CORPORATE GOVERNANCE

The current Board comprising four Non Executive Directors, three of whom are independent, and three Executive Directors is appropriate for the size of the Company.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. The formal Board Charter is disclosed on the Company's website.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

1. **Leadership of the Company:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees
2. **Strategy Formulation:** working with senior management to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company
3. **Overseeing Planning Activities:** overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long term budgets
4. **Shareholder Liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company
5. **Monitoring, Compliance and Risk Management:** overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company
6. **Company Finances:** approving expenses in excess of those approved in the annual budget and approving major capital expenditure and acquisitions, divestitures and monitoring capital management and performance
7. **Human Resources:** appointing, and, where appropriate, removing the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy
8. **Ensuring the Health, Safety and Well-Being of Employees:** in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees
9. **Delegation of Authority:** delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board
10. Performing such other functions as are prescribed by law or are assigned by the Board

CORPORATE GOVERNANCE

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, under the *Corporations Act 2001*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. The number of meetings of the Company's Board of Directors and each Board Committee held during the year and attendance at those meetings is set out in the Directors' Report.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Chief Executive Officer and Company Secretary as the persons responsible for overseeing and coordinating the disclosure of information to the ASX in a timely manner as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities

The Company discloses all such information in a clear and objective manner and includes all factual and material information required by shareholders to assess the impact of the disclosed information.

Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

CORPORATE GOVERNANCE

1.4.5 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.6 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and, if any, will be reported in writing to each Board meeting. Unless there is an exemption under the *Corporations Act 2001* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.7 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- Communicating effectively with shareholders through releases to the market via ASX, the Company's website, information mailed to shareholders and the general meetings of the Company
- Making it easy for shareholders to participate in general meetings of the Company
- Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

1.4.8 Trading in Company Shares

The Company has a Share Trading Policy under which Directors and certain employees and their associates are prohibited from trading in the Company's securities for the period from the end of the relevant reporting period till:

- The release by the Company of its half-yearly results to the ASX
- The release by the Company of its annual results to the ASX

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

1.5 Performance Evaluation of the Board, its Committees and Non-executive Directors

During the reporting period a formal evaluation of the Board was conducted, The Nomination Committee conducted the review of the performance of the Board, its committees and each Non-executive Director; which involved an assessment against qualitative and quantitative performance criteria.

CORPORATE GOVERNANCE

The Nomination Committee will continue to oversee, in accordance with its Charter adopted in August 2008, the annual review of the performance of the Board, its committees, and each Non-executive Director. The Committee may seek assistance from external consultants to assist in the review. The review shall involve interviews with Directors and those senior RCR people interacting with the Board and its committees.

The review shall assess:

- the effectiveness of the Board and each Committee in meeting the requirements of its Charter
- whether the Board and each Committee has Members with the appropriate mix of skills and experience to properly perform their functions
- the contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings
- whether adequate time is being allocated to RCR matters, taking into account each Director's other commitments
- the independence of each Non-executive Director, taking into account the Director's other interests and Directorships
- whether the content and timeliness of agendas, papers and presentations provided to the Board and each Committee are adequate for them to properly perform their functions
- any other comments or suggestions made during the interviews

2. BOARD COMMITTEES

2.1 Audit and Risk Committee

2.1.1 Role

The Audit and Risk Committee is responsible for focusing the company on risk oversight, overseeing the system for identifying, assessing, monitoring and managing material risk, reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

2.1.2 Composition

The Audit and Risk Committee consists of three members as at the end of the reporting period. Members are appointed by the Board from amongst the Non-executive Directors. The current members of the Audit and Risk Committee are Mr Edwards, Mr. Birmingham, and the Chairman Ms Skira. Mr Brown was also member of the committee until May 2009. All members can read and understand financial statements and are otherwise financially literate and have an appropriate understanding of the industry in which the Company operates.

2.1.3 Responsibilities

The Audit and Risk committee adopted a formal charter in June 2008 and a risk management policy was approved, at the committee's advice in August 2008. The Audit and Risk Committee's primary responsibilities are approving policies on and overseeing the management of business and financial risks, monitoring risk management systems, reviewing the risk profile of the company, reviewing and monitoring processes and controls to maintain the integrity of accounting and financial records and reporting, and reviewing financial results and reports for release and dividends to be paid to shareholders.

CORPORATE GOVERNANCE

The Committee will conduct an internal audit each year, the results of which are to be provided to the Board, analysing the effectiveness of its risk management and internal compliance and control systems and the effectiveness of their implementation.

The Audit and Risk Committee also recommends to the Board the appointment of the external auditor and each year, reviews their independence, the audit fee, and any questions of resignation or dismissal.

2.2 Remuneration Committee

2.2.1 Composition

Mr Edwards (Chairman of the Committee) and Mr Brown are current members of the Remuneration Committee and are both independent Non-executive Directors. Mr Noordhoek, past CEO, was also on the Committee until his resignation on 19 June 2009. The Committee comprises independent Directors.

The Remuneration Committee held three meetings throughout the year and adopted a formal charter in August 2008.

2.2.3 Responsibilities

The Committee assists the Board in establishing remuneration policies and practices which enable the Company to attract and retain executives and Directors (executive and Non-executive) who will create sustainable value for shareholders and to fairly and responsibly reward executives and Directors having regard to the performance of the Company, the performance of the executive and the external compensation environment.

2.2.4 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive as well as supporting the interests of shareholders. Consequently, the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations. Executives are given the opportunity to receive their primary remuneration in a variety of forms, including cash and fringe benefits such as motor vehicles, so as to be optimal for the recipient without creating additional costs for the company
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance
- statutory superannuation

By remunerating senior executives through performance plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance. Details of the amount of remuneration, including both monetary and non-monetary components, for each of the key executives with the highest authority levels during the year are contained in the Directors' Report.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

CORPORATE GOVERNANCE

2.2.5 Non-executive Director Remuneration Policy

Non-executive Directors are paid their fees out of the maximum aggregate amount (currently \$500,000) approved by shareholders for the remuneration of Non-executive Directors. Non-executive Directors do not receive performance based bonuses.

For further information in relation to the remuneration of Directors, refer to the Directors' Report.

2.3 Nomination Committee

2.3.1 Composition

Mr Edwards and Mr Brown (Chairman of the Committee) are current members of the Nomination Committee and are both independent Non-executive Directors. The Committee are independent Directors.

The Nomination Committee was established in January 2008 and had two meetings during the year. The Committee adopted a formal charter in August 2008.

2.3.2 Responsibilities

The Nomination Committee supports and advises the Board in relation to the selection and appointment of Directors who are able to meet the needs of the Company and the ongoing evaluation and review of the performance of the Board.

The Nomination Committee also is responsible for organising annual reviews of the performance of the Board and its committees and ensuring that the Board structure, size and composition (including the balance of skills, knowledge, independence and experience) is appropriate for the effective discharge of its duties.

The Nomination Committee will work together with the Remuneration Committee to ensure that the Company continues to attract and retain experienced, knowledgeable and committed Directors and executives.

3. CEO AND CFO CERTIFICATION

The Board is responsible for overseeing the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Group as at the end of the financial period and of the profit or loss and cash flows for that period. This includes preparing financial statements in accordance with Australian company law which give a true and fair view of the state of the Company's affairs, and preparing a Remuneration report which includes the information required by the Australian Corporations Act 2001 and Accounting Standard AASB 124 "Related Party Disclosures".

To ensure that these requirements are satisfied, the Directors are responsible for establishing and maintaining adequate internal controls, including disclosure controls and procedures for financial reporting throughout the Group. The Directors consider that the *2009 Directors and Financial Report* presents a true and fair view and have been prepared in accordance with applicable accounting standards, using the most appropriate accounting policies for RCR Tomlinson's business and supported by reasonable and prudent judgements and estimates. The accounting policies have been consistently applied.

CORPORATE GOVERNANCE

The Chief Executive Officer and Chief Financial Officer have made the following certifications to the Board in accordance with ASX Principles Recommendation 4.1 and 7:

- that the Company's financial reports present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards
- that the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board
- that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects

4. COMPANY CODE OF CONDUCT

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.

This Code includes:

- **Responsibilities to Shareholders and the Financial Community Generally:** The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.
- **Responsibilities to Clients, Customers and Consumers:** Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.
- **Employment Practices:** The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.
- **Obligations Relative to Fair Trading and Dealing:** The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages its employees to strive to do the same.
- **Responsibilities to the Community:** As part of the community the Company:
 - Is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs;
 - Encourages all employees to engage in activities beneficial to their local community; and
 - Supports community charities.

CORPORATE GOVERNANCE

- **Responsibility to the Individual:** The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.
- **Conflicts of Interest:** Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.
- **How the Company Complies with Legislation Affecting its Operations:** The Company strives to comply with the spirit and the letter of all legislation affecting its operations.
- **How the Company Monitors and Ensures Compliance with its Code:** The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

**SHAREHOLDER INFORMATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

The shareholder information set out below was applicable as at 31 July 2009.

1. Range of Shares Analysis by Size of Holding

Range	Total holders	Units	% of Issued Capital
1 - 1,000	514	336,622	0.260
1,001 - 5,000	1,375	4,230,107	3.250
5,001 - 10,000	818	6,507,659	5.000
10,001 - 100,000	1,030	28,567,513	21.970
100,001 - 9,999,999,999	108	90,383,569	69.510
Rounding			0.010
Total	3,845	130,025,470	100.000
Unmarketable Parcels			
Minimum \$ 500.00 parcel at \$ 0.55 per unit	910	314	137293

2. The Twenty (20) Largest Holders of Ordinary Shares as at 31 Jul 2009

Name	Units	% of Units
Cogent Nominees Pty Limited	21,880,859	16.830
Mr Jeffrey Charles Hogan	13,000,000	10.000
RBC Dexia Investor Services Australia Nominees Pty Limited (PIIC A/C)	5,310,424	4.080
Merrill Lynch (Australia) Nominees Pty Limited (Berndale A/C)	4,349,980	3.350
RBC Dexia Investor Services Australia Nominees Pty Limited (Pipooled A/C)	3,803,598	2.930
Jaylin Pty Ltd (Linden Super Fund A/C)	2,525,361	1.940
AL Group Pty Ltd	2,336,325	1.800
Citicorp Nominees Pty Limited	2,290,724	1.760
J P Morgan Nominees Australia Limited	2,245,690	1.730
Mr David Paul Dippie + Ms Joanne Elizabeth Dippie + Mr Ernest William Gartrell	2,125,736	1.630
National Nominees Limited	1,825,682	1.400
Acetate Holdings Pty Ltd (Noordhoek Family A/C)	1,541,072	1.190
Mr Raymond Wesley Cope	1,423,548	1.090
Mr John William Lauder	1,423,548	1.090
Mr Desmond Richard Cope	1,287,548	0.990
Mr Manfred Peter Luttenberger (Luttenberger Family A/C)	1,021,429	0.790
Narwee Pty Ltd	787,000	0.610
Akir Pty Ltd	756,074	0.580
Wildflower Investments Pty Ltd (Evans Family S/F A/C)	700,100	0.540
Mr Bruce David McBeth + Ms Ruth Ester McBeth + Mr Ernest William Gartrell	681,029	0.520
Others	58,709,743	45.152
Total:	130,025,470	100

**SHAREHOLDER INFORMATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

3. Unquoted Equity Securities

Item	No. on Issue	No. of Holders
Options issued to employees and directors to take up ordinary shares	14,680,000	174

4. Substantial Shareholders

Item	No of Shares	%
Hunter Hall Investment Management Limited	21,194,641	16.3
Jeffrey Charles Hogan	13,110,000	10.0
Perpetual Limited	8,926,461	6.87

5. The Name of the Company Secretary is:

Phillip J Crighton

6. The Address of the Principal Registered Office in Australia is:

239 Planet Street
WELSHPOOL WA 6106
(08) 9355 8100

7. A Register of Securities is Held at the Following Address:

Computershare Investor Services
45 St Georges Terrace
PERTH WA 6000

8. VOTING RIGHTS

A. Ordinary Shares

Provided that all calls and other sums due and payable have been paid to RCR:

- Each member of RCR is entitled to vote and may vote in person, or by proxy, or in the case of a corporation, by a representative; on a show of hands every person present who is a member, a proxy of a member, or a representative of a member, has one vote; and
 - On a poll every person present who is a member, a proxy of a member, or a representative of a member,
 - Has one vote for each fully paid share he holds;
 - Has a proportionate part of one vote equal in proportion to the amount of the issue price paid up for each partly paid share he holds.

B. Options have no voting rights