



AVJennings Limited
ABN: 44 004 327 771

30 June 2014 Preliminary Final Report
Appendix 4E

This Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, it is recommended that this Report be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by AVJennings Limited during the year ended 30 June 2014 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.



Contents

	Page
Results for Announcement to the Market.....	3
Directors' Report.....	4
Consolidated Statement of Comprehensive Income.....	7
Consolidated Statement of Financial Position.....	8
Consolidated Statement of Changes in Equity.....	9
Consolidated Statement of Cash Flows.....	10
Notes to the Consolidated Financial Statements.....	11
1 Corporate information.....	11
2 Basis of preparation and accounting policies.....	11
3 Revenues and expenses.....	12
4 Income tax.....	13
5 Dividends	13
6 Contributed equity	14
7 Cash and cash equivalents.....	15
8 Operating segments.....	15
9 Net tangible asset backing.....	18
10 Interest in joint operations.....	18
11 Investments accounted for using the equity method.....	18
12 Available-for-sale financial asset.....	19
13 Contingencies.....	19
14 Significant events after the balance sheet date.....	19
15 Status of review of accounts.....	19



Results for Announcement to the Market

Appendix 4E for the year ended 30 June 2014

	2014 \$'000	2013 \$'000	Increase/(Decrease)	
			\$'000	%
Revenues	250,570	158,462	92,108	58.1%
Profit/(loss) after tax	18,782	(15,266)	34,048	223.0%
Net profit/(loss) attributable to members	18,782	(15,266)	34,048	223.0%
Dividends	Cents per security		Franked amount per security at 30% tax	
<u>Current year</u>				
Final dividend	2.0		2.0	
Total dividend	2.0		2.0	
<u>Previous year</u>				
Interim/final dividend	NIL		NIL	
Total dividend	NIL		NIL	
Record date for determining entitlements to dividend:	5 September 2014			
Payment date:	18 September 2014			
The Company's Dividend Re-Investment Plan remains suspended.				
Explanation of results				
The Review of Operations in the attached Directors' Report provides an explanation of the results.				

Directors' Report

For the year ended 30 June 2014

Your Directors present their Report on the Company and its controlled entities for the year ended 30 June 2014.

DIRECTORS

The names of the Company's Directors in office during the year and until the date of this Report are as below. Directors were in office for the entire period unless otherwise stated.

S Cheong (Chairman)

RJ Rowley (Deputy Chairman)

PK Summers

E Sam

B Chin

BG Hayman

TP Lai

D Tsang (appointed 2 June 2014)

REVIEW OF OPERATIONS

Financial results

The Company's revenue was up 58.1% to \$250.6m and profit increased 216% to \$27.0m before tax and \$18.8m after tax compared to the previous corresponding period.

In line with the statement given with the release of the 1H14 accounts, Directors have declared a fully franked final dividend of 2 cents per share. Whilst obviously related most directly to the FY14 result, it also reflects Directors' confidence in the future prospects of the Company.

The most pleasing aspect of the results for the year is that they were the outcome of AVJennings' strong commitment to strategy over a number of years and reliance upon our experience and our systems, developed over many years, to analyse and forecast our markets and develop appropriate strategies.

Business overview

Being a developer with a mainly horizontal development profile has also enabled us to adapt strategies to match our market forecasts as we can scale up or down more easily than if we had a significant high rise apartment or vertical development profile.

In past years this has seen the Company reduce its level of activity as market conditions deteriorated to avoid a build-up of exposure to unsold inventory. However, in recent years it has resulted in increased volumes and turnover but, encouragingly, it has been achieved without any increased exposure to completed unsold stock.

We have also maintained a focus on our core strengths of building great but affordable places and communities for our customers to live in. Our brand has been built on 82 years of listening to our customers and ensuring we meet their needs. We continue to be recognised for quality, value, integrity and reliability.

Directors' Report

For the year ended 30 June 2014

REVIEW OF OPERATIONS (continued)

We don't see our business as just developing land and building houses; we see the parks, playgrounds and wetlands we create, the schools and students our projects support, the sporting teams that compete on our playing fields, the public art we commission and other aspects we create to develop outstanding communities.

Our people are what make the difference and we will continue to ensure we attract, retain and develop the highest calibre people who have the same values for which we are known.

Outlook

Looking forward, we expect market fundamentals to remain supportive. Consumer confidence, whilst still somewhat volatile, is strong as it relates to residential property. Interest rates remain historically low and there is a significant housing shortage in many markets, most notably Auckland, Brisbane and Sydney. Adding to this the population continues to increase, placing further pressure on an industry which typically struggles to meet underlying demand due to constraints around the supply of suitably zoned and serviced land.

AVJennings is well placed for growth due to strong opening work in progress levels of 1,264 lots at June 2014 (up 77% on prior year and 298% in the last two years). This reflects both the opening of new projects, most of which only partially contributed to results in FY14, as well as greater production levels in existing projects.

Growth will also be supported by a more active acquisition strategy. In recent months we have:

- Agreed to acquire the remaining 50% of the St.Clair Joint Venture in South Australia;
- Acquired over 400 lots in the Catalina Precinct at Hobsonville Point Auckland, continuing the Company's successful involvement in this project; and
- Recently acquired a relatively small equity stake in a development in Subiaco, Perth. This is the Company's first involvement in the Perth market for over 20 years.

We also continue to look for other acquisition opportunities. In some markets prices for sites have accelerated beyond what we believe are reasonable. However, overall we believe sufficient opportunities exist to acquire sites in line with our required returns, targets and strategies. Additionally, our low gearing levels of 17% (debt to total assets) will support such an acquisition strategy.

Whilst timing of production and usual seasonal issues will see results skewed towards the second half of FY15, we expect to achieve increased contract signings. Our forecast for FY15 is in the range of 1,500 to 1,700 lots.

Directors and management appreciate the support of stakeholders during the residential downturn that much of Australia experienced in recent years and also the participation and support shown for the rights issue concluded in early 2013. This equity raising enabled funding of increased work in progress levels which, in turn, led to the improved result for FY14. Given the current environment, we remain confident of continuing improvement in results.

Directors' Report

For the year ended 30 June 2014

DIVIDENDS

No dividends were paid to members during the financial year (2013: nil). However, subsequent to the end of the financial year, the Directors have recommended a fully franked final dividend of 2.0 cents per share to be paid on 18 September 2014. The Dividend Reinvestment Plan remains suspended.

COMPARATIVE FIGURES

To enable meaningful comparison, some comparatives have been reclassified to conform with the current year's presentation.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

- a) the Consolidated Entity's operations in future financial years; or
- b) the results of those operations in future financial years; or
- c) the Consolidated Entity's state of affairs in future financial years.

ROUNDING OF AMOUNTS

The amounts contained in this Report and in the Financial Statements have been rounded to the nearest \$1,000 (where rounding is permitted) under the option available to the Company under the Australian Securities and Investments Commission (ASIC) Class Order 98/100. The Company is an entity to which the Class Order applies.

The Report is made in accordance with a resolution of the Directors.



Peter Summers
Director
21 August 2014

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenues	3	250,570	158,462
Share of profits of associates and joint ventures accounted for using the equity method	11	1,967	1,294
Cost of property developments sold		(195,656)	(125,061)
Decrease/(increase) in provision for loss on inventories	3	5,154	(22,964)
Other operational expenses		(3,948)	(4,729)
Selling and marketing expenses		(6,005)	(6,209)
Employee expenses		(17,189)	(16,712)
Depreciation and amortisation expense		(330)	(381)
Finance costs	3	(457)	(492)
Fair value gain on interest rate derivatives		-	187
Management and administration expenses		(7,093)	(6,686)
Profit/(loss) before income tax		27,013	(23,291)
Income tax	4	(8,231)	8,025
Profit/(loss) after income tax		18,782	(15,266)
Net profit/(loss) for the year		18,782	(15,266)
Other comprehensive income			
Foreign currency translation (recyclable through profit and loss)		2,065	1,380
Other comprehensive income for the year		2,065	1,380
Total comprehensive income/(loss) for the year		20,847	(13,886)
Earnings per share for profit/(loss) attributable to ordinary equity holders of the parent:			
Basic earnings per share		4.94	(5.46)
Diluted earnings per share		4.73	(5.49)

Consolidated Statement of Financial Position

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
CURRENT ASSETS			
Cash and cash equivalents	7	4,796	11,649
Trade and other receivables		44,557	23,033
Inventories		168,019	109,068
Other current assets		1,387	1,211
Total current assets		218,759	144,961
NON-CURRENT ASSETS			
Trade and other receivables		6,159	4,120
Inventories		212,804	281,745
Investments accounted for using the equity method		27,108	25,181
Available-for-sale financial asset	12	3,000	-
Property, plant and equipment		642	993
Deferred tax assets		-	3,087
Intangible assets		2,816	2,816
Total non-current assets		252,529	317,942
Total assets		471,288	462,903
CURRENT LIABILITIES			
Trade and other payables		46,823	65,365
Interest-bearing loans and borrowings		4,083	7,171
Tax payable		251	449
Provisions		4,706	4,036
Total current liabilities		55,863	77,021
NON-CURRENT LIABILITIES			
Trade and other payables		13,406	6,956
Interest-bearing loans and borrowings		81,500	82,720
Deferred tax liabilities		4,041	-
Provisions		698	845
Total non-current liabilities		99,645	90,521
Total liabilities		155,508	167,542
Net assets		315,780	295,361
EQUITY			
Contributed equity	6	160,436	160,960
Reserves		4,361	2,200
Retained earnings		150,983	132,201
Total equity		315,780	295,361

Consolidated Statement of Changes in Equity

For the year ended 30 June 2014

	Note	Attributable to equity holders of the parent			Total equity	
		Contributed Equity	Foreign Currency Translation Reserve	Share-based Payment Reserve		Retained Earnings
		\$'000	\$'000	\$'000	\$'000	
At 1 July 2012		121,096	(257)	687	147,467	268,993
Loss for the year		-	-	-	(15,266)	(15,266)
Other comprehensive income for the year		-	1,380	-	-	1,380
Total comprehensive loss for the year		-	1,380	-	(15,266)	(13,886)
Transactions with owners in their capacity as owners						
- Ordinary share capital raised	6(a)	39,956	-	-	-	39,956
- Treasury shares acquired	6(b)	(92)	-	-	-	(92)
- Share-based payment expense		-	-	390	-	390
		39,864	1,380	390	(15,266)	26,368
At 30 June 2013		160,960	1,123	1,077	132,201	295,361
At 1 July 2013		160,960	1,123	1,077	132,201	295,361
Profit for the year		-	-	-	18,782	18,782
Other comprehensive income for the year		-	2,065	-	-	2,065
Total comprehensive income for the year		-	2,065	-	18,782	20,847
Transactions with owners in their capacity as owners						
- Treasury shares acquired	6(b)	(524)	-	-	-	(524)
- Share-based payment expense reversed (forfeited shares)		-	-	(579)	-	(579)
- Share-based payment expense		-	-	675	-	675
		(524)	2,065	96	18,782	20,419
At 30 June 2014		160,436	3,188	1,173	150,983	315,780

Consolidated Statement of Cash Flows

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		251,561	182,136
Payments to suppliers, land vendors and employees		(242,446)	(171,824)
Interest paid		(9,349)	(9,822)
Income tax paid		(1,445)	(40)
Net cash (used in) from operating activities		(1,679)	450
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		70	33
Purchase of property, plant and equipment		(76)	(228)
Interest received		457	492
Distribution received		40	520
Payment for available-for-sale financial asset		(1,500)	-
Net cash (used in) from investing activities		(1,009)	817
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		101,591	77,932
Repayment of borrowings		(105,899)	(112,278)
Payment for treasury shares	6(b)	(524)	(92)
Proceeds from issue of shares	6(a)	-	39,956
Net cash (used in) from financing activities		(4,832)	5,518
NET (DECREASE)/INCREASE IN CASH HELD			
		(7,520)	6,785
Cash and cash equivalents at beginning of year		11,649	4,560
Effects of exchange rate changes on cash and cash equivalents		667	304
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	4,796	11,649

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

1. CORPORATE INFORMATION

The Consolidated Report of AVJennings Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 21 August 2014. The Company is incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange and the Singapore Exchange through the Central Limit Order Book System (CLOB).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and the requirements of the Corporations Act 2001.

It is recommended that this Report be read in conjunction with the Annual Report for the year ended 30 June 2013 and considered together with any public announcements made by AVJennings Limited during the year ended 30 June 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

This Report is presented in Australian Dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated. The accounting policies adopted are consistent with those of the previous financial year.

None of the new Standards and amendments to Standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current year or any prior year and are not likely to affect future periods.

The Consolidated Entity has early adopted AASB 2013-3, effective 1 January 2014, which amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments in AASB 136 include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. AASB 2013-3 removes this requirement.

With the exception of the above, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the year ended 30 June 2014. The Directors believe that these new or amended standards and interpretations do not have any material effect on the Report presented.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

3. REVENUES AND EXPENSES

Profit/(loss) from ordinary activities before income tax includes the following revenues and expenses:

	2014	2013
	\$'000	\$'000
Revenues		
Developments	242,861	150,516
Home Improvements	-	303
Interest revenue	457	492
Management fees	4,998	4,535
Royalty revenue	399	1,007
Sundry revenue	1,855	1,609
Total revenues	250,570	158,462
Cost of property developments sold		
Amortisation of finance costs capitalised to inventories	10,579	6,089
Finance costs		
Bank loans and overdrafts	9,349	9,822
Total finance costs	9,349	9,822
Less: Amount capitalised to inventories	(8,892)	(9,330)
Finance costs expensed	457	492
Impairment of assets		
(Decrease)/increase in provision for loss on inventories	(5,154)	22,964
Total impairment	(5,154)	22,964

For the year ended 30 June 2014, the movement in the provision resulted from a realignment of future assumptions with current market conditions predominantly driven by projects in New South Wales and Queensland.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

4. INCOME TAX

	2014 \$'000	2013 \$'000
Income tax		
The major components of income tax are:		
Current income tax		
Current income tax charge	1,214	916
Adjustment for prior year	19	(383)
Deferred income tax		
Current year temporary differences	6,820	(8,556)
Adjustment for prior year	178	(2)
Income tax reported in the Consolidated Statement of Comprehensive Income	8,231	(8,025)

Numerical reconciliation between aggregate tax recognised in the Consolidated Statement of Comprehensive Income and tax calculated per the statutory income tax rate:

	2014 \$'000	2013 \$'000
Accounting profit/(loss) before income tax	27,013	(23,291)
Tax at Australian income tax rate of 30% (2013 - 30%)	8,104	(6,987)
Adjustment for prior years	197	(385)
Equity accounted share of Joint Venture profits	(590)	(368)
Other non-deductible items and variations	520	(285)
Aggregate income tax	8,231	(8,025)

5. DIVIDENDS

No dividends were paid to members during the financial year (2013: nil). However, subsequent to the end of the financial year, the Directors have recommended a fully franked final dividend of 2.0 cents per share to be paid on 18 September 2014. The Dividend Reinvestment Plan remains suspended.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

6. CONTRIBUTED EQUITY

	2014 Number	2013 Number	2014 \$'000	2013 \$'000
Ordinary shares	384,423,851	384,423,851	162,793	162,793
Treasury shares	(4,221,605)	(3,365,100)	(2,357)	(1,833)
Share capital			160,436	160,960

(a) Movement in ordinary share capital	Number	Number	\$'000	\$'000
As at the beginning of the year	384,423,851	274,588,694	122,837	122,837
Issued pursuant to the Rights Issue 3 June 2013	-	109,835,157	-	39,956
As at the end of the year	384,423,851	384,423,851	122,837	162,793

Fully paid ordinary shares carry one vote per share and carry the right to dividends. There are currently no unexercised or outstanding options. No options were exercised during the year.

	2014 Number	2013 Number	2014 \$'000	2013 \$'000
(b) Movement in treasury shares				
As at the beginning of the year	(3,365,100)	(3,071,187)	(1,833)	(1,741)
Acquisition of shares by AVJ Deferred Employee Share Plan Trust	(856,505)	(293,913)	(524)	(92)
As at the end of the year	(4,221,605)	(3,365,100)	(2,357)	(1,833)

Treasury shares are shares in AVJennings Limited that are held by the AVJ Deferred Employee Share Plan Trust for the purpose of issuing shares to Executives.

The original cost of the shares is treated as a reduction in share capital and the underlying shares identified separately as treasury shares.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

7. CASH AND CASH EQUIVALENTS

2014	2013
\$'000	\$'000

Reconciliation to Consolidated Statement of Cash Flows

For the purposes of *Consolidated Statement of Cash Flows*, cash and cash equivalents comprise the following:

Cash at bank and in hand	4,796	11,649
---------------------------------	--------------	---------------

8. OPERATING SEGMENTS

Identification of reportable segments

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the jurisdictions in which the Consolidated Entity sells its products and services. Discrete financial information about each of these operating businesses is reported on a monthly basis.

Types of products and services

The Consolidated Entity operates primarily in residential development.

Accounting policies

The accounting policies used in reporting segments are the same as those contained in the Financial Report.

Operating segments

States:

This includes activities relating to Land Development, Integrated Housing and Apartments Development.

Other:

This includes numerous low value items, amongst the most significant of which are interest and royalty revenue, and certain sales commissions.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

8. OPERATING SEGMENTS (continued)

The following table presents the revenues and results information regarding operating segments for the year ended 30 June 2014:

Operating segments	NSW		VIC		QLD		SA		NZ		Other		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenues														
External sales	69,138	42,934	45,273	27,855	78,810	37,783	22,982	26,963	26,658	15,284	-	-	242,861	150,819
Management fees	2,482	2,248	54	810	-	-	145	133	2,317	1,344	-	-	4,998	4,535
Other revenue	-	-	-	-	-	-	-	-	-	-	2,711	3,108	2,711	3,108
Total segment revenues	71,620	45,182	45,327	28,665	78,810	37,783	23,127	27,096	28,975	16,628	2,711	3,108	250,570	158,462
Results														
Segment results *	11,895	1,746	6,529	1,957	7,687	(1,153)	2,383	3,222	5,418	3,858	(42)	114	33,870	9,744
Movement in provision for loss on inventories	2,928	(1,565)	(182)	(3,111)	2,542	(18,207)	(134)	(81)	-	-	-	-	5,154	(22,964)
Fair value movement in interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	187
Other income	-	-	-	-	-	-	-	-	-	-	2,711	3,108	2,711	3,108
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	(330)	(381)
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(13,935)	(12,493)
Unallocated interest expense	-	-	-	-	-	-	-	-	-	-	-	-	(457)	(492)
Profit/(loss) before tax													27,013	(23,291)
Income tax													(8,231)	8,025
Net profit/(loss)													18,782	(15,266)

* Segment results include utilisation of provision for write-down of inventories of \$13,475,000 (30 June 2013: \$6,689,000)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

8. OPERATING SEGMENTS (continued)

The following table presents the assets and liabilities information regarding operating segments as at 30 June 2014:

<i>Operating Segment</i>	NSW		VIC		QLD		SA		NZ		Other		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets														
Segment assets	129,041	122,558	94,697	106,068	103,208	122,631	70,196	70,240	59,830	21,990	14,316	19,416	471,288	462,903
Total assets	129,041	122,558	94,697	106,068	103,208	122,631	70,196	70,240	59,830	21,990	14,316	19,416	471,288	462,903
Liabilities														
Segment liabilities	6,850	7,127	6,520	18,068	5,873	40,402	16,760	19,468	33,629	2,425	85,876	80,052	155,508	167,542
Total liabilities	6,850	7,127	6,520	18,068	5,873	40,402	16,760	19,468	33,629	2,425	85,876	80,052	155,508	167,542

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

9. NET TANGIBLE ASSET BACKING

	2014 cents	2013 cents
Net Tangible Asset backing (NTA) - cents per ordinary security	81.4	76.1

Ordinary shares on issue as at 30 June 2014 were 384,423,851 (30 June 2013: 384,423,851). Refer to note 6 for details.

10. INTEREST IN JOINT OPERATIONS

The Consolidated Entity's interest in the profits and losses of Joint Operations is included in the *Consolidated Statement of Comprehensive Income* under the following classifications:

	2014 \$'000	2013 \$'000
Revenues	39,431	12,549
Cost of property developments sold	(32,195)	(10,358)
Other expenses	(993)	(1,641)
Profit before income tax	6,243	550
Income tax	(1,873)	(165)
Profit after tax	4,370	385

On 15 July 2014, the Consolidated Entity entered into an agreement to purchase the 50% share held by the joint operation partner in the Cheltenham Joint Venture. Cheltenham does not constitute a business and will therefore be accounted for as an asset acquisition in the forthcoming year.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The interests in an associate or a joint venture are accounted for using the equity method of accounting and are carried at cost. Under the equity method, the Consolidated Entity's share of the results of the associate or the joint venture is recognised in the *Consolidated Statement of Comprehensive Income*, and the share of movements in reserves is recognised in the *Consolidated Statement of Financial Position*. The information is set out below:

Equity accounted Associates & Joint Ventures	Interest held		Share of net profit/(loss)	
	30 June 2014	30 June 2013	2014 \$'000	2013 \$'000
Name of Associate & Joint Ventures				
Epping	10%	10%	(1)	67
Eastwood	50%	50%	1,954	1,231
Woodville	50%	50%	14	(4)
Profit after tax			1,967	1,294

Notes to the Consolidated Financial Statements

For the year ended 30 June 2014

12. AVAILABLE-FOR-SALE FINANCIAL ASSET

Represents the fair value of the units in an unlisted property fund.

13. CONTINGENCIES

Secured

Performance guarantees

Contingent liabilities in respect of certain performance guarantees, granted by the Consolidated Entity's bankers in the normal course of business to unrelated parties, at 30 June 2014, amounted to \$7,445,000 (2013: \$7,811,000). No material liability is expected to arise.

Financial guarantees

Financial guarantees granted by the Consolidated Entity's bankers to unrelated parties in the normal course of business at 30 June 2014, amounted to \$8,367,000 (2013: \$12,470,000). No material liability is expected to arise.

Unsecured

Contract performance bond facility

The Parent Entity has entered into a Deed of Indemnity with various controlled entities to indemnify the obligation of those entities in relation to the Contract performance bond facility. Contingent liabilities in respect of certain performance bonds, granted by the Consolidated Entity's financiers, in the normal course of business as at 30 June 2014, amounted to \$12,140,000 (2013: \$7,396,000). No material liability is expected to arise.

14. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

- a) the Consolidated Entity's operations in future financial years; or
- b) the results of those operations in future financial years; or
- c) the Consolidated Entity's state of affairs in future financial years.

15. STATUS OF REVIEW OF ACCOUNTS

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