ANNUAL REPORT 2015

Runge Pincock Minarco

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CHAIRMAN'S REPORT

Dear Fellow Shareholders,

The past twelve months have again been challenging for the industry in which the Company operates. Whilst the software business has had an outstanding year and the GeoGAS business has been steady, our Advisory business has been negatively impacted once again.

The fallout from the recent mining boom, which saw a significant increase in the supply of resources from both new mines and extensions to existing mines, has continued. During the last financial year, the price of Iron Ore and Oil dropped dramatically as a result of the current and forecasted increases in supply and the continued drop in growth in China. The export price for both Thermal and Coking Coal again dropped during the year as mining companies' productivity initiatives resulted in increased supply at cheaper overall operating costs.

The overriding imperative for mining companies continues to be to reduce their cost of mining. In this regard, the low hanging fruit was harvested during the 2013 and 2014 years which has meant that incremental savings are now coming from larger and more strategic economic decisions like whether or not to mothball operating mines, place them into care and maintenance or alternatively put them up for sale.

We believe that the next wave of productivity improvements will come through software innovation and integration between the major system providers to the mining industry and we have positioned ourselves at the forefront of this endeavour.

There has been little activity in the area of Mergers and Acquisitions in the mining industry over the last twelve months which suggests that potential buyers believe that the bottom of the market has not yet been reached. We do however expect to see more activity in this area in the upcoming year given the number of assets which have been put up for sale.

The significant pull back in capital investment by mining companies continued throughout the 2015 financial year which has really hurt the upstream services companies and has resulted in the value of their business being heavily impacted.

The junior miners continue to focus on cash preservation rather than exploration. There has been little to no new equity investment into the resources sector over the past twelve months and the analysts are predicting this to continue for the foreseeable future.

In last year's Annual Report, we assured shareholders that we would continue to closely monitor the industry changes and if needed respond swiftly and decisively, which we have. As we did last year, we have reduced the ongoing operational costs of the Advisory and GeoGAS divisions.

This downsizing cost the Company $1.3 million in redundancy costs as more highly remunerated employees left the business this year than in previous years. The annualised savings in employment costs as a result of this restructure is $3.8 million

We also moved into smaller and cheaper office accommodation in Brisbane, Sydney, Jakarta, Toronto and Gillette, with similar changes planned this year in Denver and Santiago, which significantly reduces our ongoing fixed costs.

As a result of the premises restructure, the Company booked $1.5 million in once-off accelerated depreciation (2014: $0.2 million) and onerous lease obligations of $1.9 million (2014: $0.5 million) this financial year. The annualised savings in premises costs as a result of these accommodation changes is $1.4 million.

While the Board believes that the Company's cost structure is now appropriate for our

CHAIRMAN'S REPORT

current revenue expectations, we will continue to remain vigilant and monitor the industry situation closely.

While 2015 has been another difficult year for suppliers to the mining industry, we have really started to see the benefit of our software strategy on the performance of the business. We are not aware of any other software provider to the mining industry growing their software license revenue by anywhere near the growth we have seen over the last two years. It is clear to us that the Company's strategic move from providing desktop applications to enterprise systems has the support of the world's major mining companies. This is evidenced not only by the growth in our software business during a time of severe austerity in the mining industry, but more importantly the relevance of the conversations we are having with the senior management teams at our current customers and potential new customers.

As per our stated strategy, we have continued to invest in our technology products. During the year we released a QUARRY commodity based solution and XECUTE the Company's new ultra-short term planning solution.

The new products which have been released over the last 24 months laid the foundation for the Company's impressive 63% increase in software license sales in 2015.

As reported last year, the Company executed an Institutional Share Placement Scheme and a Share Purchase Plan for retail shareholders.

Following this capital raise, the Company acquired the rights to three software products. In August 2014, the Company acquired a non-exclusive right to the software code of the Mine 2-4D software design product from MineRP. In December 2014, we acquired the non-exclusive right to the software code of Geospatial management software from South African based software company PrimeThought. In June 2015, we acquired the exclusive rights in the mining industry to a copy of the FlexSim Software Products, Inc. (FlexSim) simulation software.

In August 2015, we received notification that our ASX Global Industry Classification had been changed from "Commercial Services & Supplies" under the "Industrials" sector to "Software & Services" under the "Information Technology" sector. This reclassification accurately reflects the continued transformation and evolution of our Company as predominantly an innovative provider of software solutions. This change will enable investors to better assess and evaluate RPM against comparable companies in the market.

The near term outlook of the Advisory business remains constrained, with no clear indicators that the market is about to turn any time soon. Because of this the Company has recognised a non-cash impairment of $2.5 million to the Goodwill of the Advisory division.

The Board has resolved not to pay a dividend this financial year.

I would again like to acknowledge the effort and commitment of our staff who continue to perform especially well during this challenging period.

The Board thanks its shareholders for their ongoing support of the Company's software strategy. The Board remains firmly of the opinion that these investments, along with the products that were released in 2015, will provide the growth engine for the business in 2016.

Allan Brackin
Chairman

MANAGING DIRECTOR'S REPORT

FINANCIAL RESULTS

The Company's financial performance in 2015 was much improved on the back of a significant growth (63%) in software license fees. This increase resulted in an EBITDA for the year of $2.6 million (2014: loss $1 million) before restructure costs.

Our software business now makes up 59% of the net revenue of our business (up from 48% in 2014).

Demand for mining advisory services, desktop software products and coal gas exploration testing were again negatively impacted by weak commodity prices, lack of investment by mining companies and a restriction on capital to the industry.

Revenue increased by 1% to $61.3 million (2014: $60.4 million) with net Advisory revenue decreasing by 22% to $20.1 million (2014: $25.8 million). Software license revenue finished the year at $15.9 million, 63% ahead of the previous year's result (2014: $9.8 million). Software maintenance revenue increased by 9% to $13.7 million (2014: $12.6 million). Laboratory testing and consulting revenue from GeoGAS finished the year at $4.2 million (2014: $4.6 million) an 8% reduction from the previous year.

The Advisory business was again impacted by the continuing contraction throughout the industry which was the overwhelming reason for a net loss after tax of $6.8 million (2014: $7.4 million), which included staff restructuring costs of $1.3 million (2014: $1.1 million), premises restructuring costs of $3.4 million (2014: $0.7 million) and an Advisory goodwill write-down of $2.5 million (2014: $3.0 million).

Basic earnings per share was a loss of 3.9 cents per share (2014: 5.2 cents per share).

OPERATIONAL RESTRUCTURING

During the year, the Company's customers continued their drive to reduce capital and operating costs as quickly as possible. This directly impacted the revenue opportunities of their suppliers which of course included our Company.

Our Advisory business and GeoGAS business are both sensitive to coal exploration activities which continued to be severely curtailed.

In the Advisory space, there was less work available due to mining companies cutting back on exploration, capacity expansions and mine planning. The work that was available was hotly contested resulting in lower margins.

From a competitor standpoint, the 2015 financial year saw a number of mining advisory companies either reduced in size or close entirely.

Many of the larger international Engineering, Procurement, and Construction Management (EPCM) companies severely cut back their mining advisory headcount as they moved back to their principal areas of expertise. Most of our competitors with coal advisory businesses have either been pared back to skeleton staff levels or have left the market completely.

We are very pleased with the way the ethos of the Company has changed over the last three years, from a slow moving engineering focused business to a fast moving sales and marketing led business.

Over the last three years we have aggressively reduced the Company's cost structure wherever possible. In 2015, a number of fixed cost contracts came up for renewal (including software support and office leases). In each case we have reduced these fixed costs of the business having committed to either fewer

MANAGING DIRECTOR'S REPORT

users of the software or less office space or renegotiated the applicable rate.

GROUP SALES AND MARKETING

The work that we did in 2014 to build a sales team capable of winning larger software deals really paid off in 2015. This was evidenced by the 63% growth in Software License revenue year on year. During 2015, we filled in the regional management and software sales gaps nicely to enter the 2016 year with a full playing roster.

We also continued our investment in product management assigning dedicated product managers to our new products. As a result of our successful move into the enterprise software domain, we have hired professional enterprise software project managers to manage the large global customer rollouts which we are currently undertaking.

Our relationship with SAP continues to strengthen. We finalised and announced the signing of an SAP Application Development Cooperation Agreement during the year. We also had our software integrations with SAP certified. For many of our large customers, this certification was important given support of their SAP environments is often outsourced.

XERAS for Enterprise had a particularly good year as mining companies looked to bring their corporate financial systems and technical mining solutions together so that they achieve better visibility of the financial impacts to changes in their operations.

The Company's new simulation products had a breakthrough year with many of our simulation customers really seeing the financial benefits of accurate operational simulation. As the number of companies using our simulation products grows, so does our understanding of the relationship between different variables within the mine which we then build back into our products. The growth in our simulation products was the key reason for the Company purchasing a copy of the FlexSim product code. Owning a copy of all of the software intellectual property gives us full control over both the direction and support of these products.

SOFTWARE DEVELOPMENT

The Software Development team had a fantastic 2015. They released two brand new products along with meaningful upgrades to all of our products.

We continued to extend the features and functions of our Enterprise Product Framework (EPF) to such an extent that this platform can now be sold separately from our other products.

We significantly increased the size of the development team during the last twelve months, firstly to support the 2015 software acquisitions and secondly to extend the functionality of the nine new products which we have released over the past 24 months.

The new Product Development focus in 2016 will be centred on Coal. Twenty years ago we were the dominant provider of software to the Coal sector. However, over the last 6 to 7 years we have let competitors build niche products which in some cases have been extended across our customers' businesses.

By the end of the 2016 financial year, we intend to once again have the most competitive and innovative Coal applications in the market which we believe will set us up for renewed success in Coal in the coming years.

EMPLOYEES

It was another tough year for our Advisory team which again saw many of their friends and colleagues leave the business as we continued to downsize that division due to the reduction in available work.

MANAGING DIRECTOR'S REPORT

The reduction in Advisory staff has been offset by the increase in the number of software sales and development staff.

Whilst we will continue to carefully review the shape of our business, we are not expecting to see further headcount reductions in 2016 as we believe our current cost structures support our revenue projections.

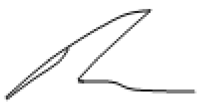
OUTLOOK

We are expecting mining companies to continue to focus on productivity improvements in the year ahead.

The GeoGAS business has now stabilised and we expect to see a return to slow and steady contribution improvement from that division.

While we see little change in the demand for desktop products, we remain enthusiastic about the potential growth in our enterprise applications and simulation products. FY15 saw the foundations of our enterprise products completed. FY16 will be about extending the number of mining companies that use our products and rejuvenating our reputation in coal.

Our cost structure and accelerated investments in software sales and development position us well for the year ahead.



Richard Mathews

Managing Director and Chief Executive Officer

DIRECTORS' REPORT

Your Directors present their report on RungePincockMinarco Limited (the "Company") and its subsidiaries (referred to hereafter as the "Group") for the year ended 30 June 2015.

1. Directors

The Directors of RungePincockMinarco Limited at any time during or since the end of the period were:

Non-executive

Allan Brackin – *Chairman*

Dr Ian Runge

Ross Walker

Executive

Richard Mathews - *Managing Director*

2. Principal Activities

The Group's principal activities during the financial year consisted of:

a) Software licensing, consulting, implementation and maintenance;

b) Technical, advisory and training services to the resources industry; and

c) Laboratory gas testing.

There were no significant changes in the nature of the Group's principal activities during the financial year.

3. Dividends

No dividends were paid or declared during the financial year.

4. Review and Results of Operations

Gross revenue in the 2015 financial year increased by 4% to $67.6 million (2014: $65.2 million). As shown below, the Group achieved strong growth in software license fees (63%) and software support revenue (9%) while Advisory revenue (-18%) and Laboratory services (-9%) declined again as miners limited their investments in exploration activity and project extensions while continuing to reduce their capital and operational costs.

	2015 $m	**2014 $m**	**Change %**
Software			
- Licence sales	15.9	9.8	63%
- Maintenance	13.7	12.6	9%
- Consulting	7.8	7.3	7%
Advisory	24.5	29.7	-18%
GeoGAS	4.3	4.7	-9%
Other Revenue	1.4	1.1	27%
Total Revenue	**67.6**	**65.2**	**4%**
Direct Costs	(5.6)	(4.8)	17%
Net Revenue	**62.0**	**60.4**	**3%**

DIRECTORS' REPORT

4. Review and Results of Operations (Continued)

Reconciliation between IFRS and non-IFRS financial performance items used in the Directors Report is presented below:

	2015 $m	2014 $m	Change %
Net Revenue	**62.0**	**60.4**	**3%**
Operating Expenses	(59.4)	(61.4)	-3%
EBITDA[1]	**2.6**	**(1.0)**	**n/a**
Accelerated depreciation – Brisbane Office	(1.5)	(0.2)	
Depreciation and Amortisation – other	(2.6)	(3.2)	-19%
Restructure – staff	(1.3)	(1.0)	
Restructure – office leases	(1.9)	(0.5)	
Goodwill impairment costs	(2.5)	(3.0)	
Net Finance (costs)/income	0.3	(0.1)	n/a
Loss before income tax	**(6.9)**	**(9.1)**	**24%**
Income tax benefit/(expense)	0.1	1.7	94%
Loss	**(6.8)**	**(7.4)**	**8%**
Earnings Per Share (cents per share)	**(3.9)**	**(5.2)**	**25%**

[1] Earnings before Interest, Tax, Depreciation, Amortisation, Impairment and Restructure

The Group undertook further Advisory and GeoGAS restructuring during the year in response to declining revenues, with Advisory operating costs down 21% to $19.3 million (2014: $24.5 million) and GeoGAS operating costs down 17% to $2.9 million (2014: $3.5 million).

Redundancy costs associated with these changes in the 2015 financial year were $1.3 million (2014: $1.0 million). While fewer employees were made redundant in 2015 those who left were generally remunerated higher and had been with the company longer than employees retrenched in previous years. The staff restructuring which was undertaken in FY15 will result in annualised savings in employee costs of $3.8 million.

The Group reduced its accommodation costs significantly during the 2015 financial year. As a result of restructuring its office leases in Brisbane, Sydney and Perth the Company reported onerous lease obligations of $1.2 million, fit out impairments of $0.7 million and accelerated depreciation of $1.7 million. The annualised savings in premises costs as a result of these accommodation changes is $1.4 million.

The Group has recognised a non-cash impairment charge of $2.5 million (2014: $3.0 million) against goodwill allocated to the Advisory division which reduced the carrying value of Advisory goodwill to $4.1 million. The impairment reflects continued difficult trading conditions for the Advisory division, with revenue down 18% in FY2015.

The Group recorded a foreign exchange gain of $0.7 million (2014: loss $0.4 million).

The fall in Advisory revenue was offset by the increase in software license fee revenue and reduction in operating costs which resulted in an EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation, Restructure and Impairment) of $2.6 million (2014: loss $1.0 million).

The Group had cash reserves of $22.6 million (2014: $7.5 million) and no bank debt at the end of the financial year.

DIRECTORS' REPORT

4. Review and Results of Operations (Continued)

Software Division

The Software division provides mine scheduling, financial costing/budgeting and simulation software solutions to the mining industry. It also provides software consulting, implementation, training and support for these products.

The Software division contributed 59% of Group revenue in 2015, up from 48% in the 2014 financial year.

Two new software products were released during the 2015 financial year and the nine software products which were released in the 2014 financial year all received significant upgrades. These enterprise enabled applications contributed significantly to a 63% increase in software license revenue.

Software sales in the traditionally strong fourth quarter of the year were $7.1 million, an increase from the prior comparative quarter of $3.3 million. These license sales occurred too late in the year to impact software consulting revenue which remained flat at $6.8 million (2014: $6.7 million) but will ensure a strong start to the year for the software consulting team.

Recurring revenue for software support grew by 9% to $13.7 million (2014: $12.6 million). Interestingly most of our competitor mining advisory companies who use our software to provide services to the industry did not renew their annual maintenance as they either downsized their business or pulled out of the market altogether. While this approach had a negative impact on our support revenue it also reduced the Advisory competitiveness of these companies– particularly in Coal.

Advisory Division

The Advisory division provides independent consulting and advisory services which cover technical and economic analysis and assessment of mining activities and resources on behalf of mining companies, financial institutions, government agencies and suppliers to mining projects. The market for advisory services is heavily reliant on expansion, development, financing and transacting of mining assets and projects.

The Advisory division contributed 33% of Group revenue in 2015, down from 43% in the 2014 financial year.

Revenue from Advisory services decreased by $5.6 million (22%) to $20.3 million (2014: $25.9 million). More than half of this reduction ($3.1 million) came from our Asian Advisory business which was negatively impact by the almost complete drop off in Chinese companies listing on either the Hong Kong or Singapore Stock Exchanges.

Operating expenses for the division reduced by 21% to $19.3 million (2014: $24.5 million), primarily as a result of a 28% reduction in divisional staff numbers. This reduction in staff numbers resulted in an increase in the use of sub-contractors on Advisory projects throughout the year (2015: $4.1 million, 2014: $2.8 million).

GeoGAS

The GeoGAS business provides mine gas consulting and laboratory testing services to the coal industry on the East Coast of Australia.

The GeoGAS division contributed 7% of Group revenue in 2015, down from 8% in the 2014 financial year.

The Australian coal industry experienced further cutbacks in 2015 to exploration budgets and forward planning activity. Revenue was down by 8% to $4.2 million (2014: $4.6 million); however, the division increased its segment contribution to $1.3 million (2013: $1.1 million).

Operating expenses

Operating expenses decreased by 3% ($1.6 million) to $59.4 million during the year (2014: $61 million).

DIRECTORS' REPORT

4. Review and Results of Operations (Continued)

The reduction in employee costs in both the Advisory ($3.6 million), GeoGAS ($0.5 million) and Corporate ($0.4 million) divisions was partly offset by the Software Development employee salary costs jumping by 30% ($1.6 million) to $7.1 million (2014: $5.5 million) as the Group hired additional software developers to support the three new software applications acquired during the year and its new product releases.

Due to the large increase in software license sales during the year the Group paid out $3.5 million in commissions and bonuses to our software team and senior management (2014: 1.1 million).

The Group also recorded $0.4 million in options expenses in 2015 (2014: $0.04 million).

5. Likely Future Developments - Business Strategies and Prospects for Future Financial Years

Software Division

In 2015 revenue from Software license fees increased by 63% as a result of increases in enterprise product sales (e.g. XERAS for Enterprise) and new product sales (e.g. XECUTE). Implementation of these solutions into our customers operating environments will provide additional product proof points which we believe will enhance our creditably and competitiveness.

Acceptance of the Group's enterprise products and innovative new products is lifting the quality of the conversations held with customers and prospects which is providing better insight into the requirements of the industry.

We will again invest heavily in our enterprise architecture and commodity based scheduling products. 2016 will see the launch of a number of new simulation applications as well as release of our first mine design products which will initially be incorporated into our coal solutions.

During 2015 we purchased three third party software products to fill product gaps in our product suite. This approach of identifying the leading products in specific product niches and then acquiring the rights to the products or the products themselves will continue in 2016.

Advisory and GeoGAS

The near term outlook for these businesses remains tough; however, longer term fundamentals remain positive. We believe both businesses will return positive contributions to the Group during 2016 on reduced revenue expectations. We are pleased with the structure and skills contained within both divisions and believe there is considerable upside available (without additional expenses being required) once commodity prices begin to rise and investment starts to return to the industry.

6. Legal Proceedings on Behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings, other than for Group pursuing outstanding accounts receivable through courts.

7. Significant Changes in the State of Affairs

There was no matter or circumstance during the financial year that has significantly affected the state of affairs of the Group not otherwise disclosed.

8. Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future years.

DIRECTORS' REPORT

9. Information on Current Directors and Company Secretary

Directors	Experience	Special responsibilities
Allan Brackin	Chairman, Non-executive Director. Joined the Board in November 2011. Allan was formerly Director and Chief Executive Officer of Volante Group Limited, and prior to this, co-founder of Applied Micro Systems (AMS), Netbridge Systems Integration, Prion Technology Distribution, Quadriga Consulting Group and Affinity Recruitment. Qualifications: Bachelor of Applied Science. Other listed company directorships in last three years: Director of GBST Holdings Limited since 2005	*Chairman* *Member and Chairman – HR and Remuneration Committee* *Member of Audit and Risk Committee*
Dr Ian Runge	Non-executive Director, company founder. Director since December 1986. Qualifications: M.E.(Mining Engineering), Ph D. (Economics), FAusIMM, FAICD Other listed company directorships in last three years: None	*Non-executive Director* *Member – Audit and Risk Committee*
Ross Walker	Non–executive Director. Joined the Board in March 2007. Joined Pitcher Partners Brisbane (previously Johnston Rorke) in 1985, Managing Partner in 1992 – 2008 and again from 2014-to date. Predominantly involved in corporate finance, auditing, valuations, capital raisings and mergers and acquisitions for the past 20 years. Qualifications: Bachelor of Commerce, FCA Other listed company directorships in last three years: None	*Non-executive Director* *Member and Chairman – Audit and Risk Committee* *Member – HR and Remuneration Committee*
Richard Mathews	Appointed Managing Director 28 August 2012. Richard was previously the Non-Executive Chairman and Chief Executive Officer of eServGlobal Limited. He has more than 20 years' of management experience in telecommunications, software and investment. He is a founding partner of MHB Holdings Pty Ltd. Richard was formerly CEO of Mincom, Australia's largest enterprise software company. Richard has also held the role of Senior Vice President, International at J D Edwards and Director of TransLink Transport Authority. Qualifications: Bachelor of Commerce, Bachelor of Science, ACA Other listed company directorships in last three years: Non-executive chairman and director of eServGlobal Ltd in 2009 - 2014.	*Executive Managing Director* *Member – HR and Remuneration Committee*

Company Secretary

James O'Neill, Group General Counsel and Company Secretary. Joined RungePincockMinarco Limited in December 2012. Qualifications: Bachelor of Laws and Bachelor of Information Technology from Queensland University of Technology, Graduate Diploma in Applied Corporate Governance from the Governance institute of Australia, Solicitor and Member of the Queensland Law Society and Associate Member of the Governance Institute of Australia (AGIA) and Chartered Institute of Secretaries (ACIS).

DIRECTORS' REPORT

10. Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015 and the number of meetings attended by each Director were:

	Full meetings of Board of Directors		Audit & Risk Committee		HR & Remuneration Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Allan Brackin	12	12	4	4	1	1
Dr Ian Runge	10	12	3	4	-	-
Ross Walker	12	12	4	4	1	1
Richard Mathews	12	12	-	-	1	1

11. Insurance of Officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be personally liable, except where there is a lack of good faith.

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company against certain risks associated with their activities as officers of the Company. The terms of that policy prohibit disclosure of the nature of liability covered, the limit of such liability and the premium paid.

12. Shares Under Option

Unissued ordinary shares of RungePincockMinarco Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
29/11/2013[1]	29/11/2018	$0.68	1,713,000
19/02/2014	19/02/2019	$0.67	350,000
31/03/2014	31/03/2019	$0.73	250,000
31/10/2014	31/10/2019	$0.61	100,000
03/03/2015[1]	03/03/2020	$0.59	5,002,000
15/07/2015	15/07/2020	$0.57	250,000
			7,665,000

[1] Included in these options were options granted as remuneration to the five highest remunerated officers during the year. Details of options granted to the five highest remunerated officers who are also key management personnel are disclosed in section 20E of the Remuneration report. There are no Officers in the Company who are not also identified as key management personnel.

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

13. Shares issued on the exercise of options

The following ordinary shares in the Company were issued during the year on the exercise of options granted under the Company's Employee Shares Option Plan. No further shares have been issued under the plan since 30 June 2015. No amounts are unpaid on any of the shares.

Date options granted	Expiry date	Issue price of shares	Number of shares issued
14/12/2010	30/09/2014	$0.57	165,600

DIRECTORS' REPORT

14. Environmental Legislation

RungePincockMinarco Limited and its controlled entities are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

15. Non-audit services

Details of the amounts paid or payable to the Company's auditor and related practices of the auditor for audit and non-audit services provided during the year are set out below.

The Board has considered the position and in accordance with advice received from the Audit Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001.

	2015	2014
BDO (QLD) Pty Ltd	**$**	**$**
Preparation of Income tax return and other taxation services	**5,600**	-

16. Indemnity of Auditors

The Company has agreed to indemnify and hold harmless its auditors, BDO Audit Pty Ltd, against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings whatsoever incurred by the auditors in respect of any claim by a third party arising from or connected to any breach by the Company.

17. Auditor's Independence Declaration

In accordance with Section 307C of the Corporations Act 2001, a copy of the auditor's independence declaration is enclosed on page 30.

18. Directors' Interests

The relevant interest of each director in the shares and options issued by the Company, as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	RungePincockMinarco Limited	
	Ordinary shares	**Options over ordinary shares**
A Brackin	1,064,978	-
Dr I Runge	16,335,484	-
R Walker	925,000	-
R Mathews [1]	7,847,003	-

[1] Includes 175,560 shares held by R Mathews as trustee under a bare trust arrangement for a third party.

19. Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

20. Remuneration Report - Audited

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

A. Principles used to determine the nature and amount of remuneration;
B. Service agreements;
C. Details of remuneration;
D. Bonus and share-based compensation benefits;
E. Equity instruments held by key management personnel; and
F. Other transactions with key management personnel.

20A. Principles Used to Determine the Nature and Amount of Remuneration

Remuneration and compensation have the same meaning in this report.

This report discusses the Group's policies in regard to compensation of key management personnel (KMP). The identified KMP have authority and responsibility for planning, directing and controlling the activities of the Group.

In addition to the Directors, the Company assessed the Chief Financial Officer, Group General Counsel & Company Secretary, the Executive General Managers of the Software Division and Advisory Division and the previous Corporate Services manager within the Group as having authority and responsibility for planning, directing and controlling all activities of the Group, directly or indirectly, during the 2015 financial year. The EGM Corporate Services manager ceased being a Key Management Personnel during the financial year.

The Board has established an HR and Remuneration Committee to assist with remuneration and incentive policies enabling the Group to attract and retain KMP and Directors who will create value for shareholders and support the Group's mission. The HR and Remuneration Committee obtains independent advice if required on the appropriateness of compensation packages given trends in comparative companies. In the 2015 financial year the Committee did not use a remuneration consultant. The Group's Corporate Governance Statement provides further information on the role of this Committee.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic, operational objectives and achieve the broader outcome of creation of value for shareholders.

The compensation structures take into account:

- The capability and experience of the KMP;
- Their ability to control the relevant segment's performance; and
- The segment or Group earnings.

Compensation packages include a mix of fixed and short-term and long-term performance-based incentives. In addition to their salaries, the Group also provides non-cash benefits to its KMP and contributes to a defined contribution superannuation plan (or equivalent pension plan) on their behalf.

Fixed Compensation

Fixed compensation is calculated on a total cost basis and includes salary, allowances, non-cash benefits, employer contributions to superannuation funds and any fringe benefits tax charges related to employee benefits, including motor vehicles.

Compensation levels are reviewed using an individual approach, based on evaluation of the individual, and a comparison to the market. A KMP's compensation is also reviewed on promotion.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives and is designed to reward KMP for meeting and exceeding their Key Performance Objectives (KPOs). The Short-term Incentive (STI) is an 'at risk' bonus provided in the form of cash, while the Long-term Incentive (LTI) is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan (ESOP) (see note 24 to the financial statements). The current long-term performance incentive structure was implemented in the 2008 year and amended in 2010, 2012 and 2013 years.

The table below sets out the performance based compensation paid to KMP together with earnings for the same period. Performance based compensation consists of STI cash bonus and LTI share-based payments.

	Performance based compensation					
Year ended 30 June	**STI $'000**	**LTI $'000**	**Total $'000**	**EBITDA[1] $'000**	**Dividends $'000**	**Share price $**
2011	75	-	75	10,261	1,241	0.37
2012	56	68	124	12,064	2,482	0.35
2013	-	(71)	(71)	1,850	2,482	0.47
2014	-	33	33	(945)	-	0.58
2015	**1,072**	**90**	**1,162**	**2,600**	**-**	**0.56**

[1] *Earnings before Interest, Tax, Depreciation, Restructure and Impairment costs*

Short-term Incentive Bonus

Effective 1 July 2012, the Group implemented a variable pay structure, referred to as the Executive General Manager Incentive Plan (EGMIP). Each of the identified KMP's has a portion of their remuneration linked to the EGMIP. The key objective of the EGMIP is to create clear alignment between individual and business performance and remuneration by providing a performance-based reward to participants in line with their relative contribution to the Group. The EGMIP achieves the alignment by focusing participants on achieving goals which contribute to sustainable shareholder value, and providing a clear link between performance and the Group financial result. In 2015 100% of the KMP's STI incentive pool was based on the Company adjusted EBITDA performance. Allocation of this pool was based on both individual performance metrics and divisional results. Cash bonuses are paid, provided for or forfeited in the year to which they relate.

The Board has assessed performance of the KMP's against the EGMIP for the 2015 Financial Year and STI's were awarded to the KMP as detailed below.

	Fixed Compensation	**Variable Compensation**	**STI awarded**	**STI forfeited**
R Mathews	50%	50%	100%	-
M Kochanowski	83%	17%	100%	-
J O'Neill	83%	17%	100%	-
C Halliday	50%	50%	100%	-
P Baudry	67%	33%	14%	86%

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

Long-term Incentive

Options were issued in the 2012, 2013, 2014 and 2015 financial years under the Company's Employee Share Option Plan (ESOP) to KMP's at the discretion of the Board. Consistent with the current ESOP plan terms approved by shareholders at the Company's 2013 Annual General Meeting, the rules of the ESOP Plan enable the Board to determine the applicable vesting criteria and to set a timetable for vesting of options in the Offer Document, including vesting in tranches over a defined period. The Board has the discretion on whether or not to set performance hurdles for vesting or to link vesting solely to a defined service period in order to drive key staff retention and reward longevity of service. The options issued since November 2013 vest in tranches over a three year period from the date of grant, have vesting conditions linked to the holder maintaining employment with the Group over that period and are issued at an exercise price based on the volume weighted average price of the Company's shares in the five days prior to each grant. The options issued in 2012 and 2013 vested in accordance with the table below if the Company's average annual earnings per share (EPS) growth (Average EPS Growth) over the performance period comprising the 2012, 2013 and 2014 financial years (Performance Period), is at least 10 percentage points above the Average Australian Consumer Price Index (CPI) Increase for the corresponding period.

EPS Vesting Condition

Average EPS Growth over the Performance Period above Average Australian CPI Increase in the corresponding period	% of Options which vest
Less than 10 percentage points	0%
10 percentage points or more, but less than 20 percentage points	50% plus an additional 5% for each 1% increment
20 percentage points or more	100%

The options issued in 2011 included vesting conditions related to Earnings per Share growth, EBITA margin and TSR peer comparison. The performance hurdles for each condition are as follows:

Vesting Condition	Hurdle	% of Options which vest if vesting condition satisfied
EPS average annual growth from the year preceding grant to the year following grant above average annual Australian CPI increase in the corresponding period.	Less than 4%	0%
	4% or more, but less than 8%	20% plus an additional 5% for each 1% increment
	8% or more	40%
EBITA margin in the year following grant	Less than 15%	0%
	15% or more but less than 20%	20% plus an additional 4% for each 1% increment
	20% or more	40%
TSR growth above peer comparison group	Less than 50th percentile	0%
	50th percentile or higher but lower than 75th percentile	10% plus, from 51st to 75th percentile 0.4% for every 1 percentile
	75th percentile or higher	20%

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

The Board has a Margin Loan policy that restricts Directors and executives of the Group from entering into financial contracts secured by shares and other securities of the Company. This policy requires the approval of the Chairman of the Board for any financial arrangements or facilities related to Company shares held by the Directors and executives.

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 periodically by the Board and are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands $500,000, unchanged since it was approved in the 2009 Annual General Meeting.

Non-executive Directors' base remuneration was last reviewed with effect from 31 December 2014. Both the Chairman's and Non-executive Directors' remuneration is inclusive of committee fees.

20B. Service Agreements

Details of contracts with Directors and KMP of the Group are set out below.

	Terms of agreement	Base salary including superannuation	Termination benefit	Notice Period
A Brackin	Unlimited in term	$100,000	Nil	Nil
Dr I Runge	Unlimited in term	$80,000	Nil	Nil
R Walker	Unlimited in term	$70,000	Nil	Nil
R Mathews	Unlimited in term	$501,250	6 months	6 months
K Wallis	Unlimited in term	$360,525	6 months	3 months
M Kochanowski	Unlimited in term	$250,574	3 months	3 months
J O'Neill	Unlimited in term	$250,574	2 months	2 months
C Halliday [1]	Unlimited in term	$454,545	1 month	1 month
P Baudry [1]	Unlimited in term	$402,763	1 month	1 month

[1] Australian dollar equivalent, salaries of C Halliday are set and paid in US Dollars and P Baudry are set and paid in Chinese Yuan and Russian ruble.

The KMP's are also entitled to receive upon termination of employment their statutory entitlements of accrued annual and long service leave (where applicable), together with any superannuation benefits (where applicable). Compensation levels are reviewed each year to meet the principles of the remuneration policy.

20C. Details of Remuneration

Directors

Chairman (Non-executive)
Allan Brackin

Executive Directors
Richard Mathews - Managing Director

Non-executive Directors
Dr Ian Runge
Ross Walker

20. Remuneration Report - Audited (Continued)

20C. Details of Remuneration (Continued)

Other Key Management Personnel

In addition to executive Directors mentioned above, the following persons were assessed by the Company as the executives who had the greatest authority and responsibility for planning, directing and controlling all activities of the Group, directly or indirectly, during the 2015 financial year:

Name	Position
Michael Kochanowski	Chief Financial Officer
James O'Neill	Group General Counsel and Company Secretary
Craig Halliday	Executive General Manager – Software Division
Philippe Baudry	Executive General Manager - Advisory Division
Kieran Wallis	Executive General Manager – Corporate Services (ceased to be key management personnel during the year)

Details of remuneration of each Director of RungePincockMinarco Limited and each of the other KMP of the Group are set out in the following tables.

	Short-term benefits			Post - employment benefits	Termination benefits	Share-based payment	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
	Cash salary and fees	STI cash bonus	Non – monetary benefits [1]			Options			
2015	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors									
A Brackin	100,457	-	-	9,543	-	-	110,000	-	-
Dr I Runge	80,000	-	-	-	-	-	80,000	-	-
R Walker	75,000	-	-	-	-	-	75,000	-	-
R Mathews	467,293	500,000	11,150	35,000	-	-	1,013,443	49.3	-
	722,750	500,000	11,150	44,543	-	-	1,278,443	39.1	-
Other Key Management Personnel									
M Kochanowski	227,798	44,000	11,150	21,641	-	11,391	315,980	17.5	3.6
J O'Neill	229,358	45,872	11,150	21,789	-	11,909	320,078	18.1	3.7
C Halliday	421,259	454,545	24,037	22,978	-	45,901	968,720	51.7	4.7
P Baudry	422,718	27,500	10,384	-	-	23,305	483,907	10.5	4.8
K Wallis[2]	213,653	-	7,433	20,297	237,790	(2,753)	476,420	(0.6)	(0.6)
	1,514,786	571,917	64,154	86,705	237,790	89,753	2,565,105	25.8	3.5
Total	**2,237,536**	**1,071,917**	**75,304**	**131,248**	**237,790**	**89,753**	**3,843,548**	**30.2**	**2.3**

[1] Includes car park and health insurance [2] ceased to be key management personnel during the year

The termination benefit includes contractual termination benefit and superannuation (where applicable).

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20C. Details of Remuneration (Continued)

	Short-term benefits			Post - employment benefits	Termination benefits	Share-based payment	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
	Cash salary and fees	STI cash bonus	Non – monetary benefits[1]			Options			
2014	$	$	$	$	$	$	$	%	%
Directors									
A Brackin	109,840	-	-	10,160	-	-	120,000	-	-
Dr I Runge	80,000	-	-	-	-	-	80,000	-	-
R Walker	80,000	-	-	-	-	-	80,000	-	-
R Mathews	471,373	-	10,075	29,878	-	-	511,326	-	-
	741,213	-	10,075	40,038	-	-	791,326	-	-
Other Key Management Personnel									
M Kochanowski	222,293	-	10,075	18,056	-	2,148	252,572	0.9	0.9
J O'Neill	229,358	-	10,075	21,216	-	1,335	261,984	0.5	0.5
C Halliday[2]	244,301	-	12,674	9,723	-	32,500	299,198	10.9	10.9
P Baudry[2]	382,524	-	8,498	-	-	(1,913)	389,109	(0.5)	(0.5)
K Wallis	330,369	-	10,075	30,156	-	(1,211)	369,389	(0.3)	(0.3)
	1,408,845	-	51,397	79,151	-	32,859	1,572,252	2.0	2.0
Total	**2,150,058**	**-**	**61,472**	**119,189**	**-**	**32,859**	**2,363,578**	**1.3**	**1.3**

[1] Includes car park and health insurance [2] Became Key Management Personnel during the year

20D. Bonuses and Share-based Compensation Benefits

All options refer to options over ordinary shares of RungePincockMinarco Limited, which are exercised on a one-for-one basis under the ESOP Plan.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, based on an estimate of the number of options likely to vest, and the amount is included in the remuneration tables above. Fair values at grant date are determined using Trinominal Lattice and Hoadley's Hybrid models that take into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Model inputs for options granted during the year are disclosed in note 24 in the financial report.

Details of options over ordinary shares in the Company provided as remuneration to each director and each of the KMP's and the Group are set out below. When exercisable, each option is convertible into one ordinary share of RungePincockMinarco Limited. Further information on the options is set out in note 24 to the financial statements.

20. Remuneration Report - Audited (Continued)

20D. Bonuses and Share-based Compensation Benefits (Continued)

	Number of options granted during the year	Value of options at grant date [1] $	Number of options vested during the year [2]
A Brackin	-	-	-
Dr I Runge	-	-	-
R Walker	-	-	-
R Mathews	-	-	-
K Wallis	-	-	32,399
M Kochanowski	200,000	44,640	27,199
J O'Neill	225,000	50,220	16,666
C Halliday	100,000	22,320	166,666
P Baudry	550,000	122,760	27,199

[1] The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.

[2] Options granted in 2010 vested and were either exercised or expired in September 2014 with an exercise price of $0.57. Options granted in November 2013 vested in November 2014 with an exercise price of $0.68 cents expiring in November 2018 and to-date no options in this grant have been exercised.

Options granted under the ESOP plan carry no dividend or voting rights until the options vest, are exercised and converted to ordinary shares whereupon those ordinary shares carry dividend and voting rights consistent with all other ordinary shares of the Company.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Details of remuneration: Bonuses and share-based compensation benefits

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise Price $	Value per option at grant date
14/12/2010	31/08/2012	30/09/2014	0.57	$0.20
14/12/2010	31/08/2013	30/09/2014	0.57	$0.19
14/12/2010	31/08/2014	30/09/2014	0.57	$0.19
29/05/2012	1/09/2014	31/08/2016	0.40	$0.12
03/05/2013	1/09/2014	31/08/2016	0.55	$0.20
26/08/2013	01/09/2014	31/08/2016	0.55	$0.10
29/11/2013	30/11/2014	29/11/2018	0.68	$0.21
29/11/2013	30/11/2015	29/11/2018	0.68	$0.23
29/11/2013	30/11/2016	29/11/2018	0.68	$0.25
03/03/2015	03/03/2016	03/03/2020	0.59	$0.19
03/03/2015	03/03/2017	03/03/2020	0.59	$0.23
03/03/2015	03/03/2018	03/03/2020	0.59	$0.25

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20D. Bonuses and Share-based Compensation Benefits (Continued)

Details of options over ordinary shares in the Company provided as remuneration to key management personnel are shown below. When exercisable, each option is convertible into one ordinary share of RungePincockMinarco Limited. The vesting conditions are set out in Section 20A.

The table also shows the percentages of the options granted that vested and were forfeited during the year. Further information on the options is set out in note 24 to the financial statements.

	Year (FY) of grant	Years in which option may vest	Number of options granted	Value of option at grant date [1]	Number of options vested during the year	Vested %	Number of options forfeited during the year	Value at date of forfeiture [2]	Forfeited %
A Brackin	-	-	-	-	-	-	-	-	-
Dr I Runge	-	-	-	-	-	-	-	-	-
R Walker	-	-	-	-	-	-	-	-	-
R Mathews	-	-	-	-	-	-	-	-	-
K Wallis	2011	2013-2015	118,000	$0.19 - $0.20	15,733	13%	21,466	$1,932	58%
	2012	2015	150,000	$0.12	-	-	150,000	-	100%
	2013	2015	2,800	$0.20	-	-	2,800	-	100%
	2014	2015	165,734	$0.10	-	-	165,734	-	100%
	2014	2015-2017	50,000	$0.21 - $0.25	16,666	33%	-	-	-
M Kochanowski	2011	2013-2015	79,000	$0.19 - $0.20	10,533	13%	-	-	-
	2012	2015	50,000	$0.12	-	-	50,000	-	100%
	2013	2015	33,400	$0.20	-	-	33,400	-	100%
	2014	2015	35,000	$0.10	-	-	35,000	-	100%
	2014	2015-2017	50,000	$0.21 - $0.25	16,666	33%	-	-	-
	2015	2016-2018	200,000	$0.19 - $0.25	-	-	-		-
J O'Neill	2013	2015	115,000	$0.20	-	-	115,000	-	100%
	2014	2015	35,000	$0.10	-	-	35,000	-	100%
	2014	2015-2017	50,000	$0.21 - $0.25	16,666	33%	-	-	-
	2015	2016-2018	225,000	$0.19 - $0.25	-	-	-	-	-
C Halliday	2014	2015-2017	500,000	$0.21-$0.25	166,666	33%	-	-	-
	2015	2016-2018	100,000	$0.19 - $0.25	-	-	-	-	-
P Baudry	2011	2013-2015	79,000	$0.19 - $0.20	10,533	13%	-	-	-
	2012	2015	135,000	$0.12	-	-	135,000	-	100%
	2013	2015	33,400	$0.20	-	-	33,400	-	100%
	2014	2015	250,000	$0.10	-	-	250,000	-	100%
	2014	2015-2017	50,000	$0.21 - $0.25	16,666	33%	-	-	-
	2015	2016-2018	550,000	$0.19 - $0.25	-	-	-	-	-

[1] The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration

[2] The value of the options that were granted as part of remuneration and that were forfeited (lapsed) during the year because a vesting condition was not satisfied was determined at the time of lapsing, but assuming the condition was satisfied.

20E. Equity Instruments held by Key Management Personnel

No shares were granted as compensation in 2015 (2014: nil). The number of shares and options over shares in the Company held during the financial year by each Director of RungePincockMinarco Limited and each of the other key management personnel of the Group, including their personally-related entities, is set out below:

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20E. Equity Instruments held by Key Management Personnel (Continued)

(i) Options

Name	Balance at the start of the year	Granted as compensation	Forfeited, exercised and expired	Balance at the end of the year	Vested and exercisable
A Brackin	-	-	-	-	-
Dr I Runge	-	-	-	-	-
R Walker	-	-	-	-	-
R Mathews	-	-	-	-	-
K Wallis [2]	400,000	-	(350,000)	50,000	16,666
M Kochanowski	200,000	200,000	(150,000)	250,000	16,666
J O'Neill	200,000	225,000	(150,000)	275,000	16,666
C Halliday	500,000	100,000	-	600,000	166,666
P Baudry	500,000	550,000	(450,000)	600,000	16,666

(ii) Ordinary Shares

	Balance at the start of the year	Sold during the year	Acquired during the year (Share Purchase Plan 5 Sept 2014)	Exercise of Options	Acquired during the year (on market)	Balance at the end of the year
Directors						
A Brackin	927,528	-	25,000	-	112,450	1,064,978
Dr I Runge	16,310,484	-	25,000	-	-	16,335,484
R Walker	900,000	-	25,000	-	-	925,000
R Mathews [1]	7,052,003	-	25,000	-	770,000	7,847,003
Other key management personnel of the Group						
K Wallis [2]	17,552	-	16,666	10,000	-	44,218
M Kochanowski	69,371	-		31,600	-	100,971
J O'Neill	2,000	-	4,000	-	4,000	10,000
C Halliday [1]	2,216,574	-	-	-	274,541	2,491,115
P Baudry	182,976		8,333	31,600	-	222,909

[1] Includes 175,560 shares held by R Mathews as trustee under a bare trust arrangement for C Halliday.

[2] Number at the date K Wallis ceased being key management personnel.

Details of ordinary shares the Company provided as a result of the exercise of the options by key management personnel of the Group are set out below. No amounts were unpaid on any shares issued on the exercise of options.

Name	Date of exercise	Number of shares issued	Amount paid per share	Value at exercise date [1]
K Wallis	30/09/2014	10,000	$0.57	900
M Kochanowski	30/09/2014	31,600	$0.57	2,844
P Baudry	30/09/2014	31,600	$0.57	2,844

[1] the value of options was determined as the intrinsic value of the options on that date.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20F. Other Transactions with Key Management Personnel

The Group employs the services of Pitcher Partners Chartered Accountants, an entity associated with Ross Walker. Pitcher Partners received $3,400 (2014: $9,100) for taxation and advisory services. Amount payable at year end is nil (2014: $3,740).

During the year the Group employed services of Dr Ian Runge to present a training course to a client. The Group paid $5,000 for the services rendered to Runge International Pty Ltd, an entity associated with Dr Ian Runge.

Aggregate amounts of each of the above types of other transactions with key management personnel of RungePincockMinarco Limited:

Amounts recognised as direct cost		
Rechargeable expenses	5,000	-
	5,000	**-**
Amounts recognised as expense		
Professional fees	3,400	9,100
	3,400	**9,100**

2014 Annual General Meeting (AGM)

The Company's 2014 remuneration report was unanimously adopted by show of hands at 2014 AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration report - End

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

Allan Brackin
Chairman
Dated: 12 August 2015

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE DIRECTORS OF RUNGEPINCOCKMINARCO LIMITED

As lead auditor of RungePincockMinarco Limited for the year ended 30 June 2015, 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.

This declaration is in respect of RungePincockMinarco Limited and the entities it controlled during the period.

P A Gallagher
Director

BDO Audit Pty Ltd

Brisbane, 12 August 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Revenue from continuing operations			
Services		36,428	41,462
Licence sales		15,944	9,779
Software maintenance		13,701	12,570
Other revenue		1,558	1,420
Revenue		**67,631**	**65,231**
Rechargeable expenses		(5,612)	(4,794)
Net Revenue		**62,019**	**60,437**
Expenses			
Amortisation	12	(1,060)	(1,381)
Depreciation – Other	11	(1,275)	(1,588)
Depreciation - Brisbane Office	11	(1,805)	(546)
Employee benefits expense		(44,287)	(43,993)
Other employee costs		(772)	(979)
Office expenses		(3,146)	(3,141)
Professional services		(1,318)	(1,625)
Rent		(5,948)	(6,740)
Restructure and Impairment costs	4	(5,680)	(4,459)
Travel expenses		(2,112)	(1,714)
Other expenses		(1,835)	(3,191)
		(69,238)	**(69,357)**
Loss before finance costs and income tax		**(7,219)**	**(8,920)**
Finance income		523	110
Finance costs		(173)	(244)
Net finance costs		**350**	**(134)**
Loss before income tax		**(6,869)**	**(9,054)**
Income tax benefit/(expense)	5	112	1,703
Loss		**(6,757)**	**(7,351)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Loss		**(6,757)**	**(7,351)**
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences		42	(341)
Other comprehensive income / (loss), net of tax		**42**	**(341)**
Total comprehensive income		**(6,715)**	**(7,692)**
Earnings per share			
Basic earnings per share (cents)	23	**(3.9)**	**(5.2)**
Diluted earnings per share (cents)	23	**(3.9)**	**(5.2)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	22,557	7,521
Trade and other receivables	8	17,449	11,372
Work in progress	9	1,148	2,700
Current tax receivable		105	669
Other assets	10	1,658	1,464
Total current assets		**42,917**	**23,726**
Non-current assets			
Trade and other receivables	8	351	386
Investments accounted for using the equity method	27(c)	26	26
Property, plant and equipment	11	2,564	6,361
Deferred tax assets	6	8,639	7,949
Intangible assets	12	22,257	23,257
Total non-current assets		**33,837**	**37,979**
Total assets		**76,754**	**61,705**
LIABILITIES			
Current liabilities			
Trade and other payables	13	8,003	5,111
Provisions	14	3,113	4,951
Current tax liabilities		73	22
Other Liabilities	15	8,508	9,501
Total current liabilities		**19,697**	**19,585**
Non-current liabilities			
Provisions	14	1,953	1,034
Deferred tax liabilities	6	-	69
Other Liabilities	15	185	982
Total non-current liabilities		**2,138**	**2,085**
Total liabilities		**21,835**	**21,671**
Net assets		**54,919**	**40,034**
EQUITY			
Contributed equity	16	69,894	48,678
Reserves	17	(3,857)	(4,283)
Retained earnings	17	(11,118)	(4,361)
Total equity		**54,919**	**40,034**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Contributed equity	Reserves	Retained profits	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2014	**48,678**	**(4,283)**	**(4,361)**	**40,034**
Loss for the year	**-**	-	(6,757)	(6,757)
Other comprehensive income	**-**	42	-	42
Total comprehensive income	**-**	**42**	**(6,757)**	**(6,715)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	21,216	-	-	21,216
Employee share options	-	384	-	384
	21,216	**384**	**-**	**21,600**
Balance at 30 June 2015	**69,894**	**(3,857)**	**(11,118)**	**54,919**
Balance at 1 July 2013	**48,664**	**(3,986)**	**2,990**	**47,668**
Loss for the year	**-**	-	(7,351)	(7,351)
Other comprehensive income	**-**	(341)	-	(341)
Total comprehensive income	**-**	**(341)**	**(7,351)**	**(7,692)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	14	-	-	14
Employee share options	-	44	-	44
	14	**44**	**-**	**58**
Balance at 30 June 2014	**48,678**	**(4,283)**	**(4,361)**	**40,034**

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

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		66,055	73,191
Payments to suppliers and employees		(66,870)	(70,350)
		(815)	2,841
Interest received		523	110
Finance costs		(173)	(219)
Restructure costs - Redundancies		(1,018)	(935)
Restructure costs – Onerous leases		(1,453)	(510)
Make good - Brisbane office	14	(988)	-
Income taxes refunded		846	530
Income taxes paid		(532)	(357)
Net cash (outflow) / inflow from operating activities	21	**(3,610)**	**1,460**
Cash flows from investing activities			
Payments for property, plant and equipment		(352)	(261)
Proceeds from sale of property, plant and equipment		4	170
Payments for intangible assets		(2,559)	(379)
Net cash outflow from investing activities		**(2,907)**	**(470)**
Cash flows from financing activities			
Contributions of equity		21,778	14
Transaction costs		(796)	-
Net cash inflow/(outflow) from financing activities		**20,982**	**14**
Net increase/(decrease) in cash and cash equivalents held		14,465	1,004
Cash and cash equivalents at the beginning of the financial year		7,521	6,928
Effects of exchange rate changes on cash and cash equivalents		571	(411)
Cash and cash equivalents at the end of the financial year	7	**22,557**	**7,521**

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

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

RungePincockMinarco Limited is a listed public company, incorporated and domiciled in Australia.

The financial report comprises the consolidated entity ("Group") consisting of RungePincockMinarco Limited and its subsidiaries.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001.* RungePincockMinarco Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of RungePincockMinarco Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by RungePincockMinarco Limited as at 30 June 2015 and the results of all controlled entities for the year then ended. RungePincockMinarco Limited and its controlled entities together are referred to in this financial report as the "consolidated entity" or the "Group".

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(k)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses in the tax jurisdiction in which they arose.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

RungePincockMinarco Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, RungePincockMinarco Limited, 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 standalone taxpayer in its own right.

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

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the Group. Details about the tax funding agreements are disclosed in note 5.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

1. Summary of Significant Accounting Policies (Continued)

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operational decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The assets and liabilities of the Group are regularly reviewed on a consolidated basis but are not regularly reported to the chief operating decision maker at a segment level. As such this information has not been included in the Operating Segment note 2.

(e) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is RungePincockMinarco Limited's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose changes in the fair value are presented in other comprehensive income are recognized in other comprehensive income.

iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at daily exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(f) Revenue Recognition

i) Sale of licences

Revenue from the sale of licences is recognised when the amount can be reliably measured and all significant risks and rewards of ownership have been transferred to the buyer. In most cases this coincides with the transfer of legal title or the passing of possession to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

ii) Consulting

Revenue from the provision of consulting services is recognised on an accruals basis in the period in which the consulting service is provided. Revenue from the provision of these services is calculated with reference to the professional staff hours incurred on each client assignment adjusted for any time that may not be recoverable.

iii) Software maintenance

When the outcome of a transaction involving software maintenance can be estimated reliably, revenue associated with the transaction is recognised on a straight-line basis over the service period.

iv) Interest revenue

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

(g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. 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 allowance is recognised in other expenses in profit or loss. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(h) Work in Progress

Work in progress represents costs incurred and profit recognised on client assignments and services that are in progress at balance date. Work in progress is valued at net realisable value after providing for any foreseeable losses.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(i) Investments and Other Financial Assets

Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments, the group can make an irrevocable election at initial recognition of each investment to recognise changes in fair value through other comprehensive income (OCI) rather than profit or loss.

All current investments in equity investments are classified as at fair value through other comprehensive income. Such investments are initially and subsequently measured at fair value, with the initial fair value being cost.

Unrealised gains or losses on investments in an equity instrument are recognised in a reserve until the investment is sold, collected or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Asset Realisation Reserve.

The Company derecognises an investment in an equity instrument when it is sold or it transfers the investment and the transfer qualifies for derecognition in accordance with AASB 9. Upon derecognition, unrealised gains/losses net of tax relating to the investment are transferred from the revaluation reserve to the realisation reserve.

Interest bearing investments are recognised initially at fair value and are subsequently measured at amortised cost. Amortised cost is calculated with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the investment on an effective interest basis.

(j) Leases

Leases of property, plant and equipment, where the Group as lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term borrowings. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term.

(k) Business Combinations

The acquisition 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. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(k) Business Combinations (Continued)

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

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 entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(l) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(m) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(n) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its estimated useful life to the consolidated entity, or in case of lease hold improvements, the shorter lease term. Estimates of remaining useful lives are made on a regular basis for all assets.

The estimated useful lives for plant and equipment is ranging between 2 and 20 years.

1. Summary of Significant Accounting Policies (Continued)

(n) Property, Plant and Equipment (Continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in profit or loss.

(o) Intangible Assets

i) Software developed or acquired for sales and licensing

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new areas of products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs and acquired software are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight line basis over its useful life, which varies from three to five years.

ii) Software – internal management systems

Software licences used in internal management systems, whether acquired or internally developed are stated at cost less amortisation. They are amortised on a straight line basis over the useful life from 2.5 to 5 years.

iii) Patents and trademarks

Costs associated with patents and trademarks are expensed as incurred.

iv) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/business at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from business combination in which goodwill arose, identified according to operating segments or components of operating assets (note 2).

(p) Trade and Other Payables

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

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(r) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(s) Employee Benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits.

Other long-term employee benefit obligations

The liability for long service leave and other benefits which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(s) Employee Benefits (Continued)

ii) Bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

iii) Superannuation

The Group has a defined contribution superannuation plan for its eligible employees. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv) Share-based payments

Share-based compensation benefits are provided to employees via the RungePincockMinarco Limited employee share option plan (ESOP) and an employee share purchase plan. Information relating to these schemes is set out in note 24.

The fair value of options granted under the ESOP is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions, but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(t) Value Added Taxes (Including Goods and Services Tax)

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT), except where the amount of VAT is not recoverable from the relevant tax authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of the item as expense.

Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The VAT components of the cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

(u) 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.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(v) Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners 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

Dilutive earnings per share adjusts the figures used in 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
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

(x) Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(y) Comparative Figures

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

(z) Critical Accounting Estimates and Significant Judgments

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes in the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial report such as:

- intangible assets, including goodwill (note 12),
- impairment of receivables (note 8, 22(a) and note 1(g)),
- deferred tax assets (note 6).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparation of the financial report are reasonable.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(aa) Parent Entity Financial Information

The financial information for the parent entity, RungePincockMinarco Limited, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries

Investment in subsidiaries are accounted for at cost in the financial statements of RungePincockMinarco Limited.

(bb) New Accounting Standards and Interpretations Not Yet Adopted

Relevant accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted for the annual reporting period ended 30 June 2015, are as follows:

(i) IFRS 15 Revenue from Contracts with Customers

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Group has not yet evaluated the impact adoption of this standard will have

(cc) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets; and
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of these standards did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date.

2. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the CEO in order to make decisions about resource allocations and to assess performance of the Group. The reports are split into functional divisions: Software Division, Advisory Division and GeoGAS.

Software Division provides all of the Group's Software offerings, including maintenance (support), training and implementation services to mining companies.

Advisory Division provides consulting and advisory services which cover technical and economic analysis and assessment of mining activities and resources on behalf of mining companies, financial institutions, customers of mining companies (e.g. coal fired electricity generators), lessors and potential lessors of mineral rights to mining companies, government departments and agencies and suppliers to mining companies and projects.

GeoGAS provides services to coal mining clients in respect of gas content testing and relevant consulting services. Segment revenue, expenses and results include transfers between segments. Such transfers are priced on an "arms-length" basis and are eliminated on consolidation.

2. Operating Segments (Continued)

Information about reportable segments

	2015				2014			
	Software Division	Advisory Division	GeoGAS	Total	Software Division	Advisory Division	GeoGAS	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
External Sales	36,803	25,223	4,222	66,248	29,215	30,224	4,669	64,108
Inter-segment sales	1,739	1,171	125	3,035	1,281	802		2,083
Total Revenue	**38,542**	**26,394**	**4,347**	**69,283**	**30,496**	**31,026**	**4,669**	**66,191**
Inter-segment expenses	(1,163)	(1,864)	(8)	(3,035)	(785)	(1,281)	(17)	(2,083)
Rechargeable expenses	(1,200)	(4,250)	(162)	(5,612)	(868)	(3,825)	(101)	(4,794)
Net revenue	**36,179**	**20,280**	**4,177**	**60,636**	**28,842**	**25,921**	**4,551**	**59,314**
Total Expenses	(19,253)	(19,389)	(2,929)	(41,571)	(17,634)	(24,528)	(3,480)	(45,642)
Software Development	(7,734)	-	-	(7,734)	(5,918)	-	-	(5,918)
Segment profit/(loss)	**9,192**	**891**	**1,248**	**11,331**	**5,290**	**1,393**	**1,071**	**7,754**

Reconciliation of segment profit to reported net profit:	**2015 $'000**	**2014 $'000**
Segment result	11,331	7,754
Adjustments:		
Foreign exchange gains/(losses)	713	(363)
Employment benefits – corporate and IT	(4,454)	(3,859)
Other unallocated costs – corporate and IT	(5,659)	(5,601)
Restructure and impairment costs	(5,680)	(4,459)
Depreciation and amortisation	(4,140)	(3,515)
Net finance costs	350	(134)
Unallocated income	670	1,123
Loss before income tax	(6,869)	(9,054)
Income tax benefit	112	1,703
Net loss	**(6,757)**	**(7,351)**

Geographical Information

Segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

NOTES ON THE FINANCIAL STATEMENTS

2. Operating Segments (Continued)

	2015		2014	
	Revenues $'000	Non-current assets[1] $'000	Revenues $'000	Non-current assets[1] $'000
Australia	26,542	24,472	20,993	27,517
Asia	14,388	361	18,735	424
Americas	14,285	154	15,171	1,787
Africa & Europe	11,033	211	9,209	302
Operating Segment	**66,248**	**25,198**	**64,108**	**30,030**
Unallocated Revenue	670	-	1,123	-
Foreign Exchange Gains	713	-	-	-
Reported	**67,631**	**25,198**	**65,231**	**30,030**

[1]Excludes financial instruments and deferred tax assets.

3. Loss Before Income Tax

Loss before income tax includes the following specific expenses / (income)	**2015 $'000**	**2014 $'000**
Defined contributions superannuation expense – related party	2,118	2,510
Rental expense relating to operating leases - Minimum lease payments	6,900	6,649
Foreign exchange (gains) / losses	(713)	363

4. Restructure and Impairment Costs

In 2015 the Group continued a program of cost reduction and restructuring initiatives to better align the business with the change in the operating environment. The costs incurred in these activities include:

Impairment costs:		
Goodwill – Advisory Division	2,500	3,000
Plant and Equipment – Sydney Office Fitout	711	-
	3,211	3,000
Other Restructure costs:		
Employment termination costs	1,206	933
Onerous lease obligations	1,203	488
Other closure costs	60	38
	2,469	1,459
	5,680	**4,459**

NOTES ON THE FINANCIAL STATEMENTS

5. Income Tax Benefit

Tax Recognised in profit or loss

Income tax expense	2015 $'000	2014 $'000
Current tax	(556)	(360)
Deferred tax	603	1,415
Adjustments to prior periods	65	648
Income tax benefit	**112**	**1,703**

Numerical reconciliation of income tax expense to prima facie tax		
Loss before income tax	**(6,869)**	(9,054)
Tax at the Australian tax rate of 30% (2014: 30%)	**2,061**	2,716
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Attributed income	(19)	(7)
Non-deductible expense/non-assessable income	377	(925)
Research and development deduction	400	351
Unutilised foreign tax credits	(167)	(11)
Unrecognised deferred tax assets	(2,879)	(1,062)
	(227)	1,062
Difference in overseas tax rates	18	(7)
Foreign Exchange movements	256	
Over/(under) provision in prior years	65	648
Income tax benefit	**112**	**1,703**

Tax consolidation legislation

RungePincockMinarco Limited and its wholly-owned Australian controlled entities implemented the tax consolidation regime from 13 March 2007. On adoption of the tax consolidation legislation, the entities in the tax consolidated Group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly-owned entities in the case of a default by the head entity, RungePincockMinarco Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate RungePincockMinarco Limited for any current tax payable assumed and are compensated for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to RungePincockMinarco Limited under the tax consolidated legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Significant Estimates – Deferred Tax Assets

An assessment of the recoverability of the net deferred tax assets has been made to determine the carrying value. Completion of restructure in Australia significantly lowers the Company's cost base and it is expected to have taxable profits in the future. At each reporting period, the recoverability of the net deferred tax assets will be reassessed. This may lead to the recognition of this unrecognized tax benefit in future reporting periods.

6. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	2015 $'000	2014 $'000
Provision for impairment of receivables	195	277
Employee benefits provision	1,846	1,228
Lease incentive liabilities	611	1,350
Tax loss	4,628	5,398
Unearned income	490	465
Accrued expenses	162	29
Share capital raising costs	259	112
Financial assets at fair value	3	3
Intangibles	1,319	(310)
Work in progress	(36)	(27)
Property, plant and equipment	(39)	(389)
Prepayments	(234)	(212)
Unrealised foreign exchange	(528)	(15)
Other deferred tax liabilities	(37)	(29)
Deferred tax assets	8,639	7,949
Deferred tax liabilities	-	(69)
Net Deferred tax assets	**8,639**	**7,880**
Movements		
Balance at 1 July	7,880	5,907
Recognised in profit or loss	603	1,415
Recognised in other comprehensive income	70	-
Recognised in equity	234	(61)
Reclassified from current	-	76
Over/(under) provision in prior years	(147)	543
Balance at 30 June	**8,639**	**7,880**

Unrecognised deferred tax assets

	2015 $'000	2014 $'000
Foreign tax credits	298	270
Tax losses	3,124	877
Capital losses	485	485
Deductible temporary differences	1,811	1,086
Unrecognised deferred tax assets	**5,719**	**2,718**
Unrecognised gross temporary differences	23,428	10,494

The group has derecognised deferred tax assets in its subsidiaries located in China, Russia, Chile, Brazil and USA because it is not probable that sufficient future taxable profit will be available. Foreign tax credits will expire in 2017. Capital losses do not expire, however, it is not probable that the Group would generate capital gains to utilise the benefit. Deductible temporary differences for have not been recognised because it is not probable that sufficient future taxable profit will be available.

NOTES ON THE FINANCIAL STATEMENTS

7. Cash and Cash Equivalents

	Note	2015 $'000	2014 $'000
Cash at bank		8,939	4,935
Deposits		13,617	2,586
		22,557	**7,521**

8. Trade and Other Receivables

Current		
Trade receivables	19,356	12,500
Provision for impairment of receivables	(1,909)	(1,336)
	17,447	11,164
Other receivables	2	208
	17,449	**11,372**
Non-current		
Other receivables and deposits	351	386
	351	**386**

9. Work in Progress

Work in progress	**1,148**	**2,700**

10. Other Assets

Prepayments	**1,658**	**1,464**

11. Property, Plant and Equipment

Plant and equipment - at cost		6,652	17,766
Less: accumulated depreciation		(4,088)	(11,405)
		2,564	**6,361**
Balance at 1 July		6,361	8,200
Exchange differences		52	(26)
Additions		352	672
Impairment	4	(711)	-
Disposals		(411)	(351)
Depreciation*		(3,080)	(2,134)
Balance at 30 June		**2,564**	**6,361**

* Depreciation charge includes accelerated depreciation for the Brisbane office fitout and make good of $1,487,000 (2014: $227,000) following a decision by the Company to move its Brisbane Head office. Total depreciation for the Brisbane office was $1,805,000 (2014: $546,000 and 2013: $319,000).

NOTES ON THE FINANCIAL STATEMENTS

12. Intangible Assets

	2015 $'000	2014 $'000
Software for sale and licensing – at cost	5,459	5,756
Less: accumulated amortisation	(2,141)	(4,432)
	3,318	1,324
Software for internal use – at cost	4,598	7,001
Less: accumulated amortisation	(4,191)	(6,100)
	407	901
Customer relationships and contracts – at cost	-	1,494
Less: accumulated amortisation	-	(1,494)
	-	-
Goodwill – at cost	24,764	24,032
Less: impairment losses	(6,232)	(3,000)
	18,532	21,032
	22,257	**23,257**

	Software For Sales to Customers [1]		Software For Internal Use		Goodwill	Total
	At Cost	Accumulated amortisation	At Cost	Accumulated amortisation	Carrying Value	Carrying Value
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2014	**5,756**	**(4,432)**	**7,001**	**(6,100)**	**21,032**	**23,257**
Additions	2,469	-	90	-	-	2,559
Exchange differences	-	-	1	-	-	1
Write-off[2]	(2,766)	2,766	(2,494)	2,494	-	-
Impairment [3]	-	-	-	-	(2,500)	(2,500)
Amortisation	-	(475)	-	(585)	-	(1,060)
Balance at 30 June 2015	**5,459**	**(2,141)**	**4,598**	**(4,191)**	**18,532**	**22,257**
Balance at 1 July 2013	5,624	(4,040)	6,755	(5,072)	24,066	27,333
Additions	132	-	219	-	-	351
Disposal	-	-	(3)	-	-	(3)
Exchange differences	-	-	30	(39)	(34)	(43)
Impairment [2]	-	-	-	-	(3,000)	(3,000)
Amortisation		(392)	-	(989)	-	(1,381)
Balance at 30 June 2014	**5,756**	**(4,432)**	**7,001**	**(6,100)**	**21,032**	**23,257**

[1] Software consists of capitalised development costs.
[2] Write-off includes fully amortised software acquired by the group and is no longer utilised in internal use or external sales.
[3] The carrying amount of intangible assets has been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss has been disclosed in note 4.

NOTES ON THE FINANCIAL STATEMENTS

12. Intangible Assets (Continued)

(a) Impairment Tests for Goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) according to business unit. A segment level summary of the goodwill is presented below.

	2015 $'000	2014 $'000
Advisory Division	4,055	6,555
Software Division	9,556	9,556
GeoGAS	4,921	4,921
	18,532	**21,032**

(b) Key assumptions used for value-in-use calculations

In the current and prior years the recoverable amount of the CGUs has been determined by value-in-use calculations. These calculations were based on the following key assumptions:

	Margin[1]		Growth Rate[2]		Discount Rate[3]	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Advisory Division	7%	14%	2.5%	2.5%	15%	17%
Software Division	50%	49%	2.5%	2.5%	15%	17%
GeoGAS	35%	21%	2.5%	3.0%	13%	15%

[1] Budgeted gross margin
[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period
[3] In performing the value-in-use calculations for each CGU, the group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax discount rates are disclosed above

These assumptions have been used for the analysis of each CGU. Cash flows were projected based on approved financial budgets and management projections over a five year period. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments.

(c) Impairment charges

Based on the above assumptions and calculations, an impairment of $2,500,000 (2014: $3,000,000) has been applied to goodwill in the Advisory division as the carrying amount of goodwill exceeded its recoverable amount.

(d) Impact of possible changes in key assumptions

Impairment calculations for GeoGAS and Software divisions are not sensitive to major changes in key assumptions.

Sensitivity of value in use calculations for the Advisory Division would result in further impairment summarised below:

NOTES ON THE FINANCIAL STATEMENTS

12. Intangible Assets (Continued)

(d) Impact of possible changes in key assumptions (Continued)

Assumption	**Change Basis points**	**Impact on impairment $'000**
Margin	-100	104
Growth Rate	-100	796
Discount Rate	+100	1,043

13. Trade and Other Payables

Current	**2015 $'000**	**2014 $'000**
Trade payables	2,507	2,066
Other payables and accruals	5,496	3,045
	8,003	**5,111**

14. Provisions

Current		
Make good obligations *	31	1,105
Onerous sublease contracts	620	1,242
Employee benefits	2,462	2,604
	3,113	**4,951**
Non-current		
Make good obligations	343	353
Onerous sublease contracts	897	-
Employee benefits	713	681
	1,953	**1,034**

* During the year the Group settled in cash its make good obligations for the Brisbane Head office.

15. Other Liabilities

Current		
Unearned income - software maintenance	6,787	6,053
Unearned income - consulting and other	1,691	2,515
Property lease incentives and straightlining	30	933
	8,508	**9,501**
Non-current		
Property lease incentives and straightlining	**185**	**983**

16. Contributed Equity

		2015 Number	2014 Number	2015 $'000	2014 $'000
Share capital					
Ordinary shares	- fully paid	177,653,062	141,380,950	69,894	48,678

Movements in Share Capital:

Date		Ordinary shares Number	$'000
30/06/2013	**Balance**	**141,345,216**	**48,664**
	Exercise of employee options at $0.57 per share	35,734	20
	Costs of issue	-	(6)
30/06/2014	**Balance**	**141,380,950**	**48,678**
	Placement at $0.60 per share	35,000,000	21,000
	Costs of issue		(509)
	Share Purchase Plan at $0.60 per share	1,106,512	664
	Costs of issue	-	(30)
	Exercise of Options at $0.57 per share	165,600	94
	Costs of issue		(3)
30/06/2015	**Balance**	**177,653,062**	**69,894**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a showing of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

Information relating to the RungePincockMinarco Employee Share Option Plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of financial year, is set out in note 24.

Capital Risk Management

The Group's objectives when managing capital include safeguarding the ability to continue as a going concern, so they continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not have any externally imposed capital requirements.

NOTES ON THE FINANCIAL STATEMENTS

16. Contributed Equity (Continued)

Consistent with the industry practice, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 30 June 2015 and 30 June 2014 were as follows:

	Notes	2015 $'000	2014 $'000
Total borrowings, trade and other payables		8,003	5,111
Less: cash and cash equivalents	7	(22,557)	(7,521)
Net (cash) / debt		(14,553)	(2,410)
Total equity		54,919	40,034
Total capital		**40,366**	**37,624**
Gearing ratio		n/a	n/a

17. Reserves and Retained Profits

Reserves		
Share-based payments (i)	1,125	741
Foreign currency translation (ii)	(1,846)	(1,888)
Financial assets revaluation reserve (iii)	(1,601)	(1,601)
Revaluation surplus	18	18
Reserve arising from an equity transaction (iv)	(1,553)	(1,553)
	(3,857)	**(4,283)**

Nature and Purpose of Reserves

(i) Share-based payments

The fair value of options issued to employees is recognised as an employment cost during the option vesting period with corresponding increase in equity recognised in this reserve.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in accounting policy note 1(e).

(iii) Financial assets revaluation reserve

Changes in the fair value of investments are recognized in equity securities in other comprehensive income. These changes are accumulated in a separate reserve within equity. The entity has a policy on transferring amounts from this reserve to an asset realization reserve.

(iv) Reserve arising from an equity transaction

Arose from the acquisition of an additional interest in the controlled entity, MRM Mining Services (Pty) Ltd.

NOTES ON THE FINANCIAL STATEMENTS

17. Reserves and Retained Profits (Continued)

Movement in Reserves

	Share-based payments		Foreign Currency Translation	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July	741	697	(1,888)	(1,547)
Options expensed	384	44	-	-
Income tax	-	-	-	-
Foreign currency translation	-	-	42	(342)
Balance at 30 June	**1,125**	**741**	**(1,846)**	**(1,889)**

There were no other movements in reserves in 2015 and 2014.

	2015 $'000	**2014 $'000**
Retained Profits		
Balance at 1 July	(4,361)	2,990
Net profit / (loss) for the year	(6,757)	(7,351)
Balance at 30 June	**(11,118)**	**(4,361)**

18. Dividends

	Cents per share		Total	
	2015	**2014**	**2015**	**2014**
	Cents	**Cents**	**$'000**	**$'000**
Fully paid ordinary shares	-	-	-	-

No dividend was declared in respect of the current financial year.

19. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditors of the Group, its related entities, its network forms and unrelated firms.

Audit services - Audit and review of the financial reports:	**2015**	**2014**
Auditor of the parent entity:	**$**	**$**
BDO Audit Pty Ltd	159,445	157,000
Auditors of subsidiaries:		
PKF Malaysia (unrelated firm)	-	977
BDO South Africa (network firm)	25,335	21,336
BDO Hong Kong (network firm)	21,006	17,787
BDO Indonesia (network firm)	17,250	14,650
Unistar – Mongolia (unrelated firm)	4,423	3,058
	227,459	**214,808**

During the year the company related to the Auditor of the parent entity BDO (QLD) Pty Ltd provided the following services and received the following fees:

Preparation of Income tax return and other taxation services	**5,600**	-

20. Commitments

(a) Non-cancellable Operating Leases

The Group leases various offices under non-cancellable operating leases expiring within one to seven years. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the lease are generally renegotiated. Excess office space is sub-let to third parties also under non-cancellable operating leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable:

	2015 $'000	2014 $'000
Within one year	2,651	6,470
Later than one year but not later than 5 years	6,807	9,614
Later than 5 years	255	1,312
Commitments not recognised in the financial statements	**9,713**	**17,396**
Sub-lease payments		
Future minimum lease payments to be received in relation to non-cancellable sub-leases of operating leases:		
Within one year	194	174
Later than one year but not later than 5 years	164	-
	358	**174**

21. Reconciliation of Net Profit to Net Cash Inflow / (outflow) from Operating Activities

	2015 $'000	2014 $'000
Net loss	**(6,757)**	**(7,351)**
Depreciation and amortisation	4,140	3,515
Disposal of property, plant and equipment	(362)	90
Impairment	3,211	3,000
Deferred tax recognised in equity	(234)	-
Net exchange differences	571	247
Employee share options	384	44
Change in operating assets and liabilities		
Decrease / (increase) in trade and other receivables	(6,043)	4,541
Decrease / (increase) in current tax asset	564	532
Decrease / (increase) in deferred tax asset	(690)	(1,806)
Decrease / (increase) in work in progress	1,552	(702)
Decrease / (increase) in other assets	(196)	(38)
Increase / (decrease) in trade and other payables	2,892	(753)
Increase / (decrease) in provision for impairment of receivables	86	734
Increase / (decrease) in other liabilities	(1,791)	94
Increase / (decrease) in current tax liabilities	51	(89)
Increase / (decrease) in deferred tax liability	(69)	(167)
Increase / (decrease) in provisions	(919)	(431)
Net cash inflow / (outflow) from operating activities	**(3,610)**	**1,460**

NOTES ON THE FINANCIAL STATEMENTS

22. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk.

The Board of Directors is ultimately responsible for reviewing, ratifying and monitoring systems of internal controls and risk management. The Board has established an Audit and Risk Committee, which is responsible for overseeing risk management systems. The Group'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 Group. The Group's finance division is responsible for development and maintenance of policies which deal with each type of risk related to use of financial instruments.

The Group holds the following financial instruments:

	2015	2014
Financial assets	**$'000**	**$'000**
Cash and cash equivalents	22,557	7,521
Trade and other receivables [1]	17,449	11,758
	40,006	**19,279**
Financial liabilities		
Trade and other payables [2]	**8,003**	**5,111**

[1] Loans and receivables

[2] At amortised cost

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and its receivables from customers.

The Group does not require guarantees or collateral of its trade and other receivables. In some foreign regions the Group works on a prepayment basis to avoid credit risk.

The Group has established an allowance for impairment that represents an estimate of incurred losses in respect of trade receivables. This allowance is determined based on the specific information regarding conditions of a particular individual debt. The information regarding the receivables ageing is monitored by both finance and operations management.

The maximum credit risk exposure of financial assets of the Group is represented by the carrying amounts of financial assets set out above. The Group had no significant concentrations of credit risk with any single counterparty or group of counterparties, other than banks or financial institutions.

NOTES ON THE FINANCIAL STATEMENTS

22. Financial Risk Management (Continued)

(a) Credit Risk (Continued)

The Group assesses the credit risk by the country where the debt is located. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2015 $'000	2014 $'000
Australia	9,058	3,908
Americas	2,010	1,976
Asia	3,866	3,887
Africa and Europe	2,515	1,601
	17,449	**11,372**

As at 30 June 2015, trade receivables of $5,148,000 (2014: $4,815,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of the trade receivables past due at the reporting date but not impaired was:

	2015	2014
Past due less than 30 days	1,154	1,358
Past due between 31-90 days	1,412	1,247
Past due more than 90 days	2,694	2,210
	5,148	**4,815**

The movement in the provision for impairment of trade receivables was as follows:

	2015	2014
Balance at 1 July	1,336	602
Provision no longer required	(107)	(12)
Unearned Income moved to provision	381	(78)
Impairment loss recognised	193	892
Effect of foreign exchange	106	(68)
Balance at 30 June	**1,909**	**1,336**

The provision for impairment of trade receivables in 2015 and 2014 relates to receivables that are past due for more than 90 days.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly reviews cashflow forecasts, maintains sufficient cash on demand and has unutilised borrowing facilities disclosed in note 22(c) below.

Contractual maturities of the Group's financial liabilities, including interest thereon, are as follows:

22. Financial Risk Management (Continued)

(b) Liquidity Risk (Continued)

2015	Carrying amount $'000	Contractual cash flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables	8,003	8,003	8,003	-	-	-	-
2014							
Trade and other payables	5,111	5,111	5,111	-	-	-	-

The Group manages its exposure to interest rate and foreign currency fluctuations through a policy approved by the Board of Directors. There are no other significant market risks affecting the Group.

(c) Market Risk

Currency Risk

The current policy is not to take any forward positions. At 30 June 2015 and 2014 the Group had not entered into any derivative contracts to hedge these exposures. The Group does not engage in any significant transactions which are speculative in nature.

As a multinational corporation, the Group maintains operations in foreign countries and as a result of these activities, the Group is exposed to changes in exchange rates which affect its results of operations and cash flows.

The Group's exposure to foreign currency risk at balance date expressed in Australian Dollars was as follows:

2015	USD $'000	CAD $'000	ZAR $'000	Other $'000	Total $'000
Cash and deposits	7,226	377	1,229	827	9,659
Trade and other receivables	4,548	241	846	2,328	7,963
Trade and other payables	(715)	(42)	(228)	(886)	(1,871)
Net balance sheet exposure	**11,059**	**576**	**1,847**	**2,269**	**15,751**
2014					
Cash and deposits	2,919	334	578	1,417	5,248
Trade and other receivables	4,672	767	1,462	573	7,474
Trade and other payables	(661)	(94)	(396)	(729)	(1,880)
Net balance sheet exposure	**6,930**	**1,007**	**1,644**	**1,261**	**10,842**

A 10 percent strengthening of the Australian dollar against the above currencies at 30 June 2015 based on assets and liabilities at 30 June 2015 would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	2015		**2014**	
	Equity $'000	**Profit/(Loss) $'000**	**Equity $'000**	**Profit/(Loss) $'000**
	(547)	**(885)**	**(966)**	**(118)**

NOTES ON THE FINANCIAL STATEMENTS

22. Financial Risk Management (Continued)

(c) Market Risk (Continued)

A 10 percent weakening of the Australian dollar against the above currencies at 30 June 2015 would have had equal but opposite effect on the above currencies to the amounts shown above.

Interest rate risk

Details of the Group's borrowing facilities are presented below.

Borrowing facilities	Currency	Nominal interest rate	Maturity	2015 Facility $'000	2015 Utilised $'000	2014 Facility $'000	2014 Utilised $'000
Bank overdraft	**AUD**	7.04%	n/a	-	-	5,000	-
Loans and Borrowings				**-**	**-**	**5,000**	**-**
Other facilities							
Bank guarantee	**AUD**	2.35%	n/a	1,800	912	-	-
Bank guarantee	**AUD**	2.50%	n/a	-	-	3,112	1,633

In 2015 bank guarantees were secured by the Group's term deposits. The Australian dollar loan facilities including the bank guarantee in 2014 were secured by a first registered equitable mortgage over the Group's assets, including uncalled capital.

(d) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

23. Earnings Per Share

	2015 Cents	2014 Cents
Basic earnings per share	(3.9)	(5.2)
Diluted earnings per share	(3.9)	(5.2)

Earnings used in Calculating Earnings Per Share	**2015 $'000**	**2014 $'000**
Profit / (loss) attributable to the ordinary equity holders used in calculating earnings per share	(6,757)	(7,351)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	174,439	141,353
Dilutive options	-	
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	174,439	141,353

24. Share Based Payments

Tax Exempt Share Plan

The Employee Share Scheme enables the Board to issue up to $1,000 of shares tax free per employee of the Group each year.

There were no shares issued under the $1,000 Share Purchase Plan in 2015 or 2014.

Eligibility for the tax exempt share plan is approved by the board having regard to individual circumstances and performance. No directors or key management personnel are eligible for the Tax Exempt Share Plan.

Employee Share Option Plan (ESOP)

The Employee Share Option Plan (ESOP) was approved by the Board of Directors on 5 February 2008, amended on 7 October 2009, 28 October 2011 and most recently on 29 October 2013 following approval of shareholders at the Company's 2013 Annual General Meeting.

Eligible participants of the ESOP include any person who is employed by, or is a director, officer or executive (or their approved permitted nominee), of the Group and whom the Board or its nominee determines is eligible to participate in the Option Plan. A permitted nominee includes a company controlled by the employee, a trust in which the employee has, or may have entitlements or such other entity as approved by the Board. Options are granted at the discretion of the Board of Directors.

All options under the ESOP are to be offered to eligible employees for no consideration. The offer to the eligible participant must be in writing and specify amongst other things, the number of options for which the eligible employee may apply, the period within which the options may be exercised, any conditions to be satisfied before exercise, the option expiry date and the exercise price of the options, as determined by the Board. The Board can impose any restrictions on the exercise of options as it considers fit.

The rules of the ESOP plan enable the Board to determine the applicable vesting criteria and to set a timetable for vesting of options in the offer document, including vesting in tranches over a defined period. The Board has the discretion on whether or not to set performance hurdles for vesting or to link vesting solely to a defined service period in order to drive key staff retention and reward longevity of service.

The options may be exercised, in part or full, subject to the employee continuing to be employed at the relevant vesting dates, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.

The rules of the plan allow the Board to set the exercise price per Option in the offer document.

Subject to the accelerated expiry terms set out in the ESOP plan (explained further below), options will expire five years after the date of grant subject to the option holder remaining employed by the Group. Unexercised options will automatically lapse upon expiry. Unless determined otherwise by the Board, in the event of stated events detailed in the plan, including termination of employment or resignation, redundancy, death or disablement or in the event of a change of control of an employee's permitted nominee, unvested options shall lapse and the expiry date of any vested options will be adjusted in accordance with the accelerated timetables set out in the ESOP plan rules (subject to the Board's discretion to extend the term of exercise in restricted cases).

24. Share Based Payments (Continued)

Once shares are allotted upon exercise of the options the participant will hold the shares free of restrictions. The shares will rank equally for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged. In the event of a change of control of the Company, all options will vest immediately and may be exercised by the employee (regardless of whether the vesting conditions have been satisfied). A holder of options is not entitled to participate in dividends, a new or bonus issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options.

The Options are not transferable, assignable or able to be encumbered, without Board consent and the options will immediately lapse upon any assignment, transfer or encumbrance, with the exception of certain dealings in the event of death of the option holder.

The ESOP plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP plan.

The ESOP plan may be terminated or suspended at any time by the Board. The ESOP plan may be amended or modified at any time by the Board except where the amendment reduces the rights of the holders of options, unless required by the Corporations Act or the Listing Rules, to correct any manifest error or mistake or for which the option holder consents. The Board may waive or vary the application of the ESOP plan rules in relation to any eligible employee at any time.

NOTES ON THE FINANCIAL STATEMENTS

24. Share Based Payments (Continued)

The vesting conditions attached to the options are set out in the Remuneration Report (20A) of the Directors' Report.

The number and weighted average exercise prices of share options are as follows:

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Weighted Average Share Price at the exercise date	Number at end of year
2015									
Options granted to management									
14/12/10	31/08/12	30/09/14	0.57	131,210	-	(60,538)	(70,672)	0.66	-
14/12/10	31/08/13	30/09/14	0.57	86,396	-	(32,532)	(53,864)	0.66	-
14/12/10	31/08/14	30/09/14	0.57	77,329	-	(36,265)	(41,064)	0.66	-
29/05/12	1/09/14	31/08/16	0.4	1,796,000	-	(1,796,000)	-	-	-
3/05/13	1/09/14	31/08/16	0.55	578,600	-	(578,600)	-	-	-
26/08/13	1/09/14	31/08/16	0.55	1,539,734	-	(1,539,734)	-	-	-
29/11/13	30/11/14	29/11/18	0.68	580,987	-	(5,000)	-	-	575,987
29/11/13	30/11/15	29/11/18	0.68	581,004	-	(10,000)	-	-	571,004
29/11/13	30/11/16	29/11/18	0.68	581,009	-	(10,000)	-	-	571,009
19/02/14	19/02/15	19/02/19	0.67	116,666	-	-	-	-	116,666
19/02/14	19/02/16	19/02/19	0.67	116,666	-	-	-	-	116,666
19/02/14	19/02/17	19/02/19	0.67	116,668	-	-	-	-	116,668
31/03/14	31/03/15	31/03/19	0.73	83,333	-	-	-	-	83,333
31/03/14	31/03/16	31/03/19	0.73	83,333	-	-	-	-	83,333
31/03/14	31/03/17	31/03/19	0.73	83,334	-	-	-	-	83,334
31/10/14	31/10/15	31/10/19	0.61	-	33,332	-	-	-	33,332
31/10/14	31/10/16	31/10/19	0.61	-	33,334	-	-	-	33,334
31/10/14	31/10/17	31/10/19	0.61	-	33,334	-	-	-	33,334
3/03/15	3/03/16	3/03/20	0.59	-	1,692,308	-	-	-	1,692,308
3/03/15	3/03/17	3/03/20	0.59	-	1,692,308	-	-	-	1,692,308
3/03/15	3/03/18	3/03/20	0.59	-	1,692,384	-	-	-	1,692,384
Total				**6,552,269**	**5,177,000**	**(4,068,669)**	**(165,600)**	**-**	**7,495,000**
Weighted average exercise price				0.56	0.59	0.49	0.57		0.62

NOTES ON THE FINANCIAL STATEMENTS

24. Share Based Payments (Continued)

Grant Date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Weighted Average Share Price at the exercise date	Number at end of year
2014									
Options granted to management									
14/12/10	31/08/12	30/09/14	0.57	160,278	-	-	(29,068)	0.61	131,210
14/12/10	31/08/13	30/09/14	0.57	93,062	-	-	(6,666)	0.61	86,396
14/12/10	31/08/14	30/09/14	0.57	93,062	-	(15,733)	-	-	77,329
29/05/12	1/09/14	31/08/16	0.4	1,956,000	-	(160,000)	-	-	1,796,000
3/05/13	1/09/14	31/08/16	0.55	578,600	-	-	-	-	578,600
26/08/13	1/09/14	31/08/16	0.55	-	1,539,734	-	-	-	1,539,734
29/11/13	30/11/14	29/11/18	0.68	-	580,987	-	-	-	580,987
29/11/13	30/11/15	29/11/18	0.68	-	581,004	-	-	-	581,004
29/11/13	30/11/16	29/11/18	0.68	-	581,009	-	-	-	581,009
19/02/14	19/02/15	19/02/19	0.67	-	116,666	-	-	-	116,666
19/02/14	19/02/16	19/02/19	0.67	-	116,666	-	-	-	116,666
19/02/14	19/02/17	19/02/19	0.67	-	116,668	-	-	-	116,668
31/03/14	31/03/15	31/03/19	0.73	-	83,333	-	-	-	83,333
31/03/14	31/03/16	31/03/19	0.73	-	83,333	-	-	-	83,333
31/03/14	31/03/17	31/03/19	0.73	-	83,334	-	-	-	83,334
Total				**2,881,002**	**3,882,734**	**(175,733)**	**(35,734)**	-	**6,552,269**
Weighted average exercise price				0.45	0.63	0.42	0.57	-	0.56

The weighted average remaining contractual life of share options outstanding at the end of the period was 3.3 years (2014: 2.9 years).

The fair values at grant date for non-market options (EBITA & EPS and Service vesting conditions) were estimated using a Trinomial Lattice model which defines the conditions under which employees are expected to exercise their options after vesting in terms of the stock price reaching a specified multiple of the exercise price.

The fair values at grant date for market options (TSR vesting condition) were estimated using a Monte Carlo simulation and a trinomial tree (Hoadley's Hybrid Employee Share Option model - outperform index).

NOTES ON THE FINANCIAL STATEMENTS

24. Share Based Payments (Continued)

The model inputs for options granted during the 2015, 2014, 2013, 2012 and 2011 financial years included:

Options	with market hurdles	with non-market hurdles								
	Dec 2010	Dec 2010	Nov 2012	May 2013	Aug 2013	Nov 2013	Feb 2014	Mar 2014	Oct 2014	Mar 2015
Fair value of share options at grant date:										
Option vesting date										
31/08/2012	$0.20	$0.24	-	-	-	-	-	-	-	-
31/08/2013	$0.19	$0.25	-	-	-	-	-	-	-	-
31/08/2014	$0.19	$0.24	-	-	-	-	-	-	-	-
1/09/2014	-	-	$0.12	-	-	-	-	-	-	-
1/09/2014	-	-	-	$0.20	-	-	-	-	-	-
1/09/2014	-	-	-	-	$0.10	-	-	-	-	-
30/11/2014	-	-	-	-	-	$0.21	-	-	-	-
30/11/2015	-	-	-	-	-	$0.23	-	-	-	-
30/11/2016	-	-	-	-	-	$0.25	-	-	-	-
19/02/2015	-	-	-	-	-	-	$0.22	-	-	-
19/02/2016	-	-	-	-	-	-	$0.25	-	-	-
19/02/2017	-	-	-	-	-	-	$0.27	-	-	-
31/03/2015	-	-	-	-	-	-	-	$0.24	-	-
31/03/2016	-	-	-	-	-	-	-	$0.27	-	-
31/03/2017	-	-	-	-	-	-	-	$0.30	-	-
31/10/2015	-	-	-	-	-	-	-	-	0.21	-
31/10/2016	-	-	-	-	-	-	-	-	0.25	-
31/10/2017	-	-	-	-	-	-	-	-	0.27	-
3/03/2016	-	-	-	-	-	-	-	-	-	0.19
3/03/2017	-	-	-	-	-	-	-	-	-	0.23
3/03/2018	-	-	-	-	-	-	-	-	-	0.25
Assumptions:										
Share price	$0.57	$0.57	$0.40	$0.60	$0.50	$0.68	$0.65	$0.72	$0.60	$0.56
Exercise price	$0.57	$0.57	$0.40	$0.55	$0.55	$0.68	$0.67	$0.73	$0.61	$0.59
Expected volatility (weighted average volatility)	70%	70%	50%	50%	37.50%	40%	50%	50%	55%	55%
Option weighted average life	3.8 years	3.8 years	3.8 years	3.3 years	3 years	5 years	5 years	5 years	5 years	5 years
Expected dividends	5%	5%	6%	3.50%	4%	0%	0%	0%	0%	0%
Risk-free interest rate[1]	5.31%	5.31%	2.60%	2.50%	2.75%	3.44%	3.42%	3.44%	2.81%	1.84%

[1] based on government bonds

NOTES ON THE FINANCIAL STATEMENTS

24. Share Based Payments (Continued)

The expected price volatility is based on the historic volatility compared to that of similar listed companies and the remaining life of the options. This has been adjusted to take into consideration the recent extreme market movements using a mean reversion tendency of volatilities (the concept of volatility returning to normal levels after going to an extreme).

Employee Benefits expense Share-based payment expense recognised during the financial year	**2015** **$'000**	**2014** **$'000**
Options issued under employee option plan	384	44
	384	**44**

25. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets that require disclosure in the financial report.

26. Parent Entity Disclosures

As at and throughout the financial year ending 30 June 2015 the parent entity of the Group was RungePincockMinarco Limited.

Summary financial information

The individual financial statements for the parent entity show the following aggregation:

Result of parent entity		
Profit/(loss)	(6,766)	(7,553)
Other comprehensive income	-	-
Total comprehensive income	(6,766)	(7,553)
Financial position of parent entity at year end		
Current assets	31,783	12,392
Total assets	70,923	55,818
Current liabilities	13,362	10,095
Total liabilities	15,074	14,802
Total equity of the parent entity comprising of:		
Issued capital	69,894	48,678
Share-based Payments Reserve	1,125	741
Revaluation Surplus Reserve	18	18
Reserve Arising From an Equity Transaction	(600)	(600)
Retained profits	(14,588)	(7,821)
Total equity	**55,849**	**41,016**
Contingent liabilities	-	-
Contractual commitments for the acquisition or property, plant or equipment	-	-

The parent entity has provided guarantees to third parties in relation to the performance and obligations of its subsidiary, GeoGAS Pty Ltd in respect of property lease rentals. The guarantees are for the terms of the leases and total $98,000 (2014: $98,000). The periods covered by the guarantees range from two to three years.

NOTES ON THE FINANCIAL STATEMENTS

26. Parent Entity Disclosures (Continued)

No deficiency of net assets existed in the controlled entities covered by guarantees at 30 June 2015 or 30 June 2014. No liability was recognised by the parent entity in relation to these guarantees, as the fair value of the guarantee is immaterial.

27. Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2015 are set out below. All subsidiaries have share capital consisting solely of ordinary shares that are 100% held directly by the Group, and the proportions of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/incorporation	Principal Activities
GeoGAS Pty Ltd	Australia	Laboratory Services
Runge Indonesia Technology Pty Ltd	Australia	Software Sales and Services
Runge Inc	USA	Software and Advisory Services
RungePincockMinarco (Canada) Ltd	Canada	Software Sales and Services
PT RungePincockMinarco	Indonesia	Advisory Services
Runge Asia Ltd	Hong Kong	Advisory Services
Core Global Mining Solutions Beijing Co. Ltd	China	Advisory Services
RungePincockMinarco LLC	Mongolia	Advisory Services
CJSC Runge	Russia	Software and Advisory Services
MRM Mining Services (Pty) Ltd	South Africa	Software Sales and Services
RungePincockMinarco Limited Latin America Limitada	Chile	Software Sales and Services
Runge Servicos de Consultoria do Brasil Ltda	Brazil	Software Sales and Services

All entities other than GeoGAS Pty Ltd trade as RungePincockMinarco.

(b) Significant Restrictions

Cash and Short term deposits held in Chile, Brazil, South Africa, China, Indonesia, Mongolia and Russia are subject to local exchange control regulations. These regulation provide restrictions on exporting capital from those countries other than through normal trading transactions or dividends.

The carrying amount of cash included within the consolidated financial statements to which these restrictions apply is $3,644,000 (2014: $3,091,000).

27. Interest in other entities (Continued)

(c) Interests in joint ventures

The Group has a 49% interest in RungePincockMinarco India Pte Ltd, an entity registered in India, which is accounted for using the equity method. The summary of amounts in the reports for this entity is disclosed below:

	2015 $'000	2014 $'000
Carrying Amount	26	26
Group's share of:		
Profit/(loss) from continuing operations	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

28. Key Management Personnel Disclosures

(a) Compensation

	2015 $	2014 $
Short term employee benefits	3,384,757	2,211,530
Post-employment benefits	131,248	119,189
Termination benefits	237,790	-
Share-based payments	89,753	32,859
	3,843,548	**2,363,578**

(b) Other Transactions with Key Management Personnel

The Group employs the services of Pitcher Partners Chartered Accountants, an entity associated with Ross Walker. Pitcher Partners received $3,400 (2014: $9,100) for taxation and advisory services. Amount payable at year end is nil (2014: $3,740).

During the year the Group employed services of Dr Ian Runge to present a training course to a client. The Group paid $5,000 for the services rendered to Runge International Pty Ltd, an entity associated with Dr Ian Runge.

Aggregate amounts of each of the above types of other transactions with key management personnel of RungePincockMinarco Limited:

Amounts recognised as direct cost		
Rechargeable expenses	5,000	-
	5,000	**-**
Amounts recognised as expense		
Professional fees	3,400	9,100
	3,400	**9,100**

29. Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future years.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 (a) to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;
- the remuneration disclosures included in pages 13 to 22 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the *Corporations Act 2001;* and
- 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 required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors

Allan Brackin,
Chairman

Dated this 12th day of August 2015

BDO
Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of RungePincockMinarco Limited

Report on the Financial Report

We have audited the accompanying financial report of RungePincockMinarco Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply 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. 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 RungePincockMinarco Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of RungePincockMinarco Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards 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 included in pages 13 to 22 of the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of RungePincockMinarco Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

P A Gallagher
Director

Brisbane, 12 August 2015

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement – Year Ended 30 June 2015

The Board and Management consider that it is crucial to the Group's long term performance and sustainability and to protect and enhance the interests of the Company's shareholders and other stakeholders, that it adopts an appropriate corporate governance framework pursuant to which the Company and its related companies globally will conduct its operations in Australia and internationally with integrity, accountability and in a transparent and open manner.

The Company regularly reviews its governance arrangements as well as developments in market practice, expectations and regulation.

The Company's Corporate Governance Statement has been approved by the Board of RungePincockMinarco Limited and explains how the Group addresses the requirements of the Corporations Act 2001, the ASX Listing Rules 2001 and the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations - 3rd Edition' (the 'ASX Principles and Recommendations') and is **current as at 30 June 2015**.

The Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in the statement Corporate Governance Statement, the Company's 2015 Annual Report and other relevance governance documents and materials on the Company's website, are provided in the corporate governance section of the Company's website at http://www.rpmglobal.com/about-us/investor-centre/corporate-governance/. The Company's Corporate Governance Statement together with the ASX Appendix 4G and this Annual Report, were also lodged with the ASX on **13 August 2015**.

The Board of the Company strives to meet the highest standards of Corporate Governance, but recognises that it is also crucial that the Company's governance framework reflects the current size, operations and industry in which the Company operates.

The Company has complied with the majority of recommendations of the ASX Principles and Recommendations with the exception of a few. The Board believes the areas of non-conformance, which are explained in the Corporate Governance Statement and the ASX Appendix 4G do not materially impact on the Company's ability to achieve the highest standards of Corporate Governance, whilst at the same time ensuring the Company is able to achieve the expectations of its shareholders and other stakeholders.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 31 July 2015.

A. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding:

	Ordinary Shares	Options
1 – 1,000	100	-
1,001 – 5,000	217	2
5,001 – 10,000	118	4
10,001 – 100,000	221	47
100,001 – and over	101	17
	757	**70**

The number of shareholdings held in less than marketable parcels of 925 shares is 82.

B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number held	Percentage of issued
NATIONAL NOMINEES LIMITED	54,487,794	30.67
J P MORGAN NOMINEES AUSTRALIA LIMITED	18,751,310	10.56
RUNGE INTERNATIONAL PTY LTD <RUNGE FAMILY A/C>	15,810,389	8.90
CITICORP NOMINEES PTY LIMITED	11,257,487	6.34
PAUA PTY LTD <THE PAUA A/C>	6,552,003	3.69
BNP PARIBAS NOMS PTY LTD <DRP>	5,457,844	3.07
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,042,305	2.84
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	4,101,311	2.31
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	3,757,889	2.12
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	2,778,421	1.56
MR STEPHEN JOHN BALDWIN + MRS ANDREA MAREE BALDWIN <THE STEVE BALDWIN S/FUND A/C>	2,642,511	1.49
MR DAVID BRIAN MELDRUM	1,900,211	1.07
THE RIDGE NZ PTY LTD <THE RIDGE NZ SUPER FUND A/C>	1,295,000	0.73
MS TRACY ROWLANDS	1,245,889	0.70
MRS ANDRE JOAN PHILLIPS	1,173,508	0.66
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,146,452	0.65
BOND STREET CUSTODIANS LIMITED <FRAS1 - D03058 A/C>	1,128,471	0.64
MRS DONNA MARGARET LUXTON	1,123,001	0.63
MR OLAF WYBERNEIT	1,009,243	0.57
MR IAN JAMES LUXTON	982,934	0.55
	141,643,973	**79.75**

Unquoted equity securities

7,665,000 options over unissued shares: for further details see note 24.

SHAREHOLDER INFORMATION

C. Substantial Holders

The names of the substantial shareholders listed in the holding register are:

Estimated beneficial holdings as at 31 July 2015	Number held	Percentage
IOOF Holdings Limited (Perennial Value)	22,188,649	12.49
Ruffer LLP	20,336,726	11.45
Runge International Pty Ltd	16,310,484	9.20
Accorn Capital Limited	11,166,470	6.29
Commonwealth Bank of Australia (Colonial)	11,115,818	6.26
Discovery Asset Management Pty Ltd	11,015,595	6.20
Northcape Capital Pty Ltd	8,945,050	5.03

D. Voting Rights

Refer to note 16 for voting rights attached to ordinary shares.

CORPORATE DIRECTORY

Directors

Allan Brackin
Chairman

Richard Mathews
Managing Director

Dr Ian Runge
Non-executive Director

Ross Walker
Non-executive Director

Company Secretary

James O'Neill
Group General Counsel and Company Secretary

Registered Office

Level 2, 295 Ann Street
Brisbane QLD 4000
Ph: +61 7 3100 7200
Fax: +61 7 3100 7297
Web: www.rpmglobal.com

Auditor

BDO Audit Pty Ltd
Level 10, 12 Creek St
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
117 Victoria Street
West End QLD 4101

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited (ASX: RUL)

ABN 17 010 672 321

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Runge Pincock Minarco

Level 2, 295 Ann St, Brisbane QLD 4000
P: +61 7 3100 7200 F: +61 7 3100 7297

www.rpmglobal.com