2016 ANNUAL REPORT

LINDSAY AUSTRALIA

FOR THE FINANCIAL YEAR ENDING 2016

LINDSAY AUSTRALIA LIMITED

ABN: 81 061 642 733

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS	Chairman-non-executive, John F Pressler OAM MAICD
	Managing Director and Chief Executive Officer Michael K Lindsay
	Non-executive Directors Richard A Anderson OAM BCom FCA FCPA Gregory D Farrell BEcon
GENERAL LEGAL COUNSEL & COMPANY SECRETARY	Broderick T Jones LLB
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Nathan L King BBus, CPA, ACIS, GAICD
SHARE	REGISTER Computershare Investor Services Pty Ltd 117 Victoria Street, West End, QLD 4101 Telephone: 1300 552 270 Website: www.computershare.com.au
REGISTERED & PRINCIPAL ADMINISTRATIVE	44b Cambridge Street, Rocklea, QLD, 4106 OFFICE Telephone: (07) 3240 4900 Fax: (07) 3054 0240 Website: www.lindsayaustralia.com.au
AUDITOR	Pitcher Partners Level 30 Central Plaza 1, 345 Queen Street, Brisbane, QLD, 4000
BANKER	Westpac Banking Corporation 65 Molesworth Street, Lismore, NSW, 2480
STOCK EXCHANGE LISTING	Lindsay Australia Limited shares are listed on the Australian Securities Exchange, code LAU.

CONTENTS

Our Business

Lindsay Australia is an integrated transport, logistics and rural supply company with a specific focus on servicing customers in the food processing, food services, fresh produce, rural and horticultural sectors.

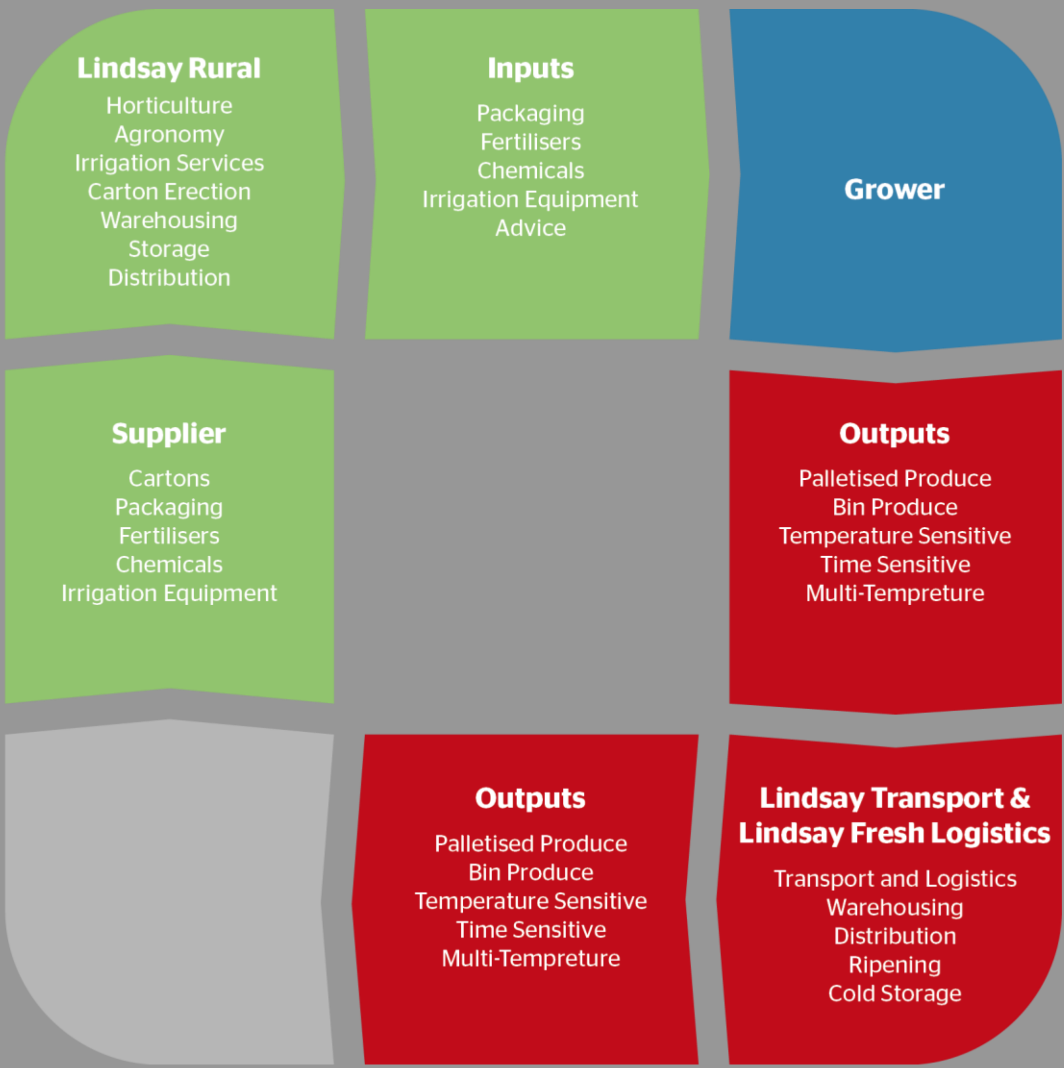
Lindsay Australia comprises of two divisions Rural and Transport. When combined these divisions offer products and services covering the key needs of growers (customer) throughout their production cycle. From planting crops, through fertiliser, chemicals, supply of packaging, and then transportation, fumigation and export. The two divisions offer customers an end to end solution with one point of contact and accountability.

SITE LOCATIONS

Lindsay Rural		Lindsay Transport		Lindsay Fresh Logistics
Brisbane Warehouse	Kyabram	Adelaide	Mildura	Brisbane Markets
Berri	Mareeba	Bowen	Mundubbera	
Bowen	Adelaide	Brisbane	Nambour	
Brandon	Mildura	Bundaberg	Stanthorpe	
Bundaberg North	Mundubbera	Coffs Harbour	Sydney	
Bundaberg Wyllie	Murwillumbah	Emerald	Tully	
Childers	Nambour	Gatton		
Coffs Harbour	Invergordon	Innisfail		
Emerald	Stanthorpe	Mackay		
Gatton	Tully	Mareeba		
Innisfail		Melbourne		

LINDSAY SOLUTION

Lindsay Australia's business units share common customers within the horticulture industry which gives the Group a strategic advantage by providing a unique end-to-end service solution. With the recent addition of the new Lindsay Fresh Logistics facility, Lindsay Australia continues to build on the Lindsay Solution by increasing our service offerings to our customers and now provide an integrated logistics service from port to paddock and everything in-between.



CHAIRS' REPORT

CHAIRS' REPORT

Overall, your company, Lindsay Australia performed strongly for the year delivering on its strategic objectives, supported by benign economic and climatic conditions. The Group continually reinvented and adjusted its logistics and rural network in the face of fierce competition and changing customer needs.

Last year the Group raised capital to invest for future growth, strengthening the transport network and expanding the rural business. It is pleasing to see Kim Lindsay and his team delivering these projects.

During the year Adelaide depot was commissioned, the logistics systems replaced, and the much of the fleet renewed. The Group purchased its first refrigerated rail cars offering Lindsay customers alternatives for different products. The Rural division continued to expand its Queensland presence with new locations in Bowen and the Burdekin.

The Groups export facility, Lindsay Fresh Logistics (LFL) completed its first full year of operations. LFL provided better than expected operational efficiencies to the transport division. The facility offers customers further reach into the logistics chain by providing:

- Unloading, cross-docking, and local delivery;
- Short and long term storage solutions;
- Ripening services for specific produce lines; and
- Quarantine, inspection and fumigation of produce for import, export and interstate.

Customers can now rely on one supplier, Lindsay Australia, to maintain the constant temperature of produce from the paddock to the port. In addition to providing services to existing and new customers, the facility located in the Brisbane Markets, offers improved efficiencies through its optimal layout and proximity to key stakeholders.

The 2016 result was underpinned by improved fleet and network efficiency, and value add from LFL. Combined with a formative year for the Rural division, with two new locations, net profit after tax was $8.072 million a 30.9% improvement on the previous year.

Off the back of the strong result and the positive future outlook the board has declared a full year dividend of 2.2 cents per share, a 4.8% increase on the previous financial year. Increasing the final year dividend from 1.0 cent to 1.1 cents.

We all have high hopes and expectations for the business this coming year. Two new depot locations, in Brisbane and Mareeba, will be completed. The LFL business will continue experimenting and growing the export cold chain to the world. We will monitor and watch our competitors ready to take advantage of expected industry consolidation as it occurs.

I'm sure the year ahead will have many challenges and opportunities that the Group will embrace with vigour. Focusing on customers and expecting a high level of discretionary effort from our employees should deliver another excellent year.

I thank our CEO Kim Lindsay and, the executive team, and all Lindsay Australia employees for their hard work and dedication throughout the year.

John F Pressler

Brisbane, Queensland
29 August 2016

OVERVIEW OF DIRECTORS AND COMPANY SECRETARIES

Your directors present their report on the consolidated entity (referred to hereafter either as the consolidated entity or as the Group) consisting of Lindsay Australia Limited and its controlled entities for the financial year ended 30 June 2016.

Information on Directors and Company Secretaries

The following persons were directors of Lindsay Australia Limited during the financial year and until the date of this report. Directors were in office for the whole of the period unless otherwise stated.

Mr John Frederick Pressler OAM

Chairman-non-executive

Mr Pressler has had a highly successful involvement in the agricultural and horticultural industries for over 40 years, and is recognised as one of the industry's leading participants in both the Bundaberg and Emerald regions.

Mr Pressler was a non-executive director of Wide Bay Australia Limited from 1988 to 2013, and Chairman from 1997 to 2009. Mr Pressler is a member of the Australian Institute of Company Directors. He was awarded the medal of the Order of Australia in 2004 for services to the horticultural industry.

Mr Pressler has held no other directorships with other listed companies during the last three years.

Mr Michael Kim Lindsay

Managing Director and Chief Executive Officer

Mr Lindsay has over 30 years' experience in the Australian transportation and rural merchandising industries. From 1974 to 1983 he worked for Lindsay Transport, gaining a hands-on knowledge of the transportation industry through an involvement in all areas of the Group's operations.

In 1983 Mr Lindsay established Lindsay Rural, a specialist rural merchandising business with operations in Central and South East Queensland. As Managing Director of the Company he was responsible for expanding it from a small local operation to a major regional business.

Mr Lindsay has been Managing Director and Chief Executive Officer of Lindsay Australia since 2002.

Mr Lindsay has held no other directorships with other listed companies during the last three years.

Mr Richard Andrew Anderson OAM

Non-executive Director

Mr Anderson is a former partner of PriceWaterhouseCoopers having served as the firm's managing partner in Queensland for nine years and also as a member of the firm's national committee.

Mr Anderson holds a Bachelor of Commerce degree from the University of Queensland and is a Fellow of the Institute of Chartered Accountants and a Fellow of CPA Australia.

Mr Anderson is the current chairman of Data #3 Limited. He is also a member of the board of Namoi Cotton Cooperative Limited and is the current president of the Guide Dogs for the Blind Association of Queensland.

Mr Anderson was awarded the medal of the Order of Australia in 1997 for services to the Guide Dogs for the Blind Association of Queensland and the Queensland Art Gallery Foundation.

Mr Anderson has held no other directorships with other listed companies during the last three years.

Mr Gregory Damien Farrell

Non-executive Director

Mr Farrell is the Managing Director of Mulawa Holdings Pty Limited – a family company with interests in the Australian tourism, gaming and road transport industries.

In 1988 Mr Farrell was appointed to the position of Managing Director of Mulawa Holdings following his transfer from the IPEC Transport Group.

Whilst at IPEC, Mr Farrell participated in all areas of the business, gaining valuable experience and insight into every department. He held senior positions, including those of Industrial Relations Manager and National Freight Manager and was a key member of the IPEC Board of Management.

In 1990 Mulawa Holdings established, and still operates, Cope Transport a significant road transport company operating in all States and Territories throughout Australia.

Mr Farrell has a Bachelor of Economics degree from the University of New South Wales and in 1999 successfully completed a three-year executive education program at the Harvard Business School.

Mr Farrell has held no other directorships with other listed companies during the last three years.

Mr Nathan King

Chief Financial Officer and Company Secretary

B.Bus (Banking & Finance), CPA, ACIS (Company Secretarial Practice), GAICD.

Mr King commenced as Chief Financial Officer in January 2015. He brings experience from various industries, geographies, and company sizes. Previous companies include Rio Tinto, Sydney Airport, Hilton, and Hyatt hotels. Nathan also sits as a non-executive director on the board of QT Mutual Bank.

Mr Broderick Jones

Group Legal Counsel and Company Secretary

Mr Jones holds a bachelor of laws degree from Queensland University of Technology. He has 20 years' professional experience within law, finance, property and markets gained from a number senior roles both domestically and offshore. Broderick joined Lindsay Australia Limited in September 2014 and was appointed Company Secretary 30 October 2014.

OPERATING AND FINANCIAL REPORT

SUMMARY OF OPERATING RESULTS

An overview of key metrics showed another improved result for the Group. Net profit after tax (NPAT) increased 30.9% to $8,072,000 compared with the previous corresponding period. A one off positive item in this year's result was the recovery of previous years' costs associated with settlement of a legal case ($735,000 after tax). Revenue excluding fuel revenue grew 8.0% as customer volumes increased. Fuel revenue decreased $8.9 million in line with the decreasing wholesale price of oil. The fuel levy is passed directly back to customers and moves up and down with the price of fuel.

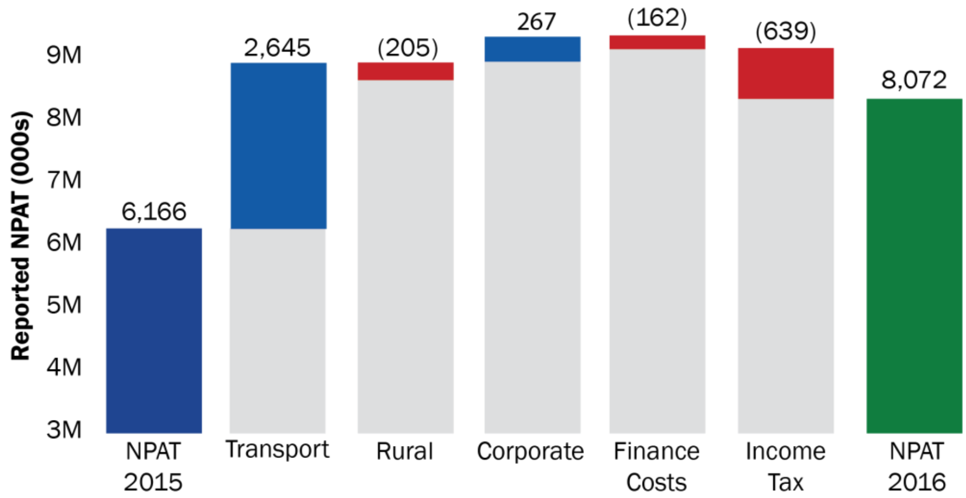
As the Group delivered on a number capital projects, operational efficiencies were achieved. Costs increased at a lower rate than revenue growth. However, the rate of depreciation and amortisation increased.

The NPAT result is largely attributed to growth in Transport and the improved contribution from Lindsay Fresh Logistics (LFL) as these operations begin to work in a seamless integrated logistics chain. Rural reported before tax profit of $3,544,000, down on the previous financial year by (5.5%), due to increased operating cost as the division expanded into new regions.

KEY METRICS

AU$ 000s unless stated otherwise		2016	2015	% Change
Operating Revenue		**324,796**	**309,929**	**5.1**
Other Income		**5,326**	**4,219**	**26.2**
Other gain/(losses)		**(598)**	**793**	**(175.4)**
Total Revenue		**329,524**	**314,941**	**4.6**
Fuel Levy Revenue		816	9,714	(91.6)
Revenue Net of Fuel		**328,708**	**305,227**	**8.0**
Operating Costs		**(293,835)**	**(285,347)**	**3.0**
EBITDA		**35,689**	**29,594**	**20.6**
Depreciation and Amortisation		**(19,642)**	**(16,254)**	**20.8**
EBIT		**16,047**	**13,340**	**20.3**
Interest		**(4,644)**	**(4,482)**	**3.6**
Income Tax		**(3,331)**	**(2,692)**	**23.7**
Reported NPAT		**8,072**	**6,166**	**30.9**
Divisional Contributions				
	Transport	**22,768**	20,123	13.1
	Rural	**3,544**	3.749	(5.5)

2016 REPORTED NET PROFIT AFTER TAX (NPAT) VERSUS 2015



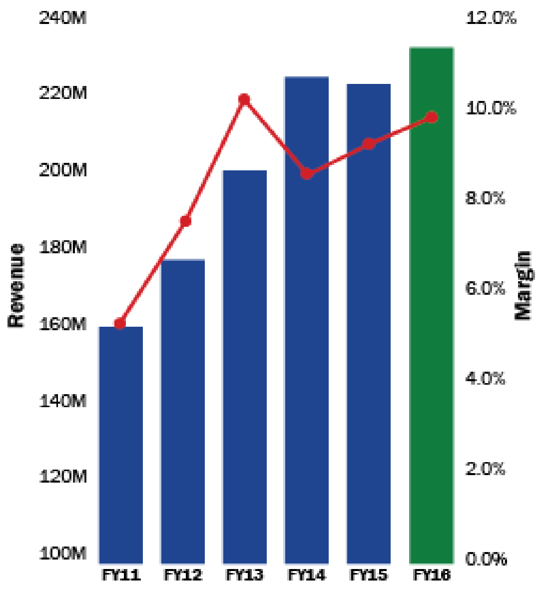
In May 2015 the Group outlined plans to invest for future growth. Plans included upgrading the logistics system, renewing and expanding the divisions fleet and construction of a new depot in South East Queensland, which would see the consolidation of several sites. The Group also continued to evaluate potential acquisitions and growth opportunities that would benefit the Lindsay Solution.

As of the 1st July 2016 the Group successfully went live with a new logistics system and is scheduled to open the new Acacia Ridge site in South East Queensland in October 2016. Transport's fleet renewal initiatives have continued in full force, yielding positive results by reducing vehicle operating costs and better safety. LFL made an improved contribution to the 2016 result, in the divisions second year of operations. LFL continues to add value to the Lindsay Solution, through diversified service offerings and a growing customer base. During the year Rural began operations in the Burdekin region, increasing the Groups presence in North Queensland. The 2016 result shows the positive effect of these investments as the Group continues to lay the foundations to meet our long term goals.

TRANSPORT

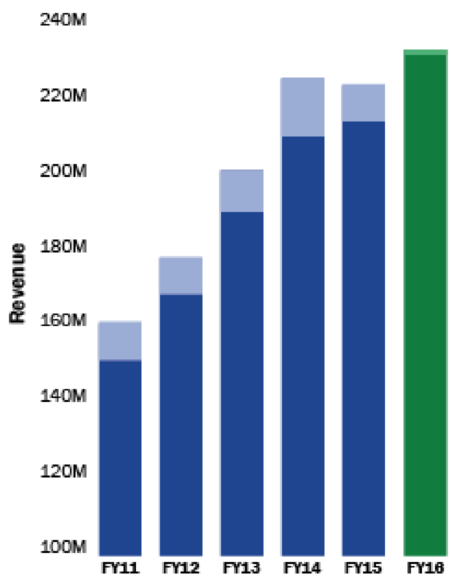
Transport's profit before tax increased 13.1% on the previous corresponding period due to higher revenue and margin growth, Lindsay Fresh Logistics maturing operations and cost saving initiatives. Revenue net of fuel recovery increased $18,530,000 on the previous corresponding period (2015: $5,335,000), with a large majority of the growth attributable to the divisions continual expansion into North Queensland.

TRANSPORT REVENUE



*Red line – gross profit margin

TRANSPORT REVENUE WITH FUEL RECOVERY

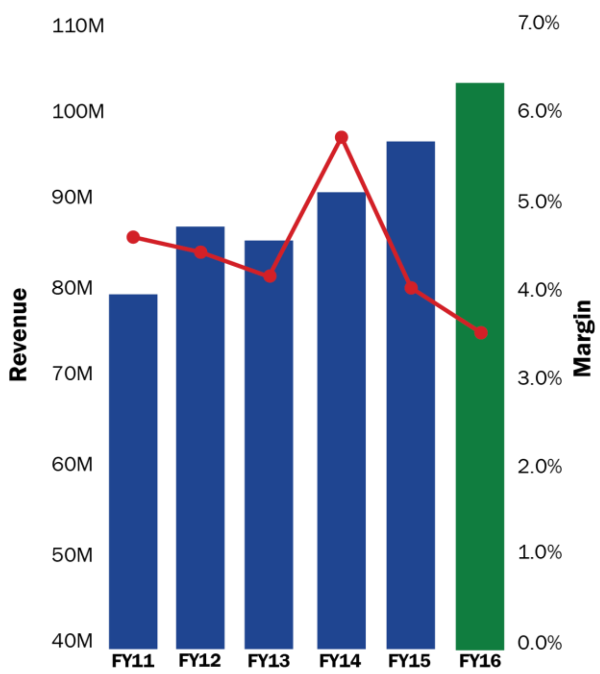


*Faded area – Revenue recovered via fuel levy

RURAL

Rural's sales increased 6.9% from $95,080,000 to $101,588,000 as the division expanded into new regions and packaging sales grew. The expansion into new regions resulted in increased operating costs attributable to the start-up of these new stores, which affected the divisions overall profitability, down 5.5% on the previous corresponding period. These costs are expected to drop and sales volumes increase as new customer's contracts commence. Rural continues to provide Transport with freight into regional towns, where the produce is grown, increasing Transport's utilisation and benefiting the Group overall.

RURAL REVENUE



STRATEGY, RISK & GOVERNANCE

Business strategies and prospects for future years

The Group continues to implement the strategic initiatives outlined last year. Increasing profitability through operational excellence (scalable, repeatable processes), a stronger network, and new sources of revenue within the Lindsay solution.

Continue investing for future growth and sustainability:

- Systems that allow real time measurement and decision making
- Reduce the transactional costs through improved systems and processes
- Further grow our export / import capabilities and capacities

Transport Division:

- Maintaining a low year fleet that delivers optimal efficiency and safe outcomes
- Increase year round fleet utilisation
- Continue to develop hubs in locations that support customers and aggregate loads
- Consolidate several sites into one at Acacia Ridge
- Innovate within LFL. New export services for perishable good customers.

Rural Division:

- Enter new geographies, particularly where the whole Lindsay Solution can add greater value
- Sourcing strategy and available lines to customers
- Utilise key supplier partnerships to drive further value
- Focusing on growing volume and reducing operating costs in new regions

Risk Management

The consolidated entity takes a proactive approach to risk management. The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis.

The board adopts the "three lines of defence" model for management of risks and controls:

1. Accountability and ownership of risks within the operation. Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature;
2. Monitor and management of risks. Committees to report on specific business risks including, for example, such matters as environmental issues and concerns, and occupational health and safety; and
3. Testing and assurance of the risk systems

Risks and uncertainties that could impact future results

External risks include: weather, commodity prices, and regulatory regime particularly with fuel credits.

Strategic risks include: making unsuccessful acquisitions.

Operational risks include: labour force management, fleet safety, and succession planning of key personnel.

Funding and dividends

A final dividend of 1.1 cents per share fully franked has been declared for the year ended 30 June 2016.

An interim dividend for the half year ended 31 December 2015 of 1.1 cents per share fully franked (total $3,177,000) was paid on 31 March 2016.

The board regularly reviews dividend policy to ensure the best possible outcome for shareholders and the Group. The board will adjust the dividend policy if it maximises shareholder welfare and is sustainable for future growth. Based on the 2016 financial result and the positive future outlook the board has declared a final dividend of 1.1 cents (2015: 1.0 cents).

Committee Membership

As at the date of this report, the Group has an Audit and Risk Committee, an Environmental and Occupational Health and Safety Committee, and a Remuneration Committee of the board of directors. Membership of the committees is as follows:

Audit & Risk	Remuneration	Environmental & Occupational Health & Safety
R A Anderson (Chairman)	G D Farrell (Chairman)	J F Pressler (Chairman)
J F Pressler	J F Pressler	R A Anderson
G D Farrell	R A Anderson	G D Farrell
		M K Lindsay

DIRECTORS' REPORT

The directors of Lindsay Australia Limited present their report (including the Remuneration Report) together with the Financial Report of the consolidated entity, being Lindsay Australia Limited and its controlled entities, for the year ended 30 June 2016.

Directors

The directors of Lindsay Australia Limited in office at any time during or since the end of the 2016 financial year and information on the directors (including qualifications and experience and directorships of listed companies held by the directors at any time in the last three years), is set out on page 8 to 10.

The table below outlines the number of directors' meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the directors of Lindsay Australia Limited during the financial year.

	Directors' Meetings		Audit & Risk Committee		Remuneration Committee		Environmental & Occupational Health & Safety Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J F Pressler	14	13	4	4	4	4	12	11
M K Lindsay	14	13	-	-	-	-	12	12
R A Anderson	14	14	4	4	4	4	12	12
G D Farrell	14	14	4	4	4	4	12	12

Details of director and senior executive remuneration are set out in the Remuneration Report. The particulars of directors' interests in shares of the company as at the date of this report are set out on page 20.

Principal Activities

The principal activities and operations of the Group during the financial year were transportation of refrigerated and general freight, merchandising of rural supplies and export and import of horticultural goods through the new Lindsay Fresh Logistics facility.

Other than as previously referred to in the Annual Report, there were no other significant changes in the nature of the activities of the consolidated entity during the year.

Consolidated Results

The consolidated operating profit attributable to the company's shareholders after provision for income tax was $8,072,000.

Review of Operations

A review of the operations of Lindsay Australia Limited during the financial year and the results of those operations are set out on 11 to 16.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Events after the reporting date

Other than as disclosed in Note 36 of the financial report and in this Directors' Report, the directors are not aware of any matter or circumstance that has arisen since the end of the financial year and that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Likely developments and expected results

Refer to Strategy, Risk and Governance section set out on 15 to 16.

Environmental Compliance

The Group's operations are subject to the National Greenhouse Energy Reporting Act 2007. The Group complies with this Act. Other than this Act, the Group's operations are not subject to any particular and significant environmental regulation under law of the Commonwealth or of a State or Territory.

Company Secretaries

The Company Secretaries of Lindsay Australia Limited in office at any time during or since the end of the 2016 financial year and information on the directors (including qualifications and experience and directorships of listed companies held by the directors at any time in the last three years), is set out on page 10.

Share Options

During the financial year 62,045 performance rights (options) were granted over unissued shares as part of an employee remuneration contract. The options are exercisable at nil cents each. This tranche of options vest over a 12-month period and have certain vesting conditions linked to continued employment and performance criteria. Previously issued options were granted over a 3 to 5 year horizon.

No share option entitles the holder to participate in any share issue of the Group.

Since the end of the financial year up to the date of this report, no options over ordinary shares in Lindsay Australia Limited have been granted to any person or compensated.

Shares issued on the exercise of options

There were no shares issued pursuant to the exercise of options since the beginning of the financial year up to the date of this report.

Dividends Paid or Recommended

A final dividend of 1.1 cents per share fully franked has been declared for the year ended 30 June 2016. An interim dividend for the half year ended 31 December 2015 of 1.1 cents per share fully franked (total $3,177,000) was paid on 31 March 2016.

1. INDEMNITIES

Lindsay Australia agrees to indemnify each director, officer, and secretary of the Group and of its Australian based subsidiaries against any liability:

(a) to a party other than Lindsay Australia Limited or a related body corporate, but only to the extent that the liability arises out of conduct in good faith, and

(b) for legal costs incurred in connection with proceedings for relief to the director or secretary under the Corporations Act 2001 in which the court grants the relief.

The amount payable under the agreement is the full amount of the liability. No liability has arisen under these indemnities as at the date of this report.

Lindsay Australia Limited has paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director, other than conduct involving a wilful breach of duty. The amount of the premium was $31,831 inclusive of GST.

2. ROUNDING OF AMOUNTS

The amounts in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) relying on rounding relief under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (2016/191). The Group is an entity to which the Instrument applies.

3. AUDIT INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

Non-Audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Group are important.

Details of the amounts paid or payable to the auditor Pitcher Partners for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of the non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact on the impartially and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Pitcher Partners received or is due to receive the following amounts for the provision of non-audit services during the year ended 30 June 2016:

Non-audit services	2016 $	2015 $
Tax compliance services	22,850	18,800
Other services	20,000	-

Interests in Shares of the Company

At the date of this report the interests of current directors in securities of the Group are as follows:

Director	Ordinary Shares
J F Pressler	2,656,432
M K Lindsay	11,335,581
R A Anderson	391,869
G D Farrell	14,857,038

REMUNERATION REPORT (AUDITED)

The Remuneration Report details the nature and amount of remuneration for non-executive directors, the executive director and other key management personnel of Lindsay Australia Limited and its controlled entities.

The Remuneration Report is set out under the following main headings:

CONTENTS	PAGE

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Philosophy

It is the Group's objective to provide maximum shareholder benefit via the attraction and retention of a high quality board and executive team (key management personnel). This is in part achieved by remunerating directors and executives fairly and appropriately with reference to relevant employment market conditions and results delivered.

Remuneration Committee

The board's Remuneration Committee is responsible for determining and reviewing compensation arrangements for directors and executives of the Group. To assist in achieving this objective, the Remuneration Committee takes into account the nature and amount of executive directors' and officers' emoluments and the Group's achieved financial and operational performance when determining and reviewing compensation arrangements.

Remuneration Structure

The structure of non-executive director and senior management remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain suitably qualified and experienced directors, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution of the Company and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the General Meeting held on 19 November 2007 when shareholders approved an aggregate remuneration of $450,000 per year. The actual amount paid including statutory superannuation during the financial year ended 30 June 2016 was $225,570 (2015: $262,800).

The amount of aggregate remuneration sought (subject to the approval of shareholders) and the manner in which it is apportioned amongst directors is reviewed annually. The board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process. There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. No additional fees are paid for board committee membership.

Details of the nature and amount of the emolument of each director of the Company for the years ended 30 June 2016 and 30 June 2015 are set out on page 26.

Executive Director and other Key Management Personnel Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and results achieved.

The executive pay and reward framework has three components:

Component	Vehicle(s)	Rewarding
Fixed remuneration	Base salary, superannuation and salary packaged benefits	Skills and experience relative to the market
Short term incentives (STI)	Discretionary bonus payments	Performance relative to annual goals
Long-term incentives (LTI)	Grants of performance options	Long term performance of the Group

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash, superannuation and fringe benefits such as motor vehicles, and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The Fixed Remuneration is not dependent upon the satisfaction of any performance conditions.

In relation to the payment of STI (other than where an STI provision is included in an executive service contract), options/performance rights and other incentive payments, discretion is exercised by the board remuneration committee, having regard to the overall performance of the Group and the performance of the individual during the period.

During the year executives with measurable KPI's achieved a portion of planned STI payments.

- Revenue grew at target levels;
- Stock levels were higher than the desired level.
- Profit grew at the target rate.
- Discretionary effort was awarded above target.

These measures were chosen because they balance growth in profitability, revenue and working capital. The method used to calculate each KPI is an agreed formulae understood and able to be referenced. The discretionary amount covers safety, people, and sustainability.

The executive director and other key management personnel are eligible to participate in the Employee Share Option Plans, with grants made during 2016 being shown below. The terms and conditions under the plans which regulate the issue of options/performance rights are:

- Total options on issue must not exceed 5% of total shares on issue;
- The exercise prices and exercise period are determined by directors;
- The employee must be employed at the commencement of the exercise period or the options will lapse;
- During the exercise period the options lapse if an employee resigns or the employee is lawfully terminated;
- If an employee dies during the exercise period, his estate may exercise the options prior to the expiry date;
- If an employee becomes disabled during the exercise period, the employee may exercise the options prior to the expiry date;
- If an employee is made redundant during the exercise period, the directors may specify a period not exceeding the expiry date for the employee to exercise the options.

The table below lists the executive directors and non-executive directors of Lindsay Australia Limited during the financial year:

Name	Position	Appointment Date
J F Pressler	Chairman (Non-Executive)	8 January 1997
M K Lindsay	Managing Director and Chief Executive Officer	26 November 1996
R A Anderson	Director (Non-Executive)	16 December 2002
G D Farrell	Director (Non-Executive)	17 November 2005

The following people employed by Lindsay Australia Limited also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position	Term as KMP
M K Lindsay	Managing Director and Chief Executive Officer	Full financial year
T G Lindsay	General Manager Lindsay Fresh Logistics	Full financial year
N King	Chief Financial Officer and Company Secretary	Full financial year
B Jones	General Counsel and Company Secretary	Full financial year
W T Lorenz	General Manager Rural	Full financial year
A W Bunker	Commercial Manager Transport	Ceased 1 July 2015

Details of the nature and amount of remuneration and all monetary and non-monetary components for each key management personnel during the years ended 30 June 2016 and 30 June 2015 are provided later in this report.

Use of external consultants

In February 2016, the remuneration committee engaged external consultancy, The Indelible Link, to review its existing salaries of key management personnel to ensure they were within market. The cost of the engagement was $5,280 for these services.

The Indelible Link utilised the following approach to the remuneration review for Lindsay Australia Limited.

1. A Group of 15 companies were identified for market remuneration purposes. The criteria for selection of these companies was that:

- they were listed on the ASX and were of comparable market capitalisation to the Lindsay Group (ASX100-ASX500)
- their principal activities are business to business in nature
- they are involved in an industry related to the transport, logistics and/or rural services markets

2. Data was then collected relating to the remuneration practices from the most recent published annual report of these comparator companies

3. On the basis of this information, market ranges were created for all KMP roles and recommendations made to the Remuneration Committee as to the requirement for adjustments. The review resulted in changes to the Fixed remuneration for 2 executives.

The Remuneration Committee approved the engagement of The Indelible Link to provide remuneration recommendations regarding the remuneration mix and quantum for executives. Following assurances from the Indelible Link and the remuneration committee, the Board is satisfied the advice received from The Indelible Link is free from undue influence from the KMP to whom the remuneration recommendations apply. The remuneration recommendations were provided to the Group as an input into decision making only. The Remuneration Committee considered the recommendations, along with other factors, in making its remuneration decisions.

The Indelible Link was introduced by the CFO, and then engaged by the chairman of the Remuneration Committee. All reports were passed directly to the chair of that committee and subsequently reviewed with all members of the Remuneration Committee. The committee is satisfied that the review was objective.

Additionally, The Indelible Link were engaged to assist in designing the future performance and remuneration framework to cover the Group's executives. This resulted in a review of the executive performance and remuneration policy and the implementation of a new Long Term Incentive Plan, which will be the subject of future disclosures. The cost of the engagement was $13,483 for these services.

Voting and comments made at the Group's 2015 Annual General Meeting

Lindsay Australia received more than 98% of "yes" votes on eligible votes cast by shareholder present or by proxy on its remuneration report for the 2015 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B. SERVICE AGREEMENTS

The Group's policy in operation during 2016 is that service contracts for key management personnel are unlimited in term but capable of termination on four weeks' notice. The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. Short term incentives are based on performance against a key set of performance measures which are aligned to shareholder outcomes. Long term incentives include a combination of performance measures and tenure. Compensation levels are reviewed each year to meet the principles of the remuneration policy.

Executive service contracts that include any terms that require a bonus payment are for Nathan King and Wolf Lorenz's contract. Both require short term and long term incentives to be paid after a qualifying period of service which extends to 30 June 2016. The directors may grant a bonus to any employee at their discretion.

Updated service agreements will be negotiated for KMP during 2017 financial year, the details of which will be provided subsequently.

C. DETAILS OF REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL

The persons listed are the only persons to have authority and responsibility for the planning, directing and controlling the activities of Lindsay Australia Limited and the Group. There are no other executives who are key management personnel. Amounts disclosed for cash salary, fees and superannuation include amounts accrued during the year in respect of leave entitlements. Total remuneration expense may vary, as compared to base salary, with the movements in annual and long service leave.

	Short-term benefits			Long-term benefits	Post-employment benefits	Share based payments (a)	Total	Perform-ance related
	Salary and fees $	Cash Bonus $	Non-monetary benefits $	Long service leave $	Superannuation $	Options $	$	%
Non-executive directors								
J F Pressler (Chairman)								
2016	55,960	-	-	-	34,268	-	90,228	NA
2015	53,560	-	-	-	34,040	-	87,600	NA
R A Anderson								
2016	56,650	-	-	-	11,021	-	67,671	NA
2015	60,000	-	-	-	5,700	-	65,700	NA
G D Farrell								
2016	61,800	-	-	-	5,871	-	67,671	NA
2015	60,000	-	-	-	5,700	-	65,700	NA
L R Hancock (b)								
2015	40,000	-	-	-	3,800	-	43,800	NA
Sub-Total 2016	**174,410**	**-**	**-**	**-**	**51,160**	**-**	**225,570**	**-**
Sub-Total 2015	213,560	-	-	-	49,240	-	262,800	-

Executive director and other key management personnel								
M K Lindsay (Managing Director & Chief Executive Officer)								
2016	821,788	75,000	-	12,614	35,000	-	944,402	8
2015	744,948	50,000	-	17,300	38,885	-	851,133	6
N King (Chief Financial Officer) (c)								
2016	249,000	27,300	-	-	24,000	12,144	312,444	13
2015	127,700	-	-	-	10,242	-	137,942	-
G A Johnston (Chief Financial Officer) (d)								
2015	168,196	20,000	-	4,446	17,456	-	210,098	-
AW Bunker (Commercial Manager Transport) (e)								
2015	172,621	5,000	-	10,531	34,935	-	223,087	2
B Jones (General Counsel & Company Secretary) (f)								
2016	206,000	10,000	-	-	20,258	-	236,258	4
2015	164,153	-	-	-	14,921	-	179,074	-
T G Lindsay (Chief Executive Officer – Lindsay Fresh Logistics)								
2016	333,661	20,000	19,890	5,178	35,000	-	413,729	5
2015	314,053	20,000	19,890	9,630	34,368	-	397,941	5
W T Lorenz (General Manager Rural)								
2016	354,902	56,290	-	-	47,424	(12,237)	446,379	10
2015	355,567	91,169	-	-	31,440	45,021	523,197	26
Total 2016	**2,139,761**	**188,590**	**19,890**	**17,792**	**212,842**	**(93)**	**2,578,782**	**8**
Total 2015	**2,260,798**	**186,169**	**19,890**	**41,907**	**231,487**	**45,021**	**2,785,272**	**9**

a) Share based option payment are the probable number to vest at the grant date value.

b) L R Hancock resigned 29th January 2015.

c) N King commenced 5st January 2015.

d) G A Johnston retired on 31st December 2014.

e) W Bunker ceased to be a KMP on 1 July 2015.

f) B Jones commenced 22nd September 2014.

D. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Amounts recognised as revenues and expenses:	2016 $
Revenues	
Cartage revenue received / receivable from entities associated with GD Farrell	1,265,456
Cartage revenue received / receivable from entities associated with J Pressler	11,453,605
	12,719,061
Expenses	
Fees for corporate uniform consultancy provided by entities associated with M K Lindsay	14,478
Amounts receivable / payable to key management personnel and their related parties at the reporting date	
Current receivables – trade debtors	1,773,199
Current payables – trade creditors and accruals	-

The directors believe transactions with key management personnel were on commercial terms and conditions (unless otherwise stated). Current receivables and payables are unsecured, to be settled cash and are on the same terms and conditions as non-related parties as disclosed elsewhere in this report.

E. SHARE-BASED COMPENSATION

Options

Options over shares in Lindsay Australia Limited are granted under the Lindsay Australia Limited Employee Share Option Plans to provide long term incentives to executives to deliver long-term shareholder returns. In addition, Performance Rights (options) may be granted to key management personnel as part of a Long Term Incentive Plan (LTIP). The LTIP is structured as a reward for length of service and is variable depending upon cumulative annual performance. The terms and conditions of each grant of options affecting performance in the current or a future reporting period are as follows:

Grant Date	Fair Value per option (cents)	Date vested and exercisable	Expiry Date	Exercise price	Vested
July 2014	26.5	August 2017	Sept 2017	-	0%
July 2014	22.7	August2019	Sept 2019	-	0%
July 2015	41.9	August 2016	Sept 2016	-	0%

All of the above grants of options are performance related to provide long-term incentives.

Detail of options over ordinary shares in the company provided as remuneration to each director of Lindsay's Australia Limited and each of its key management personnel and other executives of the parent entity and the Group are set out below. When exercisable, each option is convertible into one ordinary share of Lindsay Australia Limited. Further information on the options is set out in note 29 to the financial report.

Name	Number of options granted during the year	Value of options at grant date (1)	Number of options vested during the year
N King	62,045	12,144	41,364

(1) The value at the grant date calculated in accordance with AASB2 Share-based Payments of options granted during the year as part of remuneration. 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.

Options granted have an exercise price of zero and no market conditions. The number of options vested ultimately depends on the performance of the individual and the overall company. Fair values at grant date are determined using the share price at the grant date less the dividend discounted where the vesting date is great then one year. Probability of achieving the performance objective is also taken into account.

Name	Balance at 1 July 2015	Granted during the year	Exercised	Net other change	Bal 30 June 2016	Vested not exercisable	Vested and exercisable	Vested during year
W Lorenz	392,259	-	-	(91,886)	300,373	50,373	-	30,772
N King	-	62,045	-	(20,682)	41,364	41,364	-	41,364

F. EQUITY HOLDINGS OF KEY MANAGEMENT PERSONNEL

The share and option holdings disclosed for key management personnel are calculated in accordance with *AASB 124 Related Party Disclosures*. Accordingly, the holdings for each key management person include holdings of the individual (whether held directly, indirectly or beneficially) as well as the holdings of their related parties (whether held directly, indirectly or beneficially). As a result, where key management personnel have related parties in common, the holdings of the related parties may be included in the holdings of all relevant key management personnel, i.e. holdings may be included more than once in the disclosure.

(i) Options provided as remuneration and shares issue on exercise of such options

Options were provided as remuneration and apart of the Long Term Incentive Plan. There were no shares issued or options exercised during the 2016 and 2015 years.

(ii) Option holdings

Option holdings represent one KMP's portion of a Long Term Incentive Plan. There were no shares issued or options exercised during the 2016 and 2015 years.

(iii) Share holdings

The number of ordinary shares in the Company held during the financial year and prior year by each director of Lindsay Australia Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2016 Shares	Balance at 1 July 2015	Net change other	Balance at 30 June 2016
Directors of Lindsay Australia Limited			
J F Pressler	2,653,535	2,897	2,656,432
M K Lindsay	11,335,581	-	11,335,581
R A Anderson	376,314	15,555	391,869
G D Farrell	29,714,076	(14,857,038)	14,857,038
Other key management personnel of the Group			
A W Bunker (a)	429,061	-	-
T G Lindsay	14,060,575	33,333	14,093,908
N L King	-	-	-
B T Jones	-	-	-
W T Lorenz	-	-	-

a) ceased to be a KMP 1 July 2015

All equity transactions with directors and other key management personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

No shares were granted as remuneration during the last two financial years.

G. LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the current or prior reporting period.

H. ADDITIONAL INFORMATION

The table below shows for the current financial year and previous four financial years the total remuneration cost of the key management personnel, earnings per ordinary share (EPS) dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

Financial Year	Total Remuneration $	EPS ¢	Dividends ¢	Share Price ¢
2012	1,747,375	-	0.7	17.0
2013	1,779,713	3.3	1.9	17.5
2014	2,345,032	2.8	2.0	34.0
2015	2,785,272	2.4	2.1	45.0
2016	**2,578,782**	**2.8**	**2.2**	**47.5**

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

John F Pressler

Chairman of Directors
Brisbane, Queensland
29 August 2016

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The Directors
Lindsay Australia Limited
44b Cambridge Street
ROCKLEA QLD 4106

Auditor's Independence Declaration

As lead auditor for the audit of Lindsay Australia Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

PITCHER PARTNERS

J. Evans

J. J Evans
Partner

Brisbane, Queensland
29 August 2016

CONTENTS	PAGE

These financial statements cover the consolidated financial statements for the consolidated entity consisting of Lindsay Australia Limited and its subsidiaries. The financial statements are presented in Australian currency.

Lindsay Australia Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Lindsay Australia Limited
44b Cambridge Street
ROCKLEA QLD 4106

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the Directors' Report which is not part of this financial report.

The financial statements were authorised for issue by the directors on 29 August 2016. The directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Revenues	**4**	**324,796**	309,929
Other Income	**5a**	**5,326**	4,219
Gain/(Loss) on sale of Assets	**5b**	**(598)**	793
Expenses			
Changes in inventories		**(1,416)**	1,689
Purchase of inventories		**(79,495)**	(77,662)
Fuel and oil costs		**(31,137)**	(39,786)
Repairs and maintenance		**(14,464)**	(14,029)
Subcontractors		**(36,917)**	(34,310)
Employee benefits expense		**(90,263)**	(82,874)
Depreciation and amortisation	6	**(19,642)**	(16,254)
Finance costs		**(4,644)**	(4,482)
Insurance		**(1,212)**	(2,181)
Registrations		**(4,886)**	(4,220)
Pallet charges		**(2,215)**	(1,843)
Operating lease rentals		**(6,957)**	(6,993)
Professional fees	6	**(1,899)**	(1,889)
Bad debt expense		**(4)**	(84)
Other expenses		**(22,970)**	(21,165)
Profit before income tax		**11,403**	8,858
Income tax expense	7	**(3,331)**	(2,692)
Profit for the year	**24**	**8,072**	6,166
Other comprehensive income		**-**	-
Total comprehensive income for the year		**8,072**	**6,166**
		Cents	**Cents**
Basic earnings per share	26	**2.8**	2.4
Diluted earnings per share	26	**2.8**	2.4

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Current Assets			
Cash and Cash Equivalents	9	**10,022**	16,159
Trade and Other Receivables	10	**50,234**	45,303
Inventories	11	**13,588**	15,177
Current Tax Assets		**-**	55
Other	12	**6,172**	5,157
Total Current Assets		**80,016**	**81,851**
Non-Current Assets			
Available-For-Sale Financial Assets	13	**25**	25
Property, Plant and Equipment	14	**153,204**	120,289
Intangible Assets	16	**9,188**	7,685
Total Non-Current Assets		**162,417**	**127,999**
Total Assets		**242,433**	209,850
Current Liabilities			
Trade and Other Payables	17	**32,854**	26,393
Borrowings	18	**34,913**	26,557
Current Tax Liabilities		**941**	-
Provisions	20	**7,123**	6,327
Other	21	**2,216**	2,971
Total Current Liabilities		**78,047**	**62,248**
Non-Current Liabilities			
Borrowings	18	**75,654**	62,740
Deferred Tax Liabilities	19	**1,831**	2,121
Provisions	20	**1,056**	1,284
Other	21	**1,364**	1,561
Total Non-Current Liabilities		**79,905**	**67,706**
Total Liabilities		**157,952**	129,954
Net Assets		**84,481**	79,896
Equity			
Contributed Equity	22	**70,044**	67,475
Reserves	23	**536**	536
Retained Profits	24	**13,901**	11,885
Total Equity		**84,481**	**79,896**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	Contributed equity $'000	Share based payments reserve $'000	Retained profits $'000	Total equity $'000
At 30 June 2014	**54,143**	**491**	**10,802**	**65,436**
Profit for the year	-	-	6,166	6,166
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	6,166	6,166
Transactions with owners in their capacity as owners	-	-	-	-
Contributions of equity, net of transactions costs	12,772	-	-	12,772
Dividends reinvested /(paid) during year	560	-	(5,083)	(4,523)
Employee share schemes – value of employee services	-	45	-	45
At 30 June 2015	**67,475**	**536**	**11,885**	**79,896**
Profit for the year	**-**	**-**	**8,072**	**8,072**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**8,072**	**8,072**
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**
Contributions of equity, net of transactions costs	**1,785**	**-**	**-**	**1,785**
Dividends reinvested /(paid) during year	**784**	**-**	**(6,056)**	**(5,272)**
Employee share schemes – value of employee services	**-**	**-**	**-**	**-**
At 30 June 2016	**70,044**	**536**	**13,901**	**84,481**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Cash flows from Operating Activities			
Receipts In the course of operations		356,811	345,970
Payments In the course of operations		(320,464)	(317,639)
Interest received		627	743
Income taxes paid		(2,625)	(5,179)
Finance costs paid		(4,560)	(4,387)
Net Cash Provided by Operating Activities	25(a)	29,789	19,508
Cash Flows from Investing Activities			
Proceeds from disposal of Property, Plant and Equipment		6,306	1,776
Payments for Property, Plant and Equipment		(11,155)	(19,190)
Payments for Intangibles		(1,805)	(52)
Net Cash (Used In) Investing Activities		(6,654)	(17,466)
Cash flows from Financing Activities			
Proceeds from Borrowings		15,491	13,594
Proceeds from Share Placements		1,855	13,000
Share Issue Transaction Costs		(70)	(451)
Repayment of Borrowings		(23,789)	(11,742)
Repayment of Lease Liabilities		(16,718)	(12,409)
Dividends Paid		(5,271)	(4,523)
Net Cash (Used In) Financing Activities		(28,502)	(2,531)
Increase/(Decrease) In Cash and Cash Equivalents		(5,367)	(489)
Cash And Cash Equivalents at Beginning of Financial Year		15,389	15,878
Cash And Cash Equivalents At End Of Financial Year	9	10,022	15,389

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Lindsay Australia Group

The Lindsay Australia Group is adding value to the many perishable product value chains that require cold temperatures to extend and preserve life, with the aim of delivering end consumers products in optimal condition. We currently add value in these chains through cold logistics and rural merchandise. These businesses have a strong presence in the Eastern states and South Australia.
Lindsay Australia Limited (LAU) is a for-profit entity limited by shares. Shares in the LAU are publicly traded on the Australian Securities Exchange (ASX). The financial statements relate to the consolidated entity consisting of Lindsay Australia Limited and its subsidiaries.

The full board of LAU authorised the issuance of the consolidated financial statements for the year ended 30 June 2016, on 29th August,2016.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

These general purpose consolidated financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authorise pronouncements of the Australian Accounting Standards Board.

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 periods presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The financial report is presented in Australian dollars and all values are rounded to the nearest ($000), except where whole dollars are used, relying on rounding relief under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (2016/191).

Changes in Accounting Standards and Regulatory requirements

There are a number of new and amended accounting standards issued by the AASB which are applicable for reporting periods beginning on 1 July 2015. We have adopted all the mandatory new and amended accounting standards issued that are relevant to our operations and effective for the current reporting period. There was no material impact on the financial report as a result of the mandatory new and amended accounting standards adopted.

Compliance with IFRS

The consolidated financial statements of the Lindsay Australia also comply with International Financial Reporting Standards (AIFRS) as issued by the International Accounting Standards Board (IASB).

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

1.2 Basis of consolidation of the financial statements

The consolidated financial statements contain the financial statements of the LAU and its controlled subsidiaries as at 30 June 2016. Control occurs when LAU 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 its activities. Generally, there is a presumption that a majority of voting rights results in control. Supporting this assertion LAU considers the facts and circumstances in assessing whether it has power over the entity including: the contractual arrangements with other vote holders, rights arising from other contractual arrangements, and LAU's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is obtained, and deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations of the Group.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of LAU and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between LAU members are eliminated in full on consolidation.

1.3 Summary of significant accounting policies

(a) Business combinations
The acquisition method of accounting is used to account for all business combinations, 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
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

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. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.
The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value 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, 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.
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(b) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating 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 Board of Directors.

(c) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

Revenue from freight cartage and hire and other services is recognised when the services are provided. Revenue from the sale of goods is recognised when the risks and rewards of ownership have been transferred which is taken to be upon the delivery of goods to customers.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term.

Interest revenue is recognised on a time proportional basis that takes into account the effective yield on the financial asset.

(d) Income Tax
The income tax expense or revenue for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

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 and 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.

(e) 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 borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to 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 are depreciated over the estimated useful life of the asset. Where there is no reasonable certainty that the lessee will obtain ownership, the asset is depreciated over the shorter of the lease term and the assets useful life.

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 profit or loss on a straight-line basis over the period of the lease.

(f) Impairment of assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets that are subject to amortisation are tested 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 to sell 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 (cash generating units).

(g) Cash and cash equivalents
For the cash flow statement cash and cash equivalents includes 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 convertible 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 statement of financial position.

(h) Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 to 120 days from the date of recognition.

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a Group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful 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 receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in profit or loss.

(i) Inventories
Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and, where applicable, cost of conversion after deducting trade discounts, rebates and other similar items. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Volume rebates are apportioned evenly across the relevant product purchased. Where the product remains in inventory the rebate reduces its carrying value.

(j) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement

(k) Investments and other financial assets
The Group classifies investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purposes of selling in the short term with the intention of making a profit. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the period end date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivates that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the period end date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium or long term.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses from investment securities.

The Group assesses at each period end date whether there is objective evidence that a financial asset or Group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(l) Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the period end date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(m) 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of assets is calculated on a diminishing value or straight line method to allocate their cost, net of their residual values, over their estimated useful lives. The depreciation rates used for each class of depreciable asset are:

Classification	Rate	Depreciation Basis
Buildings	2.5-5%	SL
Leasehold improvements	20-30%	SL/DV
Plant and equipment	8-40%	SL/DV
Leased plant and equipment	8-40%	SL/DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(g)).

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

(n) Intangible assets
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 at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose, identified according to operating segments.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(o) Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are usually unsecured (except for Orora – refer Note 17) and paid within 30 to 60 days of recognition.

(p) Employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly 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 accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Group makes contributions to defined contribution superannuation funds. Contributions are recognised as an expense as they become payable.

Share-based compensation benefits are provided to employees via the Lindsay Australia Limited Employee Share Option Plans.

The fair value of options granted under Employee Option Plans is recognised as an employee benefits 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 and the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss with a corresponding adjustment to equity.

(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.

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 reporting period.

(r) 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.

(s) Earnings per share
Basic earnings per share is calculated by dividing the profit or loss 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 year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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

(u) 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. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(v) GST
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(w) New accounting standards and interpretations

Relevant accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted for the year are as follows:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture', AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	30 January 2018	30 June 2019
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

The directors anticipate that the adoption of these Standards and Interpretations in future years may have the following impacts:

AASB 9 – This revised standard provides guidance on the classification and measurement of financial assets, which is the first phase of a multi-phase project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. Under the new guidance, a financial asset is to be measured at amortised cost only if it is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are payments solely of principal and interest (on the principal amount outstanding). All other financial assets are to be measured at fair value. Changes in the fair value of investments in equity securities that are not part of a trading activity may be reported directly in equity, but upon realisation those accumulated changes in value are not recycled to the profit or loss. Changes in the fair value of all other financial assets carried at fair value are reported in the profit or loss. The Group is yet to assess the impact of the new standard. In the second phase of the replacement project, the revised standard incorporates amended requirements for the classification and measurement of financial liabilities. The new requirements pertain to liabilities at fair value through profit or loss, whereby the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than profit or loss. There will be no impact on the Group's accounting for financial liabilities, as the Group does not have any liabilities at fair value through profit or loss. Recent amendments as part of the project introduced a new hedge accounting model to simplify hedge accounting requirements and more closely align hedge accounting with risk management activities. There will be no impact on the Group's accounting, as the Group does not utilise hedge accounting.

IFRS 15 – Revenue from Contracts with Customers This new standard replaces AASB 118 and AASB 111. It contains a single model that applies to contracts with customers and two approaches to recognising revenue. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised. Initial investigations into the standard show there will be no impact from the standard on significant contacts. The Group is yet to assess the full impact of the new standard.

AASB 16 Leases – AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019. The directors of the Company anticipate that the application of AASB 16 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 16 until the Group performs a detailed review.

AASB 2014-3 – This amendment to AASB 1 and AASB 11 sets out the business combination accounting required to be applied to acquisitions of interests in a joint operation that meets the definition of a business. This will not apply to Lindsay Australia's assets or recent acquisitions.

AASB 2014-4 – These amendments to AASB116 and AASB138 introduce a rebuttable presumption that the use of revenue-based depreciation/amortisation methods for intangible assets is inappropriate and for property, plant and equipment it cannot be used. There will be no impact on the Group's accounting as it does not use revenue-based depreciation/amortisation methods.

AASB 2014-9 – These amendments to AASB 127, ASSB 1 and AASB 128 allow entities to use the equity method of accounting for investments in subsidiaries joint ventures and associates in their separate financial statements. There is no impact from this standard.

AASB 2014-10 – These amendments clarify the accounting treatment for sales or contributions of assets between an investor and its associates or joint ventures. They confirm that the accounting depends on whether the contributed assets constitute a business or an asset**.** There is no impact from this standard.

AASB 2015-1 – These amendments introduce minor changes to various AASBs. The Group does not expect the new standard to have a significant impact on its disclosures.

AASB 2015-2 – These amendments to AASB 101 clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of the users. The Group does not expect the new standard to have a significant impact on its disclosures.

AASB 2015-5 – These amendments exempt investment entities from consolidating controlled investees. Controlled investees will be accounted for at fair value through profit and loss, except in limited circumstances. There will be no impact on the Group as it does not meet the definition of an investment entity.

AASB 2016-2 – 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107' Amends AASB 107 'Statement of Cashflows' to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments apply to annual periods beginning on or after 1 January 2017. The directors of the Company do not anticipate that the application of these amendments to will have a material impact on the Group's consolidated financial statements."

Other than as noted above, the adoption of the various Australian Accounting Standards and Interpretations and IFRSs on issue but not yet effective will not impact the Group's accounting policies. However, the pronouncements may result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective dates.

(x) Parent entity financial information

The financial information for the parent entity, Lindsay Australia Limited, disclosed in Note 35 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries are accounted for at cost in the financial statements of Lindsay Australia Limited.

Lindsay Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidated legislation.

The head entity, Lindsay Australia 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 stand-alone tax payer in its own right.

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

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

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

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.

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(y) General
Lindsay Australia Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Lindsay Australia Limited
44b Cambridge Street
ROCKLEA QLD 4106

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. 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 uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk. Risk management is undertaken by senior management and the board of directors. Monthly reports of financial assets and financial liabilities including undrawn facilities, analysis and details of significant and/or overdue debtors are provided to the board of directors for review.

The Group holds the following financial instruments:

	2016 $'000	2015 $'000
Financial assets		
Cash and cash equivalents (1)	**10,022**	16,159
Trade and other receivables (1)	**50,234**	45,303
Available-for-sale financial assets	**25**	25
	60,281	**61,487**
Financial liabilities		
Trade and other payables (2)	**32,854**	26,393
Borrowings (2)	**110,567**	89,297
	143,421	**115,690**

(1) Loans and receivables category
(2) Financial liabilities at amortised cost category

Assets pledged as security

Refer to Note 18 for information on assets pledged as security.

(a) Market risk

Foreign exchange risk

The Group does not operate internationally. The Group purchases approximately $5.0 million (5.7%) (2015 - $5.3 million (6.5%)) of its inventory from overseas sources in overseas currency. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, during the interval, usually not greater than 90 days, between purchase and settlement. Selling prices can also be adjusted to cover price movements. The Group's exposure to foreign exchange movements at 30 June 2016 and 30 June 2015 is not significant.

Price risk

The Group is exposed to equity security price risk on unlisted available-for-sale financial assets. The price risk for the unlisted securities at 30 June 2016 and 30 June 2015 is not significant.

Interest rate risk

The Group's main interest rate risk arises from borrowings, cash and debtors. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2016 and 2015, the Group's borrowings at variable rate were denominated in Australian Dollars. The Group's policy is to fix the rates for plant and equipment purchases at the time of purchase or leasing. The Group has no significant interest-bearing assets other than cash and debtors. The Group charges interest on debtor balances that extend beyond agreed terms. Interest is based on fixed loan rates.

The Group's cash flow interest rate risk primarily relates to variable rate financial instruments such the bank overdraft, and other variable rate loans. The proportion of variable rate borrowings to total borrowings of the Group is 6.0% (2015: 16.9%). The decrease is attributable to a reduction in variable rate borrowing and an increase in plant and equipment borrowings at fixed rates. The Group monitors its interest rate exposure against movements in market interest rates and future interest rate expectations.

No hedging instruments are used.

As at the reporting date, the Group had the following financial instruments subject to variable interest rates outstanding:

Weighted Average Interest Rate

	2016 %	2015 %	2016 $'000	2015 $'000
Cash and cash equivalents	0.4	1.2	10,022	16,159
Borrowings				
Bank overdraft	-	4.4	-	770
Bank loans	**4.4**	4.6	**4,439**	9,433
Other loans	**3.2**	3.7	**2,250**	2,250
	-	-	16,711	28,612

At 30 June 2016, if interest rates had changed by +/-1% from the year-end rates, with all other variables held constant, after-tax profit for the year would have been $39,000 lower/higher (2015 – change of 1%: $108,000 lower/higher), mainly as a result of higher/lower interest expense from borrowings and higher/lower interest income from cash and cash equivalents.

(b) Credit risk
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, and deposits with trading banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. For customer's risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors such as credit reports. Individual risk limits are set based on credit worthiness and sales expectations. The compliance with credit limits by customers is regularly monitored by management. The Group has significant concentrations of credit risk as detailed below. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Outstanding receivables in excess of $50,000 per customer are reviewed monthly by the Board of Directors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above.

There are a number of individually significant receivables. These include Government fuel rebates/subsidies receivable (refer Note 10) of $998,000 (2015: $611,000).

At 30 June 2016 the largest 10 debtors comprised approximately 37% (2015: 36%) of total trade debtors (the largest individual debtor alone comprised 10% (2015: 7%) of trade debtors). A majority of the trade debtors are involved in the rural industry in Queensland, New South Wales, Victoria, and South Australia - approximately 69% (2015: 64%).

At the reporting date cash was held with the Group's banker and principal financier Westpac Banking Corporation

(c) Liquidity risk
Liquidity risk is managed by maintaining sufficient cash and the availability of funding, through adequate amount of at call committed credit facilities, to meet obligations when due. The Group manages liquidity risk by continuously monitoring cash flows and the maturity profiles of financial assets and liabilities. Surplus funds are only invested in deposits with trading banks. The Group maintains un-drawn limits on equipment facilities.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the reporting date:

	2016 $'000	2015 $'000
Available facilities		
Bank overdraft	**5,000**	5,000
Bank loans	**15,882**	19,632
Other loans	**5,860**	5,710
Lease Liabilities	**106,880**	97,478
Amounts utilised		
Bank overdraft	**-**	(770)
Bank loans	**(11,335)**	(19,632)
Other loans	**(2,250)**	(2,250)
Lease Liabilities	**(96,982)**	(66,645)
Unused facilities	**23,055**	**38,523**

Bank overdraft

The bank overdraft facility is subject to annual review, may be drawn at any time and may be terminated by the bank without notice. The interest rate is variable and is based on prevailing market rates.

Bank loans

Bank loans are generally repayable by monthly instalments of principal and interest over periods of between 12 months and 5 years. The facilities are subject to annual review.

Equipment finance facilities

The consolidated entity is able to draw on these facilities for the acquisition of plant and equipment (by way of finance lease). Generally:

- The facilities are subject to periodic review;
- Fixed monthly repayments of principal and interest are arranged over the term of the agreement at the date of each draw; and
- The liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity Groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Greater than 5 years $'000	Total contractual cash flows $'000	Carrying Amount liabilities $'000
At 30 June 2016						
Trade Payables	**32,854**	**-**	**-**	**-**	**32,854**	**32,854**
Borrowing (excluding finance leases)	**9,781**	**2,139**	**1,893**	**-**	**13,813**	**13,585**
Finance Leases	**29,040**	**24,515**	**52,710**	**-**	**106,265**	**96,982**
Total	**71,675**	**26,654**	**54,603**	**-**	**152,932**	**143,421**
At 30 June 2015						
Trade Payables	26,393	-	-	-	26,393	26,393
Borrowing (excluding finance leases)	11,053	4,205	8,987	156	24,401	22,652
Finance Leases	18,642	20,476	34,077	-	73,195	66,645
Total	**56,088**	**24,681**	**43,064**	**156**	**123,989**	**115,690**

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be recognised for recognition and measurement or for disclosure purposes. The Group has no significant financial assets or liabilities measured and recognised at fair value in the financial statements at year end.

The carrying amounts of financial instruments represent reasonable approximations of their fair values, given their short-term nature.

The net fair value of financial assets and financial liabilities including lease liabilities approximate their carrying amounts.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1(n). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to Note 16 for details of these assumptions.

4. REVENUES

	2016 $'000	2015 $'000
Sales revenue		
Freight cartage	**224,331**	215,984
Sale of goods	**100,465**	93,945
Total revenue	**324,796**	**309,929**

5. OTHER INCOME

	2016 $'000	2015 $'000
(a) Other income		
Insurance recoveries	**1,852**	1,737
Rents and sub-lease rentals	**222**	215
Interest	**627**	743
Litigation settlement	**1,050**	-
Other items	**1,575**	1,524
	5,326	**4,219**
(b) Other income		
Net gain on disposal of property, plant and equipment	**(598)**	793

6. EXPENSES

	2016 $'000	2015 $'000
Profit before income tax includes the following specific expenses:		
Cost of goods sold	**80,911**	75,973
Professional fees		
Legal fees	**943**	1,021
Accounting firms	**215**	155
Consultancy fees	**741**	713
Total professional fees	**1,899**	1,889
Depreciation		
Freehold buildings	**162**	61
Plant and equipment	**6,540**	7,268
Leasehold improvements	**401**	286
Amortisation		
Plant and equipment under finance lease	**12,238**	8,537
Computer software	**62**	102
Customer List	**239**	-
Total depreciation and amortisation	**19,642**	16,254
Defined contribution superannuation expense	**5,757**	5,112
Impairment losses – trade receivables	**4**	85
Impairment losses - inventory	**49**	(24)
Minimum Lease payments	**6,957**	6,993

7. INCOME TAX

	2016 $'000	2015 $'000
(a) Income tax expense		
Current tax	**3,547**	2,805
Deferred tax	**(216)**	(113)
Under (over) provision in prior years	**-**	-
	3,331	**2,692**
Deferred tax is attributable to:		
(Increase) decrease in deferred tax assets (Note 15)	**(99)**	(153)
Increase (decrease) in deferred tax liabilities (Note 19)	**(117)**	40
	(216)	**(113)**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**11,403**	8,858
Tax at the Australian tax rate of 30% (2015: 30%)	**3,421**	2,658
Tax effect of amounts which are not deductible (taxable) in calculating taxable income: Share based payments		14
R&D claim	**(138)**	
Sundry items	**48**	20
Under (over) provision in prior years	**-**	-
Income tax expense	**3,331**	**2,692**
(c) Tax losses		
Unused tax losses for which deferred tax assets have not been recognised at 30%	**263**	263

All unused and unrecognised tax losses were incurred by Australian entities and comprise capital losses.

8. FRANKING CREDITS / DIVIDENDS

	2016 $'000	2015 $'000
Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30% (2015: 30%)	**3,540**	4,242

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

i. Franking credits that will arise from the payment of the amount of the provision for income tax;
ii. Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
iii. Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $1,367,000 (2015 - $1,217,000).

Dividends paid		
Interim dividend for the year ended 30 June 2016 of 1.1 cents per share fully franked (at 30%) paid in full on 31 March 2016. (2015: 1.1 cents per share fully franked (at 30%) paid in full on 31 March 2015 fully franked (at 30%).	**3,177**	2,799
Interim dividends paid in cash or satisfied by the issue of shares under the dividend re-investment plan during the years ended 30 June 2016 and 2015 were as follows:		
Paid in cash	**2,731**	2,489
Satisfied by issue of shares	**446**	310
	3,177	2,799
Final dividend for the year ended 30 June 2015 of 1.0 cents per share fully franked (at 30%) paid on 30 September 2015 (2014 – 0.9 cents per share fully franked (at 30%) paid in full on 30 September 2014).	**2,879**	2,284
Final dividend out of prior year's profits paid in cash or satisfied by the issue of shares under the dividend re-investment plan during the years ended 30 June 2015 and 2014 were as follows:		
Paid in cash	**2,541**	2,034
Satisfied by issue of shares	**338**	250
	2,879	2,284
Dividends not recognised at year end		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 1.1 cents per share fully franked fully franked based on tax paid at 30% (2015: 1.0 cents per share fully franked (at 30%) paid in full on 30 September 2015).	**3,189**	2,840

9. CASH AND CASH EQUIVALENTS

	2016 $'000	2015 $'000
Cash at bank and on hand	**10,022**	**16,159**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**10,022**	16,159
Bank overdrafts	**-**	(770)
	10,022	15,389

The Group's exposure to interest rate risk is discussed in Note 2.

10. TRADE AND OTHER RECEIVABLES

	2016 $'000	2015 $'000
Current		
Trade receivables	**47,727**	43,465
Provision for impairment of receivables	**(345)**	(19)
	47,382	**43,446**
Fuel rebates/subsidies	**998**	611
Future GST recoverable	**437**	458
Other receivables	**1,417**	788
	50,234	**45,303**

Trade receivables are generally due for settlement within 30 days and are therefore classified as current assets. Trade and other receivables are generally unsecured, non-interest bearing and due 30 to 90 days from date of recognition, except as otherwise noted.

Other receivables generally arise from transactions outside the usual operating activities of the Group.

(a) Impaired trade receivables

As at 30 June 2016 current trade receivables of the Group with a nominal value of $379,000 (2015 - $20,000) were impaired. The amount of the provision was $345,000 (2015 - $19,000). The GST component of the receivables is not considered impaired as this is refundable. The majority of the individually impaired receivables relate mainly to customers in the rural industry sector who are experiencing difficulties as a result of seasonal factors.

The ageing of these receivables is as follows:

	2016 $'000	2015 $'000
1 to 2 months	**192**	2
3 to 4 months	**24**	1
Over 4 months	**129**	16
	345	**19**

	2016 $'000	2015 $'000
Movements in the provision for impairment of receivables are as follows:		
At 1 July	**19**	76
Provision for impairment recognised/(reversed) during the year	**330**	(84)
Receivables written off during the year as uncollectible	**(4)**	27
At 30 June	**345**	**19**

The creation and release of the provision for impaired receivables has been included in "bad debt expense" in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 30 June 2016 trade receivables of $14,873,000 (2015 - $11,868,000) 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 history of these trade receivables is as follows:

	2016 $'000	2015 $'000
1 to 2 months	**10,240**	9,560
3 months	**776**	530
Greater than 3 months	**3,857**	1,778
	14,873	**11,868**

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these classes it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(c) Foreign exchange and interest rate risk

There are no receivables denominated in foreign currencies. No interest is charged on trade debtors except for certain debtors who pay late and are charged interest at rates between 1% and 1.5% per month by agreement.

(d) Fair value and credit risk

The carrying amounts of financial instruments represent reasonable approximations of their fair values, given their short-term nature. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. Refer Note 2 for more information on the risk management policy of the Group and on the credit quality of the entity's trade receivables.

11. INVENTORIES

	2016 $'000	2015 $'000
Raw materials and stores – at cost	**2,589**	2,762
Finished goods – at cost	**11,252**	12,619
	13,841	15,381
Provision for obsolescence	**(253)**	(204)
	13,588	**15,177**

Of the above inventory, raw materials and stores are expensed and not charged to cost of sales.

12. OTHER CURRENT ASSETS

	2016 $'000	2015 $'000
Prepayments	**6,172**	5,157

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 $'000	2015 $'000
Unlisted equity securities	**25**	25

Unlisted equity securities are traded in inactive markets.

14. PROPERTY, PLANT AND EQUIPMENT

	2016 $'000	2015 $'000
Freehold Land and Buildings		
Land - at cost	**6,430**	5,601
Buildings - at cost	**7,948**	7,869
Accumulated depreciation	**(389)**	(227)
	13,989	**13,243**
Leasehold Improvements		
At cost	**5,097**	5,097
Accumulated depreciation	**(1,150)**	(749)
Total leasehold improvements	**3,947**	**4,348**
Total property	**17,936**	**17,591**
Plant and Equipment		
Plant and equipment		
At cost	**98,074**	99,869
Accumulated depreciation	**(68,691)**	(71,591)
	29,383	**28,278**
Plant and equipment under finance lease		
At cost	**136,572**	97,258
Accumulated amortisation	**(30,687)**	(22,838)
	105,885	**74,420**
Total plant and equipment	**135,268**	**102,698**
Total property, plant and equipment	**153,204**	**120,289**

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment are shown below.

	Freehold Land $'000	Buildings $'000	Leasehold Improve-ments $'000	Plant & Equipment $'000	Plant & Equipment Under Finance Lease $'000	Total $'000
Carrying amount at 30 June 2014	**2,394**	**1,422**	**371**	**28,204**	**59,401**	**91,792**
Additions	3,207	6,281	4,502	5,200	27,479	46,669
Disposals	-	-	-	(2,051)	31	(2,020)
Transfers	-	-	(239)	4,193	(3,954)	-
Depreciation/amortisation	-	(61)	(286)	(7,268)	(8,537)	(16,152)
Carrying amount at 30 June 2015	**5,601**	**7,642**	**4,348**	**28,278**	**74,420**	**120,289**
Additions	885	291	-	8,969	46,180	56,325
Disposals	(56)	(212)	-	(3,684)	(117)	(4,069)
Transfers	-	-	-	2,360	(2,360)	-
Depreciation/amortisation	-	(162)	(401)	(6,540)	(12,238)	(19,341)
Carrying amount at 30 June 2016	**6,430**	**7,559**	**3,947**	**29,383**	**105,885**	**153,204**

Assets pledged as security. Refer to Note 18 for information on assets pledged as security.

15. DEFERRED TAX ASSETS

	2016 $'000	2015 $'000
The balance comprises temporary differences attributable to:		
Impaired receivables	**103**	6
Employee benefits	**2,454**	2,283
Depreciation and amortisation	**47**	88
Payables	**314**	325
	2,918	**2,702**
Other		
Stock obsolescence	**15**	15
Sundry items	**150**	193
	165	**208**
Total deferred tax assets	**3,083**	2,910
Set-off of deferred tax liabilities pursuant to set-off provisions (refer Note 19)	**(3,083)**	(2,910)
Net deferred tax assets	**-**	**-**

Movements	Tax losses $'000	Employee Benefits $'000	Impaired receivables $'000	Deprec & Amort $'000	Payables $'000	Other $'000	Total $'000
At 30 June 2014	**-**	**1,977**	**23**	**83**	**341**	**136**	**2,560**
(Charged) /credited to profit or loss	-	232	(17)	5	(16)	(51)	153
Credit to equity	-	-	-	-	-	135	135
Liabilities transferred	-	74	-	-	-	-	74
Over provision in prior years	-	-	-	-	-	(12)	(12)
At 30 June 2015	**-**	**2,283**	**6**	**88**	**325**	**208**	**2,910**
(Charged) /credited to profit or loss	-	252	97	(41)	(11)	(199)	98
Credited to equity	-	-	-	-	-	156	156
Liabilities transferred	-	-	-	-	-	-	-
Over provision	-	(81)	-	-	-	-	(81)
At 30 June 2016	**-**	**2,454**	**103**	**47**	**314**	**165**	**3,083**

16. INTANGIBLE ASSETS

	2016 $'000	2015 $'000
Computer software	**2,220**	2,217
Accumulated amortisation	**(2,155)**	(2,093)
	65	**124**
Goodwill	**11,138**	11,138
Accumulated impairment	**(3,577)**	(3,577)
	7,561	**7,561**
Customer list	**1,801**	-
Accumulated amortisation	**(239)**	-
	1,562	**-**
Total intangible assets	**9,188**	**7,685**

(a) Movements in carrying amounts

Movements in the carrying amounts for each class of intangible asset are shown below.

	Computer Software $'000	Goodwill $'000	Customer List $'000	Total $'000
Carrying amount at 30 June 2014	**174**	**7,561**	**-**	**7,735**
Additions – acquired separately	52	-	-	52
Amortisation	(102)	-	-	(102)
Carrying amount at 30 June 2015	**124**	**7,561**	**-**	**7,685**
Additions – acquired separately	3	-	1,801	1,804
Amortisation	(62)	-	(239)	(301)
Carrying amount at 30 June 2016	**65**	**7,561**	**1,562**	**9,188**

(b) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the business segments. The carrying amount of goodwill is attributable to the Rural segment.

The Group tests whether goodwill should be impaired on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

(c) Key assumptions used for value-in-use calculations of the Rural CGU

	2016 %	2015 %
Gross margin	**17.2**	17.4
Terminal growth rate	**2.0**	2.0
Free cash growth rate	**25.3**	2.0
Discount rate	**9.4**	9.6

Assumption	Approach used to determining values
Budgeted gross margin:	Based on past performance and management's expectations for the future
Terminal growth rate:	This is the growth rate used to extrapolate cash flows beyond the 5 year forecasted period based off management's expectations of long-term growth.
Free cash grow rate	Average growth rate over the five-year forecast period. Large capital expenditure in year one has skewed 5 year average growth rate, decreases to 13.4% from years two to five based off management expectations for the future.
Pre-tax discount rate:	Reflect specific risks relating to the relevant segments and the countries in which they operate.

(d) Impact of possible changes in key assumptions

A sensitivity analysis was performed on key assumptions which included reducing the free cash growth rate from 25.3% to 3.0% and increasing the discount rate from 9.4% to 10.4%. Both scenarios did not result in impairment.

(e) Assets pledged as security

Refer to Note 18 for information on current assets pledged as security.

(f) Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Computer Software 2 - 3 years
- Customer list 7 years

See note 1(f) for the other accounting policies relevant to impairment of assets, and note 1(n) for the Group's policy regarding intangible assets.

17. TRADE AND OTHER PAYABLES

	2016 $'000	2015 $'000
Trade payables	**32,854**	26,393

A major supplier, Orora Limited, has a registered charge over the assets of Lindsay Rural Pty Ltd up to a maximum amount of $3,200,000 (2015: $3,200,000). At the reporting date the amount payable to Orora Limited was $178,000 (2015: $411,000).

18. BORROWINGS

	2016 $'000	2015 $'000
Current		
Secured		
Bank overdraft	-	770
Lease liabilities	**25,329**	15,827
Bank loans	**7,334**	7,710
Total secured current borrowings	**32,663**	**24,307**
Unsecured		
Other loans	**2,250**	2,250
Total unsecured current borrowings	**2,250**	**2,250**
Total current borrowings	**34,913**	**26,557**
Non-current		
Secured		
Lease liabilities	**71,653**	50,818
Bank loans	**4,001**	11,922
Total secured non-current borrowings	**75,654**	**62,740**
Total non-current borrowings	**75,654**	**62,740**
Total borrowing	**110,567**	**89,297**

(a) Bank overdraft and bank loans

The bank overdraft and bank loans are secured by guarantees by all companies in the consolidated entity supported by mortgages over all the consolidated entity's property and other assets.

(b) Lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Certain of the lease liabilities are also secured by guarantees by entities in the consolidated entity, as well as by mortgages/charges over the property and other assets.

(c) Other loans

Other loans consist mainly of a loan from Orora Limited (Orora) which was provided in 2009 pursuant to a Distribution Agreement. The interest rate payable on the loan is the 90 day bank bill rate plus 1.0% per annum. The agreement was terminated during the reporting period and currently forms part of legal dispute with Orora and is classified as current until the dispute is resolved. Refer Note 33 for further details.

(d) Assets pledged as security

All the assets of the consolidated entity are pledged as security for the facilities as noted above.

(e) Fair value

Information about the Group's fair value of borrowings is provided in Note 2.

(f) Risk exposure

Information about the Group's exposure to risks arising from borrowings is provided in Note 2.

19. DEFERRED TAX LIABILITIES

	2016 $'000	2015 $'000
The balance comprises temporary differences attributable to:		
Prepayments	**1,103**	1,048
Inventories	**768**	828
Depreciation and amortisation	**3,026**	3,155
Other	**17**	-
Total deferred tax liabilities	**4,914**	5,031
Set-off of deferred tax assets pursuant to set-off provisions (refer Note 15)	**(3,083)**	(2,910)
Net deferred tax liabilities	**1,831**	2,121

Movements	Prepayments $'000	Inventories $'000	Depreciation & Amortisation $'000	Other $'000	Total $'000
Consolidated					
At 30 June 2014	**885**	**769**	**3,337**	**-**	**4,991**
Charged /(credited) to profit or loss	163	59	(182)	-	40
At 30 June 2015	**1,048**	**828**	**3,155**	**-**	**5,031**
Charged /(credited) to profit or loss	55	(60)	(129)	17	(117)
At 30 June 2016	**1,103**	**768**	**3,026**	**17**	**4,914**

20. PROVISIONS

	2016 $'000	2015 $'000
Current		
Employee benefits	**7,123**	6,327
Non-current		
Employee benefits	**1,056**	1,284

21. OTHER LIABILITIES

	2016 $'000	2015 $'000
Current		
Deferred revenue	**1,697**	2,538
Other	**519**	433
	2,216	**2,971**
Non-current		
Other	**1,364**	1,561

Deferred revenue comprises monies paid in advance of delivery of goods or services.

22. CONTRIBUTED EQUITY

	2016 $'000	2015 $'000
Fully paid ordinary shares	**70,044**	67,475

Effective 1 July 1998 the corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the parent does not have authorised capital nor par value in respect of its issued shares.

The movement in fully paid ordinary shares for 2016 and 2015 is reconciled as follows:

	Note	No of Shares	Issue Price	$'000
Balance at 30 June 2014		**253,469,308**		**54,143**
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	667,250	46.43¢	310
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	692,914	36.10¢	250
Issue of shares for payment of interest	(b)	266,915	32.94¢	88
Placement of shares	(c)	28,888,889	45.00¢	13,000
Share issue transaction costs net of tax benefits	(b)	-		(316)
Balance at 30 June 2015		**283,985,276**		**67,475**
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	850,717	39.80¢	338
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	1,028,163	43.39¢	446
Placement of shares	(c)	3,942,148	45.00¢	1,774
Issue of shares to customers - sign on fee	(e)	128,640	46.64¢	60
Share issue transaction costs net of tax benefits	(b)	-	-	(49)
Balance at 30 June 2016		**289,934,944**		**70,044**

(a) Dividend Reinvestment Plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount as determined by the d irectors but no more than 5% to the market price.

Issues pursuant to the Dividend Reinvestment Plan are:

Date	Number of Shares	Issue Price
31 March 2016	1,028,163	43.39 cents
30 September 2015	850,717	39.80 cents
31 March 2015	667,250	46.43 cents
30 September 2014	692,914	36.10 cents

(b) Shares issued in payment of interest

Shares were issued to Orora Limited pursuant to the Distribution Agreement on interest owing on a loan of $2,250,000. Refer Note 29 and 33 for further information.

(c) Placement shares

A placement of 3,942,148 ordinary shares (2015: 28,888,889) was made to institutional and sophisticated investors at 45 cents (2015: 45 cents) per share fully paid to raise $1,773,967 cash on 8 July 2015 (2015: $13,000,000 cash on 9 June 2015).

(d) 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 show 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.

(e) Ordinary shares
Shares were issued to a number of customers pursuant to the Customer Supply Agreement on execution of a long term supply contract. Refer Note 29 for further information.

(f) Capital risk management
The Group's objectives when managing capital are to safeguard their ability to continue as going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a cost effective cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise or retire debt finance or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by net debt and total equity. Net debt is calculated as total interest bearing borrowings as shown in the statement of financial position less cash and cash equivalents. During the year ended 30 June 2016 the Group did not alter its capital management policy.

The gearing ratios at 30 June 2016 and 30 June 2015 were as follows:

	2016 $'000	2015 $'000
Total borrowings	**110,567**	**89,297**
Less cash and cash equivalents	**(10,022)**	(16,159)
Net debt	**100,545**	73,138
Total equity	**84,481**	**79,858**
Gearing ratio	**54%**	48%

Lindsay Australia Limited has complied with the financial covenants of its borrowing facilities during the 2016 and 2015 reporting periods.

23. RESERVES

Movements in the Share-based payments reserve are shown below.

	2016 $'000	2015 $'000
Share-based payment reserve		
Open at 1 July	**536**	**491**
Employee share schemes – value of employee services	**-**	**45**
Close at 30 June	**536**	**536**

Nature and purposes of reserve
The share-based payments reserve is used to recognise the fair value of options issued to employees.

24. RETAINED PROFITS

	2016 $'000	2015 $'000
Retained earnings at the beginning of the year	**11,885**	10,802
Profit for the year	**8,072**	6,166
Dividends paid or provided	**(6,056)**	(5,083)
Retained earnings at the end of the year	**13,901**	**11,885**

25. CASH FLOW INFORMATION

	2016 $'000	2015 $'000
(a) Reconciliation of Cash Flows from Operating Activities with Profit for the Year		
Profit for the year	**8,072**	6,166
Depreciation/amortisation	**19,642**	16,254
Net (gain)/loss on disposal of property, plant and equipment	**598**	(793)
Non-cash interest expense payment by issue of shares	**-**	88
Non-cash employee benefits expense-share based payments	**-**	45
Fair value adjustment to financial liabilities	**-**	11
(Increase)/decrease in trade and other receivables	**(5,910)**	(1,699)
(Increase)/decrease in prepayments and other assets	**(985)**	(303)
(Increase)/decrease in inventories	**1,589**	(1,886)
(Increase)/decrease in tax assets	**(184)**	(214)
(Decrease)/increase in trade and other payables	**6,349**	1,827
(Decrease)/increase in tax liabilities	**890**	(2,272)
(Decrease)/increase in other liabilities	**(841)**	1,263
(Decrease)/increase in provisions	**569**	1,021
Cash flows from operating activities	**29,789**	**19,508**
(b) Non-Cash Financing and Investing Activities		
Acquisition of plant and equipment by means of finance leases	**46,180**	27,478
Dividends satisfied by issue of shares	**784**	560
Interest satisfied by issue of shares	**-**	88

26. EARNINGS PER SHARE

	2016 ¢	2015 ¢
Basic earnings per share	**2.8**	2.4
Diluted earnings per share	**2.8**	2.4
	2016 $'000	**2015 $'000**
Earnings used in calculating basic and diluted earnings per share – net profit	**8,072**	6,166
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**288,769,334**	256,088,654

27. AUDITOR'S REMUNERATION

	2016 $	2015 $
During the year the auditor of the parent entity earned the following remuneration:		
Audit or review of financial reports	**146,500**	146,500
Taxation and other services	**42,850**	18,800
Total remuneration	**189,350**	**165,300**

There was no other remuneration paid to related practices of the auditor.

28. RELATED PARTY DISCLOSURES

(a) Key management personnel compensation

	2016 $	2015 $
Short-term employee benefits	**2,348,241**	2,466,857
Long-term employee benefits	**17,792**	41,907
Post-employment benefits	**212,842**	231,487
Share-based payments	**(93)**	45,021
	2,578,782	2,785,272

Detailed remuneration disclosures are provided in the remuneration report contained in the directors' report.

(b) Other transactions and balances with key management personnel

	2016 $	2015 $
Amounts recognised as revenues and expenses:		
Revenues		
Cartage revenue received / receivable	**12,719,061**	1,431,634
Sale of equipment	**-**	72,667
Expenses		
Fees for corporate uniform consultancy	**14,478**	-
Fees for legal services provided	**-**	68,625
Amounts receivable / payable to key management personnel and their related parties at the reporting date		
Current receivables – trade debtors	**1,773,199**	**219,363**
Current payables – trade creditors and accruals	**-**	7,671

The directors believe transactions with key management personnel were on commercial terms and conditions (unless otherwise stated). Current receivables and payables are unsecured, to be settled cash and are on the same terms and conditions as non-related parties as disclosed elsewhere in this report.

(c) Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

29. SHARE-BASED PAYMENTS

Lindsay Australia has the following employee share-based plans. These plans have been accounted for in accordance with the fair value recognition provisions of AASB 2 "*Share-based Payment*".

Tax exempt share acquisition plan

The establishment of the Tax Exempt Share Acquisition Plan was approved by shareholders on 5 November 2004. Participation in the plan is open to all employees. The company however does not intend to make any offers under this plan to directors or senior executives. The plan is in accordance with the Employee Share Scheme provisions of Division 13A of the Income Tax Assessment Act 1936, which allows the issue of up to a maximum of $1,000 worth of shares to employees which will be tax exempt for the employees. It is expected that shares will be issued for no consideration. Offers under the plan must be made to at least 75% of full time and long term part time employees. There have been no shares issued pursuant to the plan since its approval.

Employee share option plan

Participants are generally assigned shares in settlement of their awards and therefore the awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions. The exercise period is the period specified by directors at the time of issue. The options vest based on service and performance criteria as specified by directors. Options issued under the plans may not exceed 5% of the total number of issued shares of the company at the date of issue.

Options are designed to reward key personnel for performance over a medium to long term. These Options form the reward for the Long Term Incentive program. Each year the employee's performance is assessed and the aggregation of this performance constructs the longer term incentive. Key terms include:

- Options lapse if prior to or during the exercise period the employee is terminated or resigns.
- If a person dies, becomes disabled or is made redundant during the exercise period special rules apply that allow options to be exercised. This is at the boards discretion.
- Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of Lindsay Australia Limited.
- Amounts receivable on the exercise of options are recognised as share capital.
- The exercise period of the options was between the vest date and expiry date.

Options are valued as zero exercise priced with no market conditions. The fair value is the share price at grant date less expected future dividends, discounted where greater than one year.

Lindsay Australia currently issues shares to two senior employees as part of a long term incentive program.

Summary of outstanding options
When exercisable, each option is convertible into one ordinary share of Lindsay Australia Limited. Options granted are as follows:

Tranche	Fair Value per option (cents)	Grant Date	Normally Exercisable	Number Issued	Number forfeited	Number Exercised
First	26.5	July 2014	Sept 2017	250,000	116,293	-
Second	22.7	July 2014	Sept 2019	250,000	-	-
Third	41.9	July 2015	Sept 2016	62,045	20,682	-

Determining option value at grant date
All issued and outstanding options contain no market conditions to vest. All options are non-participating zero priced options. These options have an exercise price of zero and do not participate in dividends until exercised. The fair value at the grant date for the issues was determined by taking the share price at grant date less the present value of dividends discounted at the risk free rate of 2% where the vest date is greater than one year from grant date.

Non-Employee share based payment (Shares issued in payment of sign-on fees)
During the year LAU issued shares to several customers pursuant to an export oriented customer supply agreement. Customers were offered a sign on fee to a determined value. Customers could then elect to receive shares in LAU instead of cash as payment for sign on fees. The number of shares granted was determined using the consideration offered divided by the average closing share price for the five days prior to signing the agreement. The fair value of the services (sign on fees) paid by the issue of shares is expensed in the accounts with the shares issued on the date of execution by the company of the Customer Supply Agreement.

Expense arising from share based payment transactions
Due to a change in the number of expected options to vest a credit arising from share-based payment transactions was recognised during the year as part of employee benefit expense ($93) (2015: $45,021). An expense of $10,000 (2015: Nill) was recognised for customer sign on payments. Therefore, the total expense for share-based payments was $9,907 (2015: $45,021).

	2016	2015
Expense arising from equity settled share-based payment transactions	**9,907**	45,021
Expense arising from cash settled share-based payment transactions	**-**	-
Total expense arising from share-based payment transactions	**9,907**	45,021

There were no share options exercised during the year.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) in cents of, and movements in, share options during the year:

	2016 $'000		2015 $'000	
	Number	WAEP	Number	WAEP
Balance at beginning of year	**392,259**	-	-	-
Granted during the year	**62,045**	-	500,000	-
Forfeited and lapsed during the year	**(112,567)**	-	(107,741)	-
Exercised during the year	**-**	-	-	-
Balance at the end of the year	**341,737**	-	**392,259**	-
Exercisable at end of year	-	-	-	-

Share options outstanding at the end of the year

The share options outstanding at the end of the year had an exercise price of zero (2015 zero) and a weighted average remaining contractual life of 2.2 years (2015: 3.0 years)

30. SUBSIDIARIES

The Group consists of the ultimate parent entity Lindsay Australia Limited and its wholly owned subsidiaries. Set out below are the names of the subsidiaries which are included in the consolidated financial statements shown in this report. All entities were incorporated in Australia.

Name	Class Shares/Units	Equity Holding % 2016	Equity Holding % 2015
Lindsay Brothers Holdings Pty Ltd (a), (d)	Ordinary	**100**	100
Lindsay Transport Pty Ltd (a), (d)	Ordinary	**100**	100
Lindsay Brothers Management Pty Ltd (a), (d)	Ordinary	**100**	100
Lindsay Brothers Fuel Services Pty Ltd (a), (d)	Ordinary	**100**	100
Lindsay Brothers Hire Pty Ltd (a), (d)	Ordinary	**100**	100
Lindsay Brothers Plant & Equipment Pty Ltd (a), (d)	Ordinary	**100**	100
P & H Produce Pty Ltd (d)	Ordinary	**100**	100
P & H Produce Trust (d)	Ordinary	**100**	100
Lindsay Rural Pty Ltd (b), (d)	Ordinary	**100**	100
Skinner Rural Pty Ltd (c), (d)	Ordinary	**100**	100
Croptec Fertilizer and Seeds Pty Ltd (c), (d)	Ordinary	**100**	100
Lindsay Fresh Logistics Pty Ltd (d)	Ordinary	**100**	100

(a) Lindsay Brothers Holdings Pty Ltd (LBH) is the parent entity of Lindsay Transport Pty Ltd, Lindsay Brothers Management Pty Ltd, Lindsay Brothers Fuel Services Pty Ltd, Lindsay Brothers Hire Pty Ltd, and Lindsay Brothers Plant and Equipment Pty Ltd. Accordingly, the parent entity's interest in these entities (other than LBH) is indirect.

(b) Lindsay Rural Pty Ltd is 50% owned by P&H Produce Trust and 50% owned by the parent entity.

(c) These companies are subsidiaries of Lindsay Rural Pty Ltd.

(d) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to Note 32.

31. SEGMENT INFORMATION

Description of segments

The Group has identified the following reporting segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources:

- Transport – Cartage of general and refrigerated products and ancillary sales, and;
- Rural – Sale and distribution of a range of agricultural supply products.

The segments are determined by the type of product or service provided to customers and the operating characteristics of each segment. The Group operated in these business segments for the whole of the 2016 and 2015 years. All Group revenue is derived from customers within Australia.

Basis of accounting for purposes of reporting segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The Group does not allocate assets or liabilities to each segment because management does not include this information in its measurement of the performance of the operating segments.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. All such transactions are eliminated on consolidation for the Group's financial statements. Some corporate charges are allocated to reporting segments based on the segments' overall proportion of usage within the Group.

Unallocated items

The following items of revenue and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest received;
- Borrowing costs;
- Corporate costs including bad debt expense; and
- Income tax expense.

Major customers

No customer of the Group account for more than 10% of external revenue (2015: nil). The largest individual customer accounts for 10.0 % of external revenues (2015: 7.9%).

Segment information

	Transport $'000	Rural $'000	Total $'000
2016			
Revenue			
External sales	**224,331**	**100,465**	**324,796**
Inter-segment sales	**4,727**	**865**	**5,592**
Other income	**2,279**	**258**	**2,537**
Other gains/(losses)	**(615)**	**17**	**(598)**
Total segment revenue/income	**230,722**	**101,605**	**332,327**
Reconciliation of segment revenue/income to Group revenue/income			
Inter-segment elimination			**(5,592)**
Interest income			**627**
Corporate/unallocated income			**2,162**
Total revenue/income			**329,524**
Segment net profit before tax	**22,768**	**3,544**	**26,312**
Reconciliation of segment profit to Group net profit before tax			
Corporate/unallocated			**(10,265)**
Finance costs			**(4,644)**
Net profit before income tax			**11,403**
Income tax expense			**(3,331)**
Profit for year			**8,072**
Depreciation and amortisation	**18,543**	**369**	**18,912**
Corporate/unallocated cost			**730**
			19,642
2015			
Revenue			
External sales	215,984	93,945	309,929
Inter-segment sales	4,179	567	4,746
Other income	1,543	568	2,111
Other gains/(losses)	783	10	793
Total segment revenue/income	**222,489**	**95,090**	**317,579**
Reconciliation of segment revenue/income to Group revenue/income			
Inter-segment elimination			(4,746)
Interest income			743
Corporate/unallocated income			1,365
Total revenue/income			**314,941**
Segment net profit before tax	**20,123**	**3,749**	**23,872**
Reconciliation of segment profit to Group net profit before tax			
Corporate/unallocated			(10,532)
Finance costs			(4,482)
Net profit before income tax			8,858
Income tax expense			(2,692)
Profit for year			**6,166**
Depreciation and amortisation	15,614	95	15,709
Corporate/unallocated cost			545
			16,254

32. DEED OF CROSS GUARANTEE

The following companies are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission. The companies include: Lindsay Australia Limited, Lindsay Brothers Holdings Pty Ltd, Lindsay Transport Pty Ltd, Lindsay Brothers Management Pty Ltd, Lindsay Brothers Fuel Services Pty Ltd, Lindsay Brothers Hire Pty Ltd, Lindsay Brothers Plant and Equipment Pty Ltd, P & H Produce Pty Ltd, P & H Produce Trust, Lindsay Rural Pty Ltd, Skinner Rural Pty Ltd, Croptec Fertiliser and Seeds Pty Ltd, Lindsay Fresh Logistics Pty Ltd.

The above companies represent a 'closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Lindsay Australia Limited, they also represent the 'extended closed Group'

33. COMMITMENTS

Finance lease commitments

Finance lease liabilities are payable exclusive of GST as follows:

	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
	2016 $'000	2016 $'000	2016 $'000	2015 $'000	2015 $'000	2015 $'000
Less than one year	**29,040**	**3,711**	**25,329**	18,642	2,815	15,827
Between one and five years	**77,225**	**5,572**	**71,653**	54,552	3,735	50,817
	106,265	**9,283**	**96,982**	**73,194**	**6,550**	**66,644**

Finance leases comprise leases of items of plant and equipment under normal commercial finance lease terms and conditions. Finance leases do not contain any contingent rental components. No items subject to finance lease are subleased. Under the leases there are no escalation clauses and there is an option to acquire the leased assets at the end of the term.

	2016 $'000	2015 $'000
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements are payable inclusive of GST as follows:		
• Not later than 1 year	**7,782**	5,430
• Later than 1 year but not later than 5 years	**14,579**	17,910
• Later than 5 years	**3,376**	2,650
	25,737	**25,990**

Operating leases primarily comprise leases of premises under normal commercial operating lease terms and conditions. These include rentals, in certain cases, being subject to periodic review for market and/or for CPI increases as well as options for renewal.

There are no significant items subject to operating leases that are subleased.

	2016 $'000	2015 $'000
Capital Commitments		
Commitments for capital expenditure (property, plant equipment, and intangibles) contracted for but not recognised in the financial statements are as follows:	**15,497**	30,528

Distribution Agreement

On 13 July 2009 the Group executed a Distribution Agreement with Orora Limited (Orora) which has been terminated by the parties. Orora paid the Group a signing fee of $2.25 million on execution with interest payable on an annual basis. The repayment terms of the signing fee and accrued interest is currently part of the dispute between the parties arising from the termination of the Distribution Agreement. Resolution of this matter is expected to occur during the 2016-2017 financial year.

34. CONTINGENT LIABILITIES

	2016 $'000	2015 $'000
Guarantees to secure lease obligations	**1,462**	1,511
Guarantees to cover Workers policy	**2,746**	1,319
Total Guarantees	**4,208**	**2,830**

Cross guarantees have been given as described in Note 32.

From time to time the consolidated entity is subject to claims and litigation during the normal course of business. The directors have given consideration to such matters and are of the opinion that there are no further material contingent liabilities as at the reporting date that are likely to arise. Other than above to the directors' knowledge no matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

35. PARENT COMPANY INFORMATION

Information relating to Lindsay Australia Limited is as follows:

	2016 $'000	2015 $'000
Summary financial information		
Statement of financial position		
Current assets	**4,819**	14,197
Total assets	**303,824**	261,064
Current liabilities	**223,461**	180,340
Total liabilities	**227,790**	189,985
Issued capital	**70,044**	67,475
Retained profits	**5,454**	3,068
Share based payments reserve	**536**	536
Total shareholders' equity	**76,034**	**71,079**
Profit of the parent entity	**8,442**	1,736
Total comprehensive income of the parent entity	**8,442**	1,736
Contingent liabilities of the parent entity	-	-
Contractual commitments	-	-

Guarantees entered into by parent entity

Lindsay Australia Limited has guaranteed the Groups external debt in respect of bank overdrafts, financial leases, and bank loans of subsidiaries amounting to $20,824,048 (2015: $36,122,000) secured by registered mortgages over property and other assets. The parent entity has also given unsecured guarantees in respect of financial leases of subsidiaries amounting to $42,223,495 (2015: $22,746,000).

In addition, there are cross guarantees given by Lindsay Australia Limited as described in Note 32. No deficiencies of assets exist in any of these companies. No liability has been recognised in relation to these financial guarantees in accordance with the policy set out in Note 1(u) as the present value of the difference in net cash flows is not significant.

36. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting date to disclose.

37. LEGAL PROCEEDINGS

In 2009 the Group executed a seven-year Distribution Agreement with Orora Limited (Orora) which was terminated in 2015 by the parties prior to the contract term end date. Both parties have made claims for loss as a result of the termination however the quantum of these claims have not yet been expressed by either party. Lindsay continues to recognise a current liability for the loan of $2.25 million. The repayment terms of the signing fee and accrued interest is part of the dispute between the parties also arising from the termination of the Distribution Agreement. Resolution of this matter is expected to occur during the 2016-2017 financial year. Given the dispute is proceeding any further disclosure could prejudice the outcome.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) The attached financial statements and notes are in accordance with the *Corporations Act 2001,* including:

   (i) Complying with Accounting Standards, the Corporations Regulations 2001; and other mandatory professional reporting requirements, and

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

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 32 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 32.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

John F Pressler

Chairman of Directors
Brisbane, Queensland
29 August 2016

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Independent Auditor's Report to the Members of Lindsay Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Lindsay Australia Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of 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 AASB101 Presentation of Financial Statements, 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 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.

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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*.

Opinion

In our opinion:

a) the financial report of Lindsay Australia 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 2016 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 consolidated 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 21 to 29 of the directors' report for the year ended 30 June 2016. 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 Lindsay Australia Limited for the year ended 30 June 2016 complies with Section 300A of the *Corporations Act 2001*.

PITCHER PARTNERS

J. Evans

J. J Evans
Partner

Brisbane, Queensland
29 August 2016

CORPORATE GOVERNANCE STATEMENT INTRODUCTION

The Board of Directors of Lindsay Australia Limited is responsible for the corporate governance of the consolidated entity. The board guides and monitors the business and affairs of Lindsay Australia Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Lindsay Australia Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

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Limited's Corporate Governance practices recognise the Group's market capitalisation and the complexity of its operations. For further information on corporate governance policies adopted by Lindsay Australia Limited, refer to our website: www.lindsayaustralia.com.au

PRINCIPLE 1.

Lay solid foundations for management and oversight

Recommendation 1.1

Recognise and publish the respective roles and responsibilities of the board and management.

During the financial year the Company was governed in accordance with its Corporate Governance Charter adopted by the board. The Corporate Governance Charter is published on the Company's website.

The Company should establish the functions reserved to the board and those delegates to senior executives and disclose those functions.

The Corporate Governance Board charter reserves powers for the board. Functions not reserved to the Board are delegated to senior management.

Recommendation 1.2

Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.

Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Group undertakes appropriate checks and evaluation before appointing or re-appointing a person including putting forward a candidate for election as a director. The Corporate Governance Charter outlines the process for appointment and retirement of members of the board including the provision of relevant information to security holders.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Group has entered into agreements with directors and senior executives, these documents together with the Corporate Governance charter outline roles, responsibilities and expectations.

Recommendation 1.4

The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary has access to all Board members and the primary functions are to assist and advise the Board on governance matters and compliance with internal processes. The role of the Company Secretary is outlined in the board charter which support the recommendations. The Company Secretary's appointment and engagement terms reflect the requirements of the recommendations.

Recommendation 1.5

A listed entity should:

(a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set mHave a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
(b) Disclose the policy or a summary of it; and
(c) Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
    (1) The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined senior executive for these purposes); or

(2) If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.

The Diversity Policy is published on the Company's web site. The Board has established the following objectives in relation to gender diversity. The intention is to achieve the objectives over time as positions become available. The Board notes that some positions within the Company have time and physical demands that may make these jobs traditionally unattractive to women

	Objective	2016	2015
Percentage of women in Group's workforce	15%	**11%**	12%
Percentage of women in management positions	20%	**15%**	19%

The Company's Workplace Gender Equality Act public report for 2016 is available on the Company's website.

Recommendation 1.6
A listed entity should:

(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company has adopted processes concerning the evaluation and development of the board, board committees and individual directors. Procedures include an internal Board performance assessment. The Corporate Governance Statement outlines the performance review criteria for directors.

During the 2016 financial Year, an internal board performance assessment was performed and reviewed against the performance criteria. No material weaknesses were identified and no governance changes were deemed necessary

Recommendation 1.7
A listed entity should:

(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and
(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company's Corporate Governance Charter details the procedures for performance reviews and evaluation. Senior executives are subject to formal/informal evaluations against individual performance and business measures either on an ongoing or annual basis.

PRINCIPLE 2.

Structure the board to add value – Have a board of an effective composition, size, and commitment to adequately discharge its responsibilities and duties.

Recommendation 2.1
The board of a listed entity should:

(a) Have a nomination committee which:

(i) Has at least three members, a majority of whom are independent directors; and
(ii) Is chaired by an independent director; and disclose:
(iii) The charter of the committee;
(iv) The members of the committee; and
(v) As at the end of each reporting period, the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings

(b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skill, knowledge and experience, independence and diversity to enable it to discharge its duties responsibly and effectively

The Company does not have a nomination committee. The board believes that due to the Company's relatively small size a nominations committee is not necessary as the board can undertake all functions normally delegated to a nomination committee. The Selection and Re-appointment of directors Policy contains procedures for the appointment and resignation of directors. The Board Charter also outlines the requirements for the composition of the board.

Recommendation 2.2

A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Company's objective is an appropriate mix of skills, experience and expertise and attributes relevant to the board in discharging its responsibilities

Skills/Expertise	Experience	Attributes
Strategy	Transport Industry	Integrity
Financial	Agriculture Industry	Communication
Governance	Import Export Industry	Commitment
Risk Management and Safety	Property	Innovation
Policy, Legal, Compliance		Influence
Government & Stakeholders		
Culture & Values		
Executive Management		
Information Technology		

Recommendation 2.3

A listed entity should disclose:

(a) The names of directors considered by the board to be independent directors;

(b) If a director has an interest, position, association or relationship of the type described in box 2.3 of ASX Corporate Governance Principles and Recommendations, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) The length of service of each director.

Director	Status	Date of appointment	Length of Service	Interest/Association
J F Pressler	Non-Executive. Independent Director	08/01/1997	19 years (at 08/01/2016)	
R A Anderson	Non-Executive. Independent Director	16/12/2002	15 years (at 16/12/2015)	
M K Lindsay	Executive. Non Independent	26/11/1996	19 years (at 26/11/2015)	Chief Executive Officer
G D Farrell	Non-executive. Non Independent	17/11/2005	10 years (at 17/11/2015)	substantial shareholder

Recommendation 2.4
The majority of the board of a listed entity should be independent directors.

The Company has not complied with this recommendation, there are four members of the board of directors, two of which are considered independent directors.

Directors of Lindsay Australia Limited are considered to be independent when they are independent of management and free from any material business or other relationship that could interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement In the context of director independence, a factor is considered "material" if it is greater than 5% of either sales or purchases of the Group. In accordance with the definition of independence detailed on the Company's website, the following directors of Lindsay Australia Limited are considered to be independent:

- J F Pressler
- R A Anderson

The board does not consider the expense of increasing the number of independent directors so that a majority of independent directors is obtained is justified. The board considers the current composition of a board an appropriate blend of skills and experience relevant to the Company's business. The board will assess independence when any new appointments are made.

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

Recommendation 2.5
The chair of the board of a listed entity should be an independent director, and, in particular, should not be the same person as the Chief Executive Officer of this entity.

The Company complies with this recommendation. Mr J.F. Pressler, an independent director, is the Chair. Mr M.K Lindsay is the Chief Executive Officer.

Recommendation 2.6
A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge needed to perform their role as directors effectively.

The board assumes responsibility for new board member induction, education and development. The corporate governance charter requires new directors to be provided with relevant information, induction and opportunities for training, and the opportunity to take independent advice at the expense of the Company.

PRINCIPLE 3.

Promote ethical and responsible decision-making

Recommendation 3.1
A listed entity should:

(a) Have a code of conduct for its directors, senior executives and employees; and;
(b) Disclose the code or a summary of it:

A formal Code of Ethics forms part of the Corporate Governance Charter that is disclosed on the Company's website. The Company has a code of conduct, equal opportunity policy and Employee Workplace and Safety Handbook applicable to all employees, a summary of these policies is disclosed on the Company's website.

PRINCIPLE 4.

Safeguard integrity in corporate reporting

Recommendation 4.1

The board of a listed entity should:

(a) Have an audit committee which:

- (i) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors
- (ii) Is chaired by an independent director who is not the chair of the board, and disclose:
- (iii) The charter of the committee;
- (iv) The relevant qualifications and members of the committee; and
- (v) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and rotation of the audit engagement partner.

The board has established an audit and risk committee, which operates under a charter approved by the board. The charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The Chairman of the committee is Mr RA Anderson, an independent director. The members of the committee, meetings and attendances are contained in the Directors' Report to the Annual Report disclosed on the Company's website. All members of the audit and risk committee are non-executive directors. There is a majority of independent directors on the committee.

The board has delegated the responsibility for the establishment and maintenance of a framework of internal controls and ethical standards for the management of the consolidated entity to the audit and risk committee.

It is the board's responsibility to ensure that an effective internal control framework and risk identification process exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a period, receive from its Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and control which is operating effectively.

In respect of the relevant financial reporting period the Company's Chief Executive Officer and Chief Financial Officer provide the board with a declaration in accordance with S.295A of the Corporations Act which is consistent with Recommendation 4.2.

Recommendation 4.3

A listed entity that has an Annual General Meeting should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company complies with this requirement, representative of the Company's auditor attends the Annual General Meeting and be available to answer questions from security holders.

PRINCIPLE 5.

Make timely and balanced disclosure – Promote timely and balanced disclosure of all material matters concerning the Company.

Recommendation 5.1

Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance.

The Company complied with the continuous disclosure requirements of Chapter 3 of the Australian Securities Exchange Listing Rules. The Corporate Governance Charter contains additional requirements. The continuous disclosure obligations are reviewed at each board meeting.

PRINCIPLE 6.

Respect the rights of security holders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Corporate Governance Charter is available on the website together with other Company policies. The website provides:

- *Details of the key business divisions;*
- *Copies of the annual report;*
- *Other relevant publications; and*
- *Investor information.*

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The board encourages attendance at meetings and is available to shareholders at general meetings. General meetings are set well in advance of their scheduled date to facilitate maximum attendance by shareholders. Investors may communicate directly with the company in person or electronically via the website.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders

The Company's notice of meetings is clear, concise and effective, shareholders receive notice of meetings in hard copy. All general meetings of the Company allow shareholder participation through the opportunity to ask questions directly of the board prior to a poll or vote.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company's share registry is maintained electronically through Computershare Limited, a link is provided on the Company's website. Contact information for Computershare Limited is also provided in the annual report. Security holders can also contact the Company electronically via the Company's website.

PRINCIPLE 7.

Recognise and manage risk

Recommendation 7.1

The board of a listed entity should:

(a) Have a committee or committees to oversee risk, each of which:

- (i) Has at least three members, a majority of whom are independent directors;
- (ii) Is chaired by an independent director and disclose:
- (iii) The charter of the committee;
- (iv) The members of the committee;
- (v) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings

(b) If it does not have a risk committee or a committee that satisfies (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

The board has established an audit and risk committee, which operates under a charter approved by the board. The charter is contained in the Company's Corporate Governance Statement which is available on the Company's website. The chairman of the committee is Mr RA Anderson, an independent director. The members of the committee, meetings and attendances are contained in the Directors' Report to the Annual Report disclosed on the Company's website. All members of the audit and risk committee are non-executive directors. There is a majority of independent directors on the committee.

The board has delegated the responsibility for the establishment and maintenance of a framework of internal controls and ethical standards for the management of the consolidated entity to the audit and risk committee.

It is the board's responsibility to ensure that an effective internal control framework and risk identification process exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The board considers risks at each board meeting.

The Board assesse risk and risk issues at each board meeting described further under recommendation 7.2.

Recommendation 7.2

The board or a committee of the board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose, in relation to each reporting period, whether such a review has taken place.

The board is responsible for the Company's risk management framework. Risks are monitored on a regular basis and prevention or mitigation measures adopted as appropriate. Policies and procedures have been established for, asset maintenance, workplace health and safety and inventory control. A business risks checklist is reviewed at each meeting of the board. Details of financial risks are provided in Note 2 to the Financial Statements.

The board has established an environmental and occupational health and safety committee, details on meetings, membership and attendance are contained in the Directors Report to the annual Report located on the Company's website. It is the board's responsibility to ensure that the Company observes all regulatory compliance and to provide a safe workplace by identifying and managing risks in the workplace. The board has delegated the responsibility for these functions to the environmental and occupational health and safety committee.

Recommendation 7.3
A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have an internal audit function. The board considers that due to the relatively small size of the Company such a function would not be cost effective. Details of financial risks are provided in Note 2 to the Financial Statements. The board may engage an independent third party to undertake the equivalent activities of internal audit at any time if it requires.

Recommendation 7.4
A listed entity should disclose whether it has a material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company actively considers and monitors business and other risks but does not consider it has material exposure to these risks. Where possible the Company looks to adopt products or processes that have a positive environmental or social sustainability impact.

The board has established an environmental and occupational health and safety committee, details on meetings, membership and attendance are contained in the Directors Report to the Annual Report located on the Company's website. It is the board's responsibility to ensure that the Company observes all regulatory compliance, is proactive in achieving environmental outcomes consistent with sustainable development, and to provide a safe workplace by identifying and managing risks in the workplace. The board has delegated the responsibility for these functions to the environmental and occupational health and safety committee.

PRINCIPLE 8.

Remunerate fairly and responsibly

Recommendation 8.1
The board of a listed entity should:

(a) Have a remuneration committee which:

- (i) has at least three members, a majority of whom are independent directors; and
- (ii) is chaired by an independent director; And disclose:
- (iii) the charter of the committee; and
- (iv) the members of the committee; and
- (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or

(b) If it does not have a remuneration committee, disclose the fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive

The Company has established a Remuneration Committee. The Remuneration Committee has a formal charter contained in the Corporate Governance Charter on the Company's website. The members of the committee, meetings and attendances are disclosed in the Directors Report to the Annual Report disclosed on the Company's website.

The Company does not meet the recommendation of the Remuneration Committee having an Independent Chairman, however the committee has a majority of independent directors. The current chairman of the committee is Mr G.D Farrell, as a non-executive director and material shareholder of the Group. The board considers Mr Farrell appropriately qualified to chair the committee to oversee matters of remuneration

It is the Group's objective to provide maximum security holder benefit from the retention of a high quality board and executive team, by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration

Committee links the nature and amount of executive directors' and officers' remuneration to the Group's financial and operational performance. The expected outcomes of the remuneration structure are:

- *(i) Retention and motivation of key executives;*
- *(ii) Attraction of quality management to the Group; and*
- *(iii) Performance incentives which allow executives to share the rewards of the success of Lindsay Australia Limited.*

For details on the amount of remuneration and all monetary and non-monetary components for each of the key management personnel during the year and for all directors, refer to the Remuneration Report contained in the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the board, having regard to the overall performance of Lindsay Australia Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors. The board is responsible for determining and reviewing compensation arrangements for the Directors themselves and the Chief Executive Officer and the key management personnel.

The remuneration policy is disclosed in the Remuneration Report contained in the Directors' Report. There were no material changes to that policy during the year. Due to the relatively small size of the Company the only direct link between remuneration and performance of the Company for the Chief Executive Officer and Senior Executive staff is by the potential issue of options or performance rights over shares. There were no employee options or performance rights on issue at 30 June 2016 held by key management personnel. At any review the performance of the Company and the contribution by particular executives' form part of the process. Details of the remuneration of the directors and the key management personnel of the Group is disclosed in the Remuneration Report.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Executives will be remunerated by way of salary and statutory superannuation. Senior Executives may participate in a performance based incentive structure.

The guidelines for non-executive director remuneration published by the Council are:

- Non-executive directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity); they should not participate in schemes designed for the remuneration of executives.
- Non-executive directors should not receive options or bonus payments.
- Non-executive directors should not be provided with retirement benefits other than statutory superannuation.

The Group complies with the guidelines Refer also to the Remuneration Report contained in the Directors' Report.

Recommendation 8.3

A listed entity which has an equity based remuneration scheme should:

(a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
(b) Disclose the policy or a summary of it.

The Group has a limited equity based incentive scheme applying to a small number of senior executives only. Trading in Group securities is regulated by the Securities Trading Policy disclosed on the Group's website. Trading activities relating to any short term or speculative gain is prohibited

SHAREHOLDER INFORMATION

Information relating to security holders as at 11 August 2016.

Shares

DISTRIBUTION OF SHAREHOLDERS

Range	Number of Shareholders	Number of Shares
1- 1,000	100	28,170
1,001 – 5,000	384	1,057,696
5,001 – 10,000	249	2,028,654
10,001 – 100,000	837	30,735,668
100,001 and over	198	256,084,756
Total	**1,768**	**289,934,944**

Number of holdings less than a marketable parcel of shares – 101 (1,021 shares)

TOP TWENTY SHAREHOLDERS

Name	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND GROUP LIMITED	55,526,491	19.15
ANKLA PTY LTD	20,197,999	6.97
CITICORP NOMINEES PTY LIMITED	17,221,182	5.94
BKI INVESTMENT COMPANY LIMITED	16,783,130	5.79
MULAWA HOLDINGS PTY LTD	12,937,412	4.46
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	11,926,710	4.11
MILTON CORPORATION LIMITED	11,787,000	4.07
MR THOMAS KELSALL LINDSAY + MR THOMAS GLEN LINDSAY <LINDSAY BROTHERS S/F A/C>	11,364,402	3.92
POLTICK PTY LTD	7,065,253	2.44
LINDSAY SUPER CO PTY LTD <LINDSAY FAMILY S/F A/C>	6,219,739	2.15
K & D LINDSAY PTY LTD <D LINDSAY FAMILY A/C>	3,222,148	1.11
RM AND DM PELL PTY LTD <PELL FAMILY SUPER A/C>	3,022,761	1.04
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,837,206	0.98
HEADING EAST PTY LTD <HEADING EAST 2012 S/F A/C>	2,549,506	0.88
MS GRETA MARJORIE LINDSAY <THE GRETA LINDSAY NO 2 A/C>	2,328,551	0.80
NATIONAL NOMINEES LIMITED	2,255,429	0.78
PROCO PTY LTD <THE COSOFF SUPER FUND A/C>	2,100,000	0.72
MR MATTHEW SINGLETON	2,000,000	0.69
JANALA PTY LTD	1,919,626	0.66
YESOR PTY LTD <ORR SUPERANNUATION FUND A/C>	1,917,505	0.66
Totals: Top 20 holders	**195,182,050**	**67.32**

Substantial Shareholders

The names of substantial shareholders who have notified the company in accordance with section 617B of the Corporations Act 2001 are:

Name	Number of Shares	% of Issued Shares
Mulawa Holdings Pty Ltd	14,857,038	5.14
Washington H Soul Pattinson & Group Limited	55,526,491	19.28
Mizikovsky Group	28,180,363	9.72
Naos Asset Management Limited	19,980,907	9.92
BKI Investments Group Limited	16,341,631	5.75

Voting Rights of Ordinary Shares

The holders of ordinary shares in the Group are entitled at any general meeting, either in person or by proxy, on a show of hands, to one vote, and on a poll to one vote for each fully paid share.

On-market Buy Back of Shares

There is no current on-market buyback of shares.