HUTCHINSON BUILDERS

Established 1912

Audited Financials

2015/16 Accounts

J HUTCHINSON PTY LTD
ABN 52 009 778 330

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

J HUTCHINSON PTY LTD
ABN 52 009 778 330

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J HUTCHINSON PTY LTD
ABN 52 009 778 330

DIRECTORS' REPORT

The directors present this report on the company for the financial year ended 30 June 2016.

The following persons held office of director during the year or since the end of the year;

John Collins Hutchinson
John Scott Hutchinson
Gregory Denis Quinn
Stephen John Norton
Kellie Leanne Williams
Russell Fryer appointed 18 February 2016
Owen Jason Valmadre appointed 18 February 2016

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

The profit of the company for the financial year after providing for income tax amounted to $23,605,175 (2015: $25,189,775).

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

The principal activities of the company during the financial year were contract building.

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

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

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

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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

- A fully franked dividend of $147,701 was paid during the year as recommended in last year's report.
- A fully franked dividend of $138,990 is recommended for payment for the year ended 30 June 2016.

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

During the financial year the Company paid an insurance premium totalling $85,943 in respect of directors' and officers' liability insurance. All of this insurance premium related to insurance of Directors of the Company named in this report. The policy does not specify the premium for individual directors and executive officers.

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

J HUTCHINSON PTY LTD
ABN 52 009 778 330

DIRECTORS' REPORT

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001:

Director: ______________________________

Gregory Denis Quinn

Director: ______________________________

Owen Jason Valmadre

Dated this 12th day of September 2016

J HUTCHINSON PTY LTD
ABN 52 009 778 330

AUDITORS INDEPENDENCE DECLARATION

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Australia

DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE DIRECTORS OF J HUTCHINSON PTY LTD

As lead auditor of J Hutchinson Pty Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

P A Gallagher

Director

BDO Audit Pty Ltd

Brisbane, 12 September 2016

J HUTCHINSON PTY LTD
ABN 52 009 778 330

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	This Year $	Last Year $
CLASSIFICATION OF EXPENSES BY FUNCTION			
Construction revenue		1,596,230,720	1,261,162,380
Cost of construction		(1,549,167,007)	(1,209,829,714)
Gross profit		47,063,713	51,332,666
Other revenue		20,546,753	14,274,815
Finance costs		(10,141)	(10,782)
Marketing expenses		(1,738,806)	(1,474,316)
Occupancy expenses		(4,901,111)	(5,144,051)
Administration expenses		(9,640,780)	(9,116,458)
Other expenses from ordinary activities		(15,509,173)	(14,280,453)
Profit before income tax expense		35,810,455	35,581,421
Income tax expense	**3**	(12,205,280)	(10,391,646)
Profit for the year		23,605,175	25,189,775
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit or loss			
Increase (Decrease) in fair value of investments		20,340	(216,070)
Increase in fair value of land and buildings		194,949	-
Income tax on items of other comprehensive income		(64,587)	64,821
Other comprehensive income for the year, net of tax		150,702	(151,249)
Total comprehensive income for the year		23,755,877	25,038,526
Total comprehensive income attributable to members of the company		23,755,877	25,038,526

J HUTCHINSON PTY LTD
ABN 52 009 778 330

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	This Year $	Last Year $
CURRENT ASSETS			
Cash and cash equivalents	**5**	267,795,450	192,950,451
Trade and other receivables	**6**	107,582,512	74,724,429
Inventories	**7**	47,293,353	52,796,549
Non-current assets held for sale	**8**	3,000,000	-
Other current assets	**9**	4,694,361	3,692,435
TOTAL CURRENT ASSETS		430,365,676	324,163,864
NON-CURRENT ASSETS			
Trade and other receivables	**6**	26,312,728	31,753,032
Financial assets	**10**	1,649,297	1,136,997
Property, plant and equipment	**11**	94,007,298	84,559,472
Other non-current assets	**9**	-	1,223,514
Deferred tax assets	**12**	8,975,095	11,904,130
TOTAL NON-CURRENT ASSETS		130,944,418	130,577,145
TOTAL ASSETS		561,310,094	454,741,009
CURRENT LIABILITIES			
Trade and other payables	**13**	293,328,938	195,870,509
Borrowings	**14**	99,375	188,313
Tax liabilities	**12**	-	15,333,521
Short term provisions	**15**	2,135,441	1,918,426
TOTAL CURRENT LIABILITIES		295,563,754	213,310,769
NON-CURRENT LIABILITIES			
Borrowings	**14**	1,199,307	2,699,799
Long term provisions	**15**	1,996,451	1,770,725
Deferred tax liabilities	**12**	10,918,290	8,944,311
TOTAL NON-CURRENT LIABILITIES		14,114,048	13,414,835
TOTAL LIABILITIES		309,677,802	226,725,603
NET ASSETS		251,632,292	228,015,406
EQUITY			
Issued capital	**16**	41,323	41,323
Reserves	**17**	2,031,900	1,881,199
Retained earnings	**18**	249,559,069	226,092,884
TOTAL EQUITY		251,632,292	228,015,406

The accompanying notes form part of these financial statements.

J HUTCHINSON PTY LTD
ABN 52 009 778 330

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained Earnings $	Issued Capital $	Revaluation Surplus $	Total $
Balance at 1 July 2014		201,050,810	41,323	2,032,448	203,124,581
Profit attributable to equity shareholders		25,189,775	-	-	25,189,775
Total other comprehensive income for the year		-	-	(151,249)	(151,249)
Sub-total		226,240,585	41,323	1,881,199	228,163,107
Dividends paid or provided for	**4**	(147,701)	-	-	(147,701)
Balance at 30 June 2015		226,092,884	41,323	1,881,199	228,015,406
Balance at 1 July 2015		226,092,884	41,323	1,881,199	228,015,406
Profit attributable to equity shareholders		23,605,175	-	-	23,605,175
Total other comprehensive income for the year		-	-	150,701	150,701
Sub-total		249,698,059	41,323	2,031,900	251,771,282
Dividends paid or provided for	**4**	(138,990)	-	-	(138,990)
Balance at 30 June 2016		249,559,069	41,323	2,031,900	251,632,292

The accompanying notes form part of these financial statements.

J HUTCHINSON PTY LTD
ABN 52 009 778 330

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	This Year $	Last Year $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,735,776,122	1,399,532,534
Payments to suppliers and employees		(1,635,607,387)	(1,377,697,821)
Dividends received		16,873	22,150
Interest received		9,385,044	9,192,615
Income tax paid		(27,529,950)	(5,591,498)
Other Income Received		4,324,501	4,084,757
Net cash provided by/ (used in) operating activities	**23**	86,365,203	29,542,737
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		146,712	4,995,994
Proceeds from sale of investments		161,378	145,189
Proceeds from repayment of loans by related parties		9,472,606	-
Payments for property, plant and equipment		(18,910,309)	(4,477,726)
Payments for investments		(653,460)	(58,370)
Payment of loans to related parties		-	(2,459,972)
Net cash provided by / (used in) investing activities		(9,783,073)	(1,854,885)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,589,430)	(42,654)
Dividends paid		(147,701)	(216,801)
Net cash provided by / (used in) financing activities		(1,737,131)	(259,455)
Net increase (decrease) in cash held		74,844,999	27,428,397
Cash at beginning of year		192,950,451	165,522,054
Cash at end of year		267,795,450	192,950,451

The accompanying notes form part of these financial statements.

1 Statement of Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 for use by the directors and members of the company and are special purpose financial statements. The directors have determined that the company is not a reporting entity because there are no users dependent on general purpose financial statements.

J Hutchinson Pty Ltd was incorporated and has its domicile in Australia and is a company limited by shares. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements are presented in the Australian dollar currency.

Reporting Basis and Conventions

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the following applicable Australian Accounting Standards and interpretations and disclosure requirements of:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the End of the Reporting Period
AASB 1048:	Interpretation and Application of Standards
AASB 1054:	Australian Additional Disclosures

The measurement requirements of all applicable Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board (AASB) have been applied in the preparation of this report.

The complete disclosure requirement of above and all other Australian Accounting Standards or other authoritative pronouncements of the AASB have not been applied.

No other applicable Australian Accounting Standards or other authoritative pronouncements of the AASB have been applied.

The financial statements have been prepared on an accruals basis and is based on historical costs unless otherwise stated in the notes.

The following is a summary of the material accounting policies adopted by the company in the preparation of this report. Unless otherwise stated, the accounting policies are consistent with the previous period.

Income Tax

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

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

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

The company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

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

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

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. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Revenue

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

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

Financial Assets

Initial Recognition and Measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

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

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) *Available-for-sale financial assets*

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

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

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

Fair Values

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. 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 at 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 available under the contract.

Land Held for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until development is completed. Borrowing costs, foreign currency movements and holding charges incurred after development are recognised through profit or loss. Profits are only brought to account on the signing of an unconditional contract of sale.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

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

Leased assets are depreciated over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at fair value, based on periodic, but at least triennial, directors valuations using information provided by external independent valuers, less subsequent depreciation and impairment for buildings.

Increases in the carrying amount arising on revaluation of land and buildings 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 other comprehensive income.

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 revalued amount of the asset.

Plant and Equipment

Plant, equipment and leasehold improvements are carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation

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

Buildings: 2.5%

Plant and Equipment: 10 - 50%

Investment Property

Investment property is held to generate long-term returns. Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the income statement as other income.

Cash and Cash Equivalents

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

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Impairment of Assets

At each reporting date, the company 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 asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised through profit or loss.

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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting 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.

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 company.

Key Estimates

(i) *Impairment*

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

Key Judgements

(ii) *Impairment of receivables*

The company assesses impairment of related party receivables by analysis of debtor assets and liabilities and their ability to repay debt balance when determining recoverability of the balance due at year end.

Adoption of New and Amended Accounting Standards

The company has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the company's financial statements for the annual period beginning 1 July 2015. None of the amendments have had a significant impact on the company.

New and Revised Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. The adoption of the relevant measurement standards in future is not expect to have a material impact on the financial statements in the future.

The financial report was authorised for issue by the directors on the 12th day of September 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	This Year $	Last Year $

2 Profit before Income Tax

Profit before income tax has been determined after:

	This Year $	Last Year $
Expenses		
Depreciation of property, plant and equipment	6,333,909	5,902,918
Diminution of property, plant and equipment	317,601	-
Diminution of investments	-	99,500
Remuneration of auditor:		
- Audit or review	70,561	70,000
- Other services	59,715	126,265
	130,276	196,265
Net loss (profit) on disposal of freehold, plant and equipme	124,204	(975,293)
Revenue and Other Income		
Interest received	9,385,044	9,192,615
Rental income	1,451,243	1,472,625

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

		This Year $	Last Year $
3	**Income Tax Expense**		
	The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
	Profit from continuing operations before income tax expense	35,810,455	35,581,421
	Prima facie tax payable on profit before income tax at 30% (2015: 30%):	10,743,137	10,674,426
	Add:		
	Tax effect of:		
	Other non-deductible items	55,144	139,422
	Under (over) provision for income tax in prior years	1,439,659	111,081
	Other non-assessable items	(7,231)	(523,954)
	Share of tax group members income tax (loss) profit	(25,429)	(9,329)
		1,462,143	(282,780)
	Income tax expense attributable to J Hutchinson Pty Ltd	12,205,280	10,391,646
	Tax effects relating to each component of other comprehensive income:		
	Increase in fair value of investments before tax	20,340	(216,070)
	Increase in fair value of land and buildings before tax	194,949	-
	Tax expense (benefit)	(64,587)	64,821
	Net-of-tax amount	150,702	(151,249)
4	**Dividends**		
	Proposed Final Dividend (Franked to 100%)	138,990	147,701
	Balance of franking account at period end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years.	97,056,622	69,582,742

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	This Year $	Last Year $
5 Cash and Cash Equivalents		
Current		
Cash on Hand	6,750	7,250
Cash at Bank	267,676,871	192,843,203
Imprest Accounts	111,829	99,998
	267,795,450	192,950,451
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and Cash Equivalents	267,795,450	192,950,451
Cash at end of year as per statement of cash flows	267,795,450	192,950,451
6 Trade and Other Receivables		
Current		
Trade Debtors	90,517,110	65,955,520
Sundry Debtors including tax	12,064,917	6,701,435
	102,582,027	72,656,955
Unsecured Loans at Call		
Director Related Parties	4,859,446	1,947,209
Other Loans	141,039	120,265
	5,000,485	2,067,474
	107,582,512	74,724,429
Non-Current		
Unsecured Loans		
Director Related Parties	26,312,728	31,721,698
Other Loans	-	31,334
	26,312,728	31,753,032

J HUTCHINSON PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	This Year $	Last Year $

7 Inventories

	This Year $	Last Year $
Current		
Project expenditure including profit recognised to date	2,994,451,000	2,683,467,378
Progress Billings	(2,947,157,647)	(2,630,670,829)
	47,293,353	52,796,549

8 Assets Held for Sale

	This Year $	Last Year $
Non-Current Assets Held for Sale		
Property, Plant and Equipment	3,000,000	-

9 Other Assets

	This Year $	Last Year $
Current		
Prepayments	4,694,361	3,692,435
Non-Current		
Prepayments	-	1,223,514

	This Year $	Last Year $
10 Financial Assets		
Non-Current		
Shares in Listed Companies - at fair value	760,935	738,664
Investments in Trusts - at cost	888,357	398,267
Shares in Associated Companies - at cost	2	63
Shares in Subsidiaries - at cost	3	3
	1,649,297	1,136,997

Controlled Entities

Name of Entity
HB Catering Pty Ltd
Country of Formation or Incorporation
Australia
Percentage Owned
100% (2015: 100%)

Name of Entity
Trey Developments Pty Ltd
Country of Formation or Incorporation
Australia
Percentage Owned
100% (2015: 100%)

	This Year $	Last Year $
11 Property, Plant and Equipment		
Land and Buildings		
Freehold Land and Buildings:		
Land and Buildings - at directors' valuation 2016	61,318,994	60,874,281
Accumulated Depreciation	-	(1,743,308)
	61,318,994	59,130,973
Leasehold Land and Buildings:		
Land and Buildings - at cost	285,670	285,670
Accumulated Depreciation	(128,549)	(114,266)
	157,121	171,404
Total Land and Buildings	61,476,115	59,302,377
Plant and Equipment - at cost	63,489,580	53,771,336
Accumulated Depreciation	(38,122,237)	(34,547,315)
	25,367,343	19,224,021
Office Furniture and Equipment - at cost	9,356,902	8,528,361
Accumulated Depreciation	(5,180,268)	(4,632,051)
	4,176,634	3,896,310
Motor Vehicles - at cost	9,561,088	8,990,272
Accumulated Depreciation	(6,573,882)	(6,853,508)
	2,987,206	2,136,764
Total Plant and Equipment	32,531,183	25,257,095
Total Property, Plant and Equipment	94,007,298	84,559,472

The basis of the valuation of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for simiilar properties in the same location and condition. The land and buildings were last revalued on 30 June 2016 based on information provided by external independent valuers, or where not obtainable readily available information by the directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	This Year $	Last Year $
Movement in Property, Plant & Equipment		
Land & Buildings		
Balance at beginning of year	59,302,377	60,774,914
Additions	5,936,708	3,098,228
Disposals	(3,000,000)	(3,667,843)
Revaluation to fair market value	142,220	-
Depreciation Expense	(905,190)	(902,922)
Balance at end of the period	61,476,115	59,302,377
Plant & Equipment		
Balance at beginning of year	19,224,021	20,239,349
Additions	10,068,388	2,721,891
Disposals	(46,867)	(319,733)
Depreciation Expense	(3,878,199)	(3,417,486)
Balance at end of the period	25,367,343	19,224,021
Office Furniture & Equipment		
Balance at beginning of year	3,896,310	4,386,774
Additions	1,099,420	432,758
Disposals	(19,568)	(6,271)
Depreciation Expense	(799,528)	(916,951)
Balance at end of the period	4,176,634	3,896,310
Motor Vehicles		
Balance at beginning of year	2,136,764	2,465,156
Additions	1,810,805	495,530
Disposals	(209,359)	(158,351)
Depreciation Expense	(751,004)	(665,571)
Balance at end of the period	2,987,206	2,136,764

		This Year $	Last Year $
12	**Tax**		
	Assets		
	Deferred tax assets comprise:		
	Deferred Tax Asset	8,975,095	11,904,130
	Liabilities		
	Current		
	Provision for Income Tax	-	15,333,521
	Non-current		
	Deferred tax liability comprises:		
	Deferred Tax Liability	10,918,290	8,944,311
13	**Trade and Other Payables**		
	Current		
	Trade Creditors	235,320,483	149,877,118
	Subcontractors Retentions	44,780,166	37,071,385
	Revenue Received in Advance	1,625,520	-
	Other Creditors	3,426,116	1,995,887
	Provision for Holiday Pay	8,176,653	6,926,119
		293,328,938	195,870,509
14	**Borrowings**		
	Current - Unsecured		
	Director Related Parties	99,375	188,313
	Non-Current - Unsecured		
	Director Related Parties	1,199,307	2,699,799

		This Year $	Last Year $
15	**Provisions**		
	Current		
	Provision for Dividend	138,990	147,701
	Provision for Long Service Leave	1,996,451	1,770,725
		2,135,441	1,918,426
	Non-Current		
	Provision for Long Service Leave	1,996,451	1,770,725
	Aggregate employment benefit liabilty	12,169,555	10,467,568
	Number of employees at period end	1,231	1,087
16	**Issued Capital**		
	41,253 Ordinary Shares fully paid	41,253	41,253
	10 "A" Class Shares fully paid	10	10
	10 "B" Class Shares fully paid	10	10
	10 "C" Class Shares fully paid	10	10
	10 "D" Class Shares fully paid	10	10
	10 "E" Class Shares fully paid	10	10
	10 "F" Class Shares fully paid	10	10
	10 "G" Class Shares fully paid	10	10
		41,323	41,323

The company has authorised capital amounting to 41,323 shares of no par value.

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

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.

	This Year $	Last Year $

17 Reserves

Revaluation Surplus

The revaluation surplus records revaluations of non-current assets. Under certain circumstances dividends can be declared from the reserve.

	This Year $	Last Year $
Movement in Revaluation Surplus		
Balance at beginning of year	1,881,198	2,032,448
Investments revalued to fair value	150,702	(151,249)
Balance at end of the period	2,031,900	1,881,199

18 Retained Earnings

	This Year $	Last Year $
Retained earnings at the beginning of the financial year	226,092,884	201,050,810
Net profit attributable to members of the company	23,605,175	25,189,775
Dividends provided for or paid	(138,990)	(147,701)
Retained earnings at the end of the financial year	249,559,069	226,092,884

19 Standby Arrangements and Credit Facilities

The Company has access to:

	This Year $	Last Year $
Bank Guarantee Facility	130,000,000	100,000,000
Bank Guarantees Issued	(115,900,845)	(80,535,647)
Amount of facility available	14,099,155	19,464,353
Insurance Bond Facility	100,000,000	100,000,000
Insurance Bonds Issued	(75,299,980)	(52,848,802)
Amount of facility available	24,700,020	47,151,198

This joint facility of the company and J Scott Builders (Qld) Pty Ltd is secured by registered mortgage over the freehold land and buildings of the company and the related company J Scott Builders (Qld) Pty Ltd together with fixed and floating charges over the assets and undertakings of both companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20 Capital and Leasing Commitments

	This Year $	Last Year $
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	2,372,292	2,696,391
Between 12 months and five years	2,904,868	2,864,631
Greater than five years	707,927	149,164
	5,985,087	5,710,186

Property leases are payable monthly in advance and may be increased based upon movements in the CPI but is dependent upon the individual terms of the leases.

21 Events After the Reporting Period

No matter or circumstances have arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the result of those operations, or the company's state of affairs in future financial years.

22 Contingent Liabilities and Contingent Assets

The directors are not aware of any contingent liabilities or contingent assets as at the reporting date.

	This Year $	Last Year $

23 Cash Flow Information

	This Year $	Last Year $
Reconciliation of net cash provided by operating activities to profit after income tax		
Operating profit (loss) after income tax	23,605,175	25,189,775
Non-cash flows in profit:		
Profit on sale of non-current assets	(35,226)	(1,301,138)
Loss on sale of non-current assets	159,430	325,845
Bad debts provided or written off (recovered)	(6,944,539)	-
Depreciation	6,333,909	5,902,918
Revaluation of investments	-	99,500
Revaluation of property	317,601	-
Increase (Decrease) in income taxes payable	(15,333,521)	11,195,948
Increase (Decrease) in deferred taxes payable	(64,587)	64,821
Changes in assets and liabilities		
(Increase) Decrease in inventories	6,863,844	23,092,220
(Increase) Decrease in current receivables	(29,945,847)	(11,952,296)
(Increase) Decrease in deferred tax receivables	2,929,035	120,429
(Increase) Decrease in other assets	221,588	802,782
Increase (Decrease) in trade creditors and other payables	94,582,375	(18,193,551)
Increase (Decrease) in provisions	1,701,987	776,534
Increase (Decrease) in deferred tax payables	1,973,979	(6,581,050)
	86,365,203	29,542,737

24 Company Details

The registered office of the company is:

J Hutchinson Pty Ltd

584 Milton Road, Toowong Queensland 4066

The principal place of business is:

584 Milton Road, Toowong Queensland 4066

J HUTCHINSON PTY LTD
ABN 52 009 778 330

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 28 are in accordance with the Corporations Act 2001;

   (a) comply with Australian Accounting Standards as described in Note 1 to the financial statements; and

   (b) give a true and fair view of the financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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

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

Director: ______________________
Gregory Denis Quinn

Director: ______________________
Owen Jason Valmadre

Dated this 12th day of September 2016

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of J Hutchinson Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of J Hutchinson Pty Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of J Hutchinson Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of J Hutchinson Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd

BDO

P A Gallagher

Director

Brisbane, 12 September 2016

J HUTCHINSON PTY LTD
ABN 52 009 778 330

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	This Year $	Last Year $
CONTRACT REVENUE	1,596,230,720	1,261,162,380
LESS CONSTRUCTION COSTS	1,549,167,007	1,209,829,714
GROSS PROFIT FROM TRADING	47,063,713	51,332,666
OTHER INCOME		
Distributions Received	2,727,854	1,706,448
Dividends Received	16,873	22,150
Interest Received	9,385,044	9,192,615
Gain / (Loss) on Sale of Non-current Assets	(124,204)	975,293
Other Income	7,089,943	905,684
Rental Income	1,451,243	1,472,625
	20,546,753	14,274,815
GROSS INCOME	67,610,466	65,607,481
OPERATING EXPENSES		
Accountancy Fees	8,400	4,154
Advertising	861,976	575,795
Auditor's Remuneration	130,276	196,265
Bank Charges	71,538	45,554
Cleaning and Waste Collection	359,399	322,616
Computer Software and Maintenance	1,876,800	2,045,570
Consultants Fees	858,830	282,137
Depreciation and Amortisation	5,582,917	5,237,359
Donations	143,358	75,140
Electricity	341,235	381,431
E-mail Charges	657,724	814,462
Entertainment Expenses	876,830	898,521
Filing Fees	5,447	4,706
Freight and Cartage	314,831	293,384
Fringe Benefits Tax	864,553	567,454
Hire of Plant and Equipment	8,847	8,104
Insurance	676,467	739,775
Interest Paid	10,141	10,782
Legal Costs	359,727	406,843

The accompanying notes form part of these financial statements.

J HUTCHINSON PTY LTD
ABN 52 009 778 330

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	This Year $	Last Year $
Management Fees	29,765	21,542
Printing and Stationery	1,125,800	1,046,661
Rates and Taxes	723,735	747,471
Rent	2,940,938	3,042,076
Repairs and Maintenance	470,647	470,154
Security Costs	94,052	78,000
Social Club Contributions	160,214	183,306
Staff Amenities	302,285	323,651
Staff Training	93,995	146,593
Subscriptions and Registrations	554,705	545,669
Sundry Expenses	-	851
Telephone	424,556	502,919
Temporary Staff	64,050	5,669
Travelling and Accommodation	576,843	534,172
Uniforms	276,196	256,022
Wages and Salaries	9,635,333	9,111,752
	31,482,410	29,926,560
OPERATING PROFIT	36,128,056	35,680,921
NON OPERATING EXPENSE		
Diminution in Value of Investments	-	99,500
Diminution in Value of Property	317,601	-
	317,601	99,500
PROFIT BEFORE INCOME TAX	35,810,455	35,581,421

The accompanying notes form part of these financial statements.