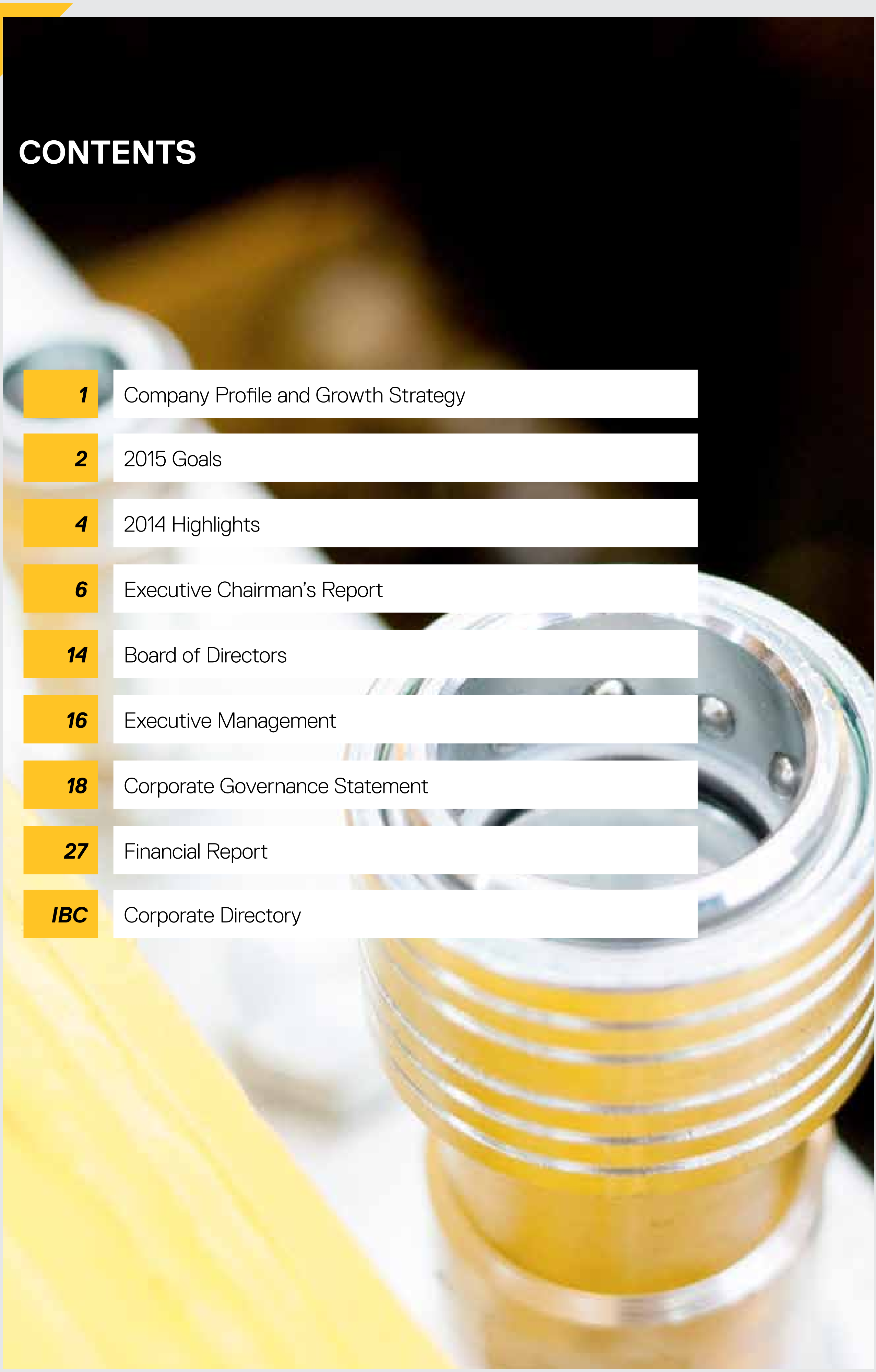
PPK GROUP LIMITED

ANNUAL REPORT 2014



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COMPANY PROFILE AND GROWTH STRATEGY

PPK Group Ltd (PPK) is an expanding ASX listed company whose core operations are being progressively refocused on to the manufacture, supply and maintenance of mining equipment and technology products that are utilised to enhance customer's safety, productivity, efficiency and automation levels.

The company will continue to derive revenue from selected property investment and property development activities which have historically been the primary group revenue earners.

Under a revitalised growth strategy being architected and led by Executive Chairman, Robin Levison, who previously guided Industrea Limited from a $2 million into a $450 million market cap company, PPK's growth strategy is focused on:

- Capitalising on stronger property and equity market conditions to progressively rotate out of selected industrial and development properties, loan book and share investments.
- Utilising funds generated from the above to acquire established, successful businesses in the mining sector to take advantage of historically low entry prices, and if appropriate opportunities are identified, to make selective investment in other property ventures.

Mining businesses acquired by PPK under this strategy must satisfy the following investment criteria:

- Existing equipment or technology with a proven ability to enhance end user's safety, efficiency, automation and productivity levels
- Near or market leading product categories with an established or potential export capability
- A synergistic fit with PPK's existing manufacturing businesses
- Immediately earnings accretive.

Conversely, there are a number of mining businesses which are not aligned with PPK's growth direction including open cut mine fleet contracting, mine consulting and planning and mine site development and operations, and companies within these segments of the market will not be considered for future acquisition.

PPK is headquartered in Brisbane and operates manufacturing plants and service and support centres in Port Kembla, Tomago (Newcastle)and Nowra, and will shortly open its China head office in Beijing.

2015 GOALS

Expand PPK's mining equipment operations through selected acquisitions of synergistic businesses at prices representing discernable value for shareholders and which are immediately earnings accretive.

Drive additional cost savings, efficiencies and productivity gains from within PPK's existing businesses and grow each organically.

Leverage off the opening of a new China head office to generate first exports of PPK products into China and to open opportunities for the import of class leading components into Australia as OEM products.

Investigate other potential export opportunities in key targeted overseas markets.

Further strengthen PPK's balance sheet and reduce group debt.

Gain additional cost savings across all areas of existing operations.

Continue the progressive, orderly rotation out of current property assets and other historical investments to generate funds for new acquisitions, additional working capital and group debt reduction; and continue to monitor any new profitable property investments that will add to shareholder value.

"Continue the successful rotation out of property assets and other historical investments to generate funds for new acquisitions and additional working capital"

2014 HIGHLIGHTS

Positive progress was made in FY2014 in reinvigorating PPK and commencing the implementation of the new growth strategy. Among the major achievements the company made during the year under review were:

Appointment of Robin Levison as Executive Chairman and the announcement of a new forward growth blueprint for PPK with a focus on acquiring undervalued, market leading mining equipment and technology businesses.

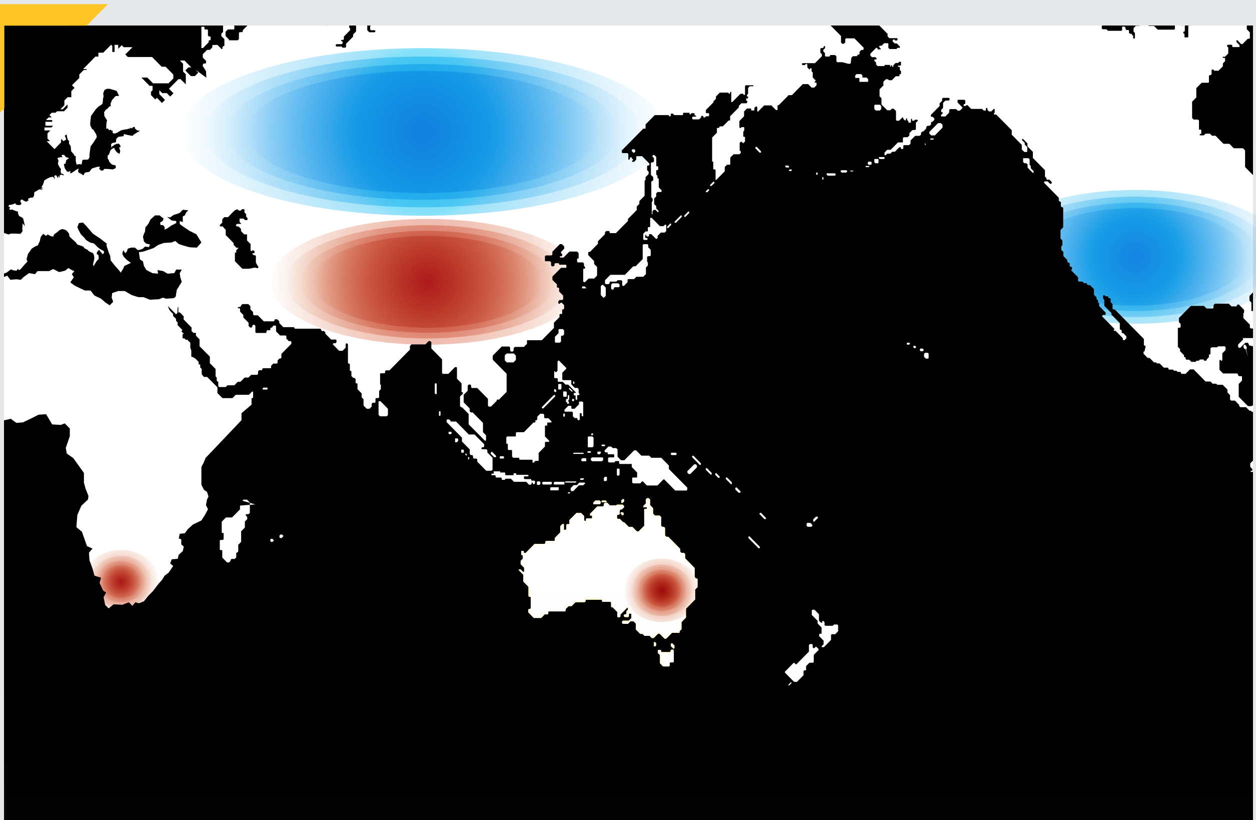
Forging a strong cornerstone for the future expansion of PPK Mining Equipment through acquiring the established and market leading COALTRAM business and acquiring, post balance date, the MONEx Electronic Engine Management System technology.

Strengthening key customer relationships, including BHP Illawarra Coal, through commissioning a new state-of-the-art mining equipment and technology service and support facility in the strategic Illawarra mining basin.

Commencing the announced rotation out of selected property assets at upper quartile prices to generate additional working capital, fund future acquisitions and retire debt with the sale of the Arndell Park site for $12.2 million and divestment of PPK's retirement village interests for $7.8 million, which is due for settlement in December 2014.

Relocating PPK's head office to Brisbane and strengthening the senior executive team through the appointment of a new, highly experienced Chief Financial Officer, and the two major architects of Industrea's highly successful expansion into China, as head of Global Mining and President – PPK China Operations.

Providing major performance incentives for directors and key executive managers through the issue of shares, ensuring the complete alignment of key personnel and shareholder interests.



Primary sales targets

Australia (Bowen Basin & Hunter Illawarra)
China
South Africa

Secondary sales targets

Russia
USA

+100%
Group Revenue

+150%
Revenue from Mining Equipment and Technology

+23%
Net Assets

$20,550,000
Group Revenue

$12,568,000
Revenue from Mining Equipment and Technology

$37,400,000
Net Assets

EXECUTIVE CHAIRMAN'S REPORT

It gives me considerable pleasure to present my first Annual Report to the shareholders of PPK Group Ltd (PPK), and to report on what I believe has been the positive, measureable progress made in implementing the revitalised growth strategy as outlined at the company's Annual General Meeting in late 2013.

In summary, some of the key achievements made on behalf of shareholders since that time include:

- Establishing a stronger and market competitive mining equipment and technology business through the acquisition of the established COALTRAM business and the subsequent purchase, post balance date, of the MONEx Electronic Engine Management System technology.
- Doubling group revenue from the prior year, reflecting the increasing scale and scope of PPK following the initial execution of the group's growth strategy in 2014.
- Commencing the orderly divestment of selected property assets at high quartile prices with the post balance date settlement of the Arndell Park industrial property for $12.24 million.
- Commissioning of a new state-of-the-art diesel equipment service and support facility at Port Kembla to strengthen PPK's established market presence in the Hunter/Illawarra coal basins.
- Relocating the corporate head office to Brisbane and establishing an experienced executive management team following several key appointments including a new Chief Financial Officer, new Head of Global Mining and new President-PPK China Operations.
- Laying the groundwork for a successful foothold in the potentially lucrative Chinese underground mine market through securing a new China head office which will open shortly, and appointing initial, key local employees.

FINANCIAL PERFORMANCE AND MANAGEMENT

For the year to 30 June 2014, PPK posted a net profit after tax of $2.519 million, up from $2.383 million the prior year.

A series of one-off items associated with implementing the company's previously announced growth strategy, including the cost of securing key personnel considered critical to its successful implementation, and a gain on purchase of the COALTRAMs business impacted on the year's result.

Group revenue for the year doubled from $10.273 million to $20.550 million, primarily reflecting the expansion of PPK's mining equipment and technology manufacturing business with $12.568 million attributable from this source (FY2013 $5.002 million). Revenues derived from investment properties, investment activities and interest received totalled $7.982 million compared to $5.271 million the prior year.

Directors have declared a final dividend of 2 cents fully franked per share lifting the full year dividend to 3.5 cents per share fully franked. Book closing date for dividend entitlements is 27 October 2014, with the final dividend payable on 10 November 2014.

It is the board's policy that wherever possible, and accounting for the financial position of the company, it will continue to pay regular interim and final dividends each year.

During FY2014 PPK raised $4.881 million to acquire and provide working capital for the COALTRAM business via:

- A Share Placement of 5,380,232 fully paid ordinary shares at 75 cents per share to professional or sophisticated investors
- A Share Purchase Plan under which 1,128,833 fully paid ordinary shares were issued at 75 cents per share.

These capital raisings were strongly supported by PPK's shareholders, including the directors, along with a number of new investors.

While the company remains totally committed to its well documented acquisition strategy, this will be judiciously balanced against the overriding need to maintain a prudent and relatively conservative approach to debt and capital management, and the maintenance of a strong balance sheet.

In line with this policy, it is pleasing to note that the company's net assets increased by $7 million to $37.4 million as at 30 June 2014.

Under the company's capital management plan, any debt associated with PPK's current property assets, will be repaid in entirety at settlement.

"Group revenue for the year doubled from $10.273 million to $20.550 million, primarily reflecting the expansion of PPK's mining quipment and manufacturing technology businesses"

STRONGER CORPORATE STRUCTURE

Management Team Bolstered

Several key personnel appointments were made in FY2014 to bolster the company's resources at both a senior executive and operational management level. These appointments will ensure PPK has the resources and expertise to maintain the successful execution of our growth strategy and sustain future earnings growth.

Dale McNamara and Zhang Jinping, who both served in senior positions with me at Industrea Limited prior to its acquisition by a US multinational, were appointed as Director Global Mining and President of PPK China Operations respectively. Both men have extensive experience in the Chinese coal industry and in establishing and expanding commercially successful businesses in that country, and were responsible for building Industrea's exports of underground mining equipment and technology into China from a zero base to a value approaching $100 million over several years.

Mr McNamara has over 30 years' experience in the coal mining industry in Australia and China. He founded Wadam Industries, a China-focused subsidiary of Industrea, and served as its Managing Director from 1993 till 2012. Mr Zhang holds a mining bachelor degree from China Henan Polytechnic University and has 30 years experience in underground coal mining operations in China. He was a senior employee of China Coal Research Institute for 12 years and Chief Representative in China for Wadam Industries and Industrea for 18 years.

In addition, Peter Barker was appointed Chief Financial Officer in June 2014. Mr Barker is a Fellow of CPA Australia, holds an MBA and BCom, and brings extensive domestic and international commercial experience to PPK. He joined PPK following a senior position with a privately held technology group in Hong Kong. Prior to this he was Chief Financial Officer at Computershare.

During the year under review PPK also recruited a select number of highly experienced personnel to strengthen the Mining Equipment business' management resources. Among several key appointments made in FY2014 were a new General Manager and new Field Service Manager for PPK Mining Equipment

Head Office Relocation

Towards the end of the financial year PPK completed the relocation of its corporate head office from Sydney to Brisbane's CBD. It is considered this location will best serve the future interests of shareholders and allow for the ordered execution of the company's growth strategy. I, along with Peter Barker our CFO, and several other managers are now all working from this location, which also provides the company strategic geographic access to both the key coal producing regions in Queensland and New South Wales.

REVIEW OF OPERATIONS

Mining Equipment and Technology

In line with the previously announced realignment of PPK's operational focus, considerable time and resources were expended during FY2014 in expanding the company's mining equipment and technology manufacturing business.

In March 2014 PPK completed the $13 million acquisition of the COALTRAM mining equipment manufacturing business from Diversified Mining Services. COALTRAM is an established and highly respected brand name within the Australian underground mining market, with its class leading products deployed by companies including BHP, BMA, Centennial Coal, Glencore, Mastermyne and Xstrata.

The acquisition underscores the financial rationale behind PPK's strategy of identifying and capitalising on counter cyclical acquisitions nearing the lower end of the pricing spectrum, with the business' net assets having a conservative value of over $17 million ($15.8 million after allowing for future tax liabilities associated with the purchase).

The businesses acquired under the COALTRAM purchase include:

- Manufacture, service and support of the trademark COALTRAM underground transport utility vehicle;
- Manufacture and distribution of Australia's leading flameproof alternator for use in methane gas prone underground environments; and
- Equipment hire with a range of clients including BHP, Centennial Coal and Glencore.

Recognised for its durability, flexibility and safety, the COALTRAM utility vehicle can be manufactured in configurations of 8, 10 and 13 tonnes, and is equipped with an array of features designed specifically for high methane gas underground coalmine environments.

The COALTRAM vehicle category is the most commonly found in these underground mine environments, given their multiplicity of applications including material movement, supply handling, movement of long wall components and other utility tasks.

The flameproof alternator manufacturing business included in the acquisition is a market-leading supplier whose product is IEC internationally certified for use in high methane gas prone mines, and through this certification has gained an established export revenue base from a number of multinational OEM manufacturers.

In an initiative which further strengthens the earnings capacity of PPK Mining Equipment, in August 2014 PPK acquired the MONEx Electronic Management System (EMS) technology, associated intellectual property, manufacturing line and existing inventory for $2.8 million.

Prior to acquiring full ownership of EMS, PPK held shared ownership in parts of the EMS technology and intellectual property. This acquisition represents a highly strategic and profitable fit for PPK, as it provides the group with sole Original Equipment Manufacturer status for all COALTRAM vehicles and opens additional potential sales avenues via re-powering other underground flameproof and explosion proof vehicles with EMS technology. PPK is already evaluating possible export opportunities for these fabricated vehicles to China and South Africa.

To complement COALTRAM's existing world class quality controlled manufacturing plant in Tomago, Newcastle and to consolidate PPK's foothold in the strategic Hunter/Illawarra coal basins, in June 2014 the company commissioned a new state-of-the-art service and support centre at Port Kembla. This new facility is equipped to not only service and maintain COALTRAM products, but also to capitalise on the exit of several multinational equipment providers from the regional market, to service and support other diesel mining products.

The COALTRAM service facility's relocation from Newcastle to Port Kembla also provides significant logistic benefits to, and strengthens our relationship with major customer BHP Illawarra Coal, which has around 60 of the 100 COALTRAM vehicles deployed in Australia, operating from various mines in the Illawarra.

To optimise efficiencies, PPK's alternator business was also relocated to the new Illawarra service centre, with the move to a more technologically advanced facility expected to bolster the business's already strong export channels.

PPK's original mining equipment business Rambor, experienced a dampened trading performance in FY2014, which reflected the tightening mining market. A strong focus in the current financial year is being placed on reducing cost structures and new product development and innovation.

These measures, along with the benefits and synergies of being part of a much larger mining services operation are expected to improve its performance in the current financial year.

CHINA MARKET EXPANSION

One of PPK's operational priorities in FY2014 was laying the foundations for a beachhead into the potentially lucrative Chinese underground coal market.

While there is continuing commentary on the slow down of China's phenomenal growth rates, it is often overlooked that the country's huge economy continues to consume around 4 billion tons of coal per annum, of which 90% is extracted from often high methane gas prone underground mines. The Chinese government continues to enforce the consolidation and modernisation of the country's coal sector through closing small producers, and focusing production on fewer but larger and more professional miners. As part of this policy China's coal miners are also being directed to lift safety, productivity and automation levels, which are all attributes PPK's current and future mining equipment and technology are specifically designed to deliver.

Dale McNamara, PPK's Director Global Mining and Zhang Jinping, President-PPK China Operations, both have extensive experience in the Chinese coal sector, and their knowledge base and industry contacts have proved invaluable in laying an initial foundation in this lucrative market.

As a result of these endeavours, at the time of this report's publication, PPK has finalised the lease of premises in Beijing as a Chinese head office, hired a number of key employees and is well advanced on establishing our Chinese legal entity subsidiary.

The initial progress made to date in China has already unlocked preliminary sales opportunities, with the company fielding initial market enquiries and preparing a number of quotes and pricing estimates.

With time it is envisaged that we will both export PPK manufactured components, products and technology that offer Chinese customers decided safety, efficiency, automation and productivity gains, as well as import carefully selected speciality components into Australia as high quality, cost competitive OEM products.

PROPERTY INVESTMENT AND DEVELOPMENT

Industrial Property

As previously disclosed in late FY2014, PPK contracted to sell one of its three industrial properties at Arndell Park. This divestment has now settled for $12.24 million, with the net proceeds, following pay down of associated debt, allocated as working capital and to help fund future acquisitions or other select property investments should they arise. The two remaining industrial properties at Seven Hills, New South Wales and Dandenong, Victoria remain fully tenanted and will, at a time considered appropriate in what is a continually strengthening property cycle, be placed on the market for sale as separate parcels.

Both properties have attracted broad interest from potential purchasers, and we are confident that once formally marketed, both will attract keen buyer demand.

Retirement Villages

In line with PPK's strategy of divesting selected property assets, particularly those considered outside the expertise of the company, in early 2014 PPK contracted to sell its interest in two freehold retirement village assets at Bundaberg, Queensland, and Elizabeth Vale, South Australia, for $8.2 million. Settlement of both interests is confirmed to occur in December 2014, at which time around $6 million will be used to reduce debt and the remainder allocated as working capital.

Property Development

PPK has an 18.2% interest in the Kiah Willoughby residential project located in Sydney's lower north shore area. This staged development project has generated strong market demand since its inception, and made a solid contribution to revenue in FY2014. The project is scheduled for completion by June 2015, with around $9 million in revenue attributable to PPK as loan repayments, accumulated interest and profits over this period.

The company's other property development asset is an 18.74% interest in the Nerang Street Project Trust, which owns an 11,000 square meter development site at Southport, on the Gold Coast. This site is currently being marketed for sale, to capitalise on stronger local property market conditions.

Future Property Investment

Over recent years, PPK's operations have primarily focused on, and its revenue predominantly derived from, property investment and property development.

As previously disclosed, PPK intends to capitalise on a stronger property market cycle, by progressively divesting selected properties at higher quartile prices, with funds realised rotated into identified acquisition opportunities, working capital and continued debt reduction.

While the focus of future acquisition activity will be on undervalued businesses in the mining equipment and technology sectors, PPK will continue to monitor property related opportunities which offer discernible value to shareholders, and may selectively invest in such opportunities if identified.

FY2015 OUTLOOK

It is expected that a continuation of the external market conditions prevailing in FY2014 into the current financial year will provide additional opportunities for PPK to leverage longer-term value for shareholders.

From the perspective of the property sector, continuing buoyant conditions should enable the divestment of additional assets at prices nearing the upper quartile. These positive conditions will also benefit the concluding stages and successful completion of PPK's involvement in the Kiah Willoughby residential development, with as previously outlined should return around $9 million in proceeds to PPK in the current financial year. We expect that proceeds from any additional property asset divestments made in the current financial year, will in line with our stated policy, be used to further reduce group debt levels.

The continuing execution of PPK's growth mandate is firmly predicated on the time honoured and historically proven adage of 'buy low, sell high'.

While it is readily apparent that Australia's mining cycle is at the lower end of the spectrum, and that in the short term this impacts to some degree on the sale of our existing mining equipment and technology businesses, it also continues to offer

"It is expected that a continuation of the external market conditions prevailing in FY2014 into the current financial year will provide additional opportunities for PPK to leverage longer-term value for shareholders"

an opportunity to acquire class leading mining services assets at prices considered virtually impossible only a few years back.

As at the date of this report's publication, we are continuing to identify and be presented with a range of potential acquisition opportunities. At the current time, PPK holds the decided strategic advantage of 'cherry picking' the best of the crop at our chosen price, as there remains limited competition evaluating these opportunities.

We continue to monitor opportunities and, as previously foreshadowed, expect to make additional mining equipment and technology acquisitions, and are confident that again they will provide significant value for shareholders.

As with all asset cycles, the resource commodities market is historically proven to reach its lowest quartile before entering a concerted upswing phase. PPK's current and future products are all to some degree targeted at the underground coal market, and in particular metallurgical or coking coal which is used primarily for steel making. The demand and pricing for metallurgical coal has remained far firmer than for thermal coal, used for power generation, and which has undergone a well documented price decline.

The CEO of Komatsu Ltd, the world's second largest manufacturer of building and mining equipment has commented that "the mining equipment market (in China) could be very close to bottoming out and that he expects to see more mining companies seeking quotations for products." ("Komatsu CEO Flags China Slump as Mining Nears Bottom". Masumi Suga and Jason Rogers, Bloomberg, Jul 2, 2014 12:15 PM GMT+1000).

In September respected industry analysts HDR Salva released a report in which they stated that a massive 23 gigawatts of electricity generating capacity will come on stream in South-East Asia by 2018, requiring about 40 million tonnes of coal. The report also forecast that another 50 gigawatts would come on stream in China and India. HDR Salva believe Australian exporters will be ideally placed to satisfy this demand, particularly as Indonesia's thermal coal supply growth has slowed this year.

The board shares the view that the bottom of the thermal coal cycle maybe nearing and that once this occurs a gradual upswing in coal demand and prices will eventuate.

The board and myself are confident that the strategy currently being pursued will ensure PPK is strongly positioned to fully capitalise on the eventual upswing in the global resources market.

In FY2015, we anticipate that the physical presence a Chinese head office provides, along with the extensive experience and contacts our Head of Global Mining and President-PPK China Operations have, that our initial export opportunities to this vast market will be unlocked.

The opening in FY2014 of our new state-of-the-art service and support centre at Port Kembla, has strengthened our relationship with several key mining customers in that market, and created a strong, recurring revenue stream from servicing and repair work. We are confident that these revenues will at the very least continue as strongly in the current financial year.

Before concluding this report, I would like to highlight to shareholders that the other directors, key executive staff members and myself cumulatively hold a 39.95% stake in the company.

As such, our personal financial interests, along with the continued successful execution of PPK's growth strategy, are irrevocably aligned with the future interests of all shareholders.

Given our expectations for the current year, and barring any unforseen conditions and events occurring, we expect to maintain dividend payments in FY2015 at levels at least commensurate with those paid in the period under review.

I sincerely thank all shareholders for their continued support, and pledge that my endeavours, along with those of other directors and senior executives, will be solely focused on creating sustained, longer-term shareholder value for all those with a vested stake in the company.

I also wish to extend a special thanks to all PPK employees for their dedication and diligence over the past year as they have all made a contribution to the undoubted progress made by the group over this time.

Robin Levison
Executive Chairman

"The board and myself are confident that the strategy currently being pursued, will ensure PPK is strongly positioned to fully capitalise on the eventual upswing in the global resources market"

BOARD OF DIRECTORS

ROBIN LEVISON *CA, MBA, F.A.I.C.D*
Executive Chairman

Robin Levison was appointed to the Board of PPK Group Limited as Executive Chairman on 22 October 2013. Mr Levison joined Industrea Limited in 2005, following a successful career in accountancy and merchant banking. As Managing Director, he implemented and executed a successful growth strategy under which the company's range of specialist mining and productivity equipment targeting the underground coal mining sector expanded significantly. Through a mix of strong organic growth and strategic acquisitions, Mr Levison oversaw a significant increase in Industrea's revenue base, and group employee numbers climb to in excess of 1000 people located globally, which eventually led to the company being acquired by General Electric (GE). The company's products and services were sold extensively to countries including Australia, China, India, Indonesia, Russia, Japan, USA and Chile. Mr Levison holds a Masters of Business Administration from the University of Queensland, is a Chartered Accountant and is a Graduate and Fellow of the Australian Institute of Company Directors.

JURY WOWK *BA., LLB*
Non-Executive Deputy Chairman, Independent Director

Jury Wowk has been a member of the PPK Group Limited Board since listing on 21 December 1994. He served as Chairman of the Company from 13 September 2011 to 22 October 2013 and was appointed as Deputy Chairman 22 October 2013. He was a Partner of and is currently a consultant to HWL Ebsworth Lawyers and has provided legal services to the PPK Group since 1979. From 1987 to 1989, Mr Wowk performed the role of Operations Manager at Plaspak Pty Ltd.

He has a Bachelor of Arts Degree and a Bachelor of Laws Degree from the University of Sydney. He is also a Law Society of New South Wales Accredited Specialist in Business Law and an Associate Member of the Australian Institute of Company Directors.

GLENN MOLLOY
Executive Director

Glenn Molloy is a substantial shareholder of PPK Group Limited and has been a member of the PPK Group Limited Board since listing on 21 December 1994. He is the founder of the former entity Plaspak Pty Limited in 1979 and was appointed Executive Director in September 2009. Mr Molloy founded the former entity Plaspak Pty Ltd in 1979 and has acted as a director of the consolidated entity since that time. He has extensive experience on public company boards, and in advising publicly listed and private entities on commercial aspects of mergers, acquisitions and divestment activities. Mr Molloy was appointed to the role of Executive Director in September 2009 following the retirement and resignation of David Hoff as Managing Director.

RAYMOND BEATH *B.Com, F.C.A*
Non-Executive, Independent Director

Raymond Beath has been a member of the PPK Group Limited Board since listing on 21 December 1994 and is currently Chairman of the Audit Committee. He is a Director of Holden & Bolster Avenir Pty Limited, Chartered Accountants. He has a Bachelor of Commerce (Accounting) degree from the University of New South Wales and is a Fellow of the Institute of Chartered Accountants. Mr Beath has advised the consolidated entity on taxation, corporate and financial management since 1984 and has been non-executive director of PPK Australia Pty Limited since 1986.

GRAEME WEBB
Non-Executive Director

Graeme Webb is a substantial shareholder of PPK Group Limited. He is Chairman of EDG Capital Limited and has over 40 years of experience in building, construction and property development undertaking over $200 million of projects during his career to date. In addition, Mr Webb has a broad range of business experience having acted as a director and/or chairman of a number of private and public companies engaged in a range of industries including plastics packaging, merchant banking, aluminium fabrication, glazing and glass toughening.

EXECUTIVE MANAGEMENT

ROBIN LEVISON *CA, MBA, F.A.I.C.D*
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DALE MCNAMARA
Director – Global Mining

Dale McNamara has more than 30 years experience in operational and management roles in the coal mining industry in Australia and China. He founded Wadam Industries, a subsidiary of ASX Listed Industrea Ltd, and served as its Managing Director from 1993. He was then appointed as Deputy Chief Executive Officer of Industrea in 2009. Following the takeover of Industrea in November 2012 Dale assumed the position of Global Director, Mining with the new owner.

ZHANG JINPING
President — PPK China Operations

Zhang Jinping graduated from China Henan Polytechnic University with a Mining bachelor degree and has 30 years experience in underground coal mining operations in China. He was a senior employee of China Coal Research Institute for 12 years and Chief Representative based in Beijing, China for both Wadam Industries and Industrea for 18 years. Mr Zhang has a significant understanding of the Chinese coal sector and the major participants active in that market.

PETER BARKER
Chief Financial Officer

Peter Barker joined PPK Group as CFO on 1 July 2014.
Having worked and lived in multiple countries in Europe, Asia and North America, he brings extensive domestic and international experience to PPK. Immediately prior to returning to Australia to join PPK he was in Hong Kong with a privately held technology group. Before this Peter was the CFO of Computershare Ltd from 2009 to 2013. Peter is a Fellow of CPA Australia and holds an MBA and B.Comm.

CORPORATE GOVERNANCE STATEMENT

This statement has been approved by the Board of the Company. The statement has been prepared as at 22 September 2014 with reference to the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1

A listed entity should disclose:

(a) the respective roles and responsibilities of its Board and management; and

(b) those matters expressly reserved to the Board and those delegated to management

The Board of Directors has been charged by shareholders with overseeing the affairs of the Company to ensure that they are conducted appropriately and in the interests of all shareholders. The Board defines the strategic goals and objectives of the Group, as well as broad issues of policy and establishes an appropriate framework of Corporate Governance within which the Board members and management must operate. The Board reviews and monitors management and the Group's performance. The Board has also taken responsibility for establishing control and accountability systems/processes and for monitoring senior executive performance and implementation of strategy.

The roles and responsibilities of the Board have been set out in a Board charter which is available on the Company's website. Amongst other things the Board charter sets out the role and responsibility of the chair of the Board.

The Board has specifically identified the following matters for which it will be responsible:

(a) reviewing and determining the Company's strategic direction and operational policies;

(b) review and approve business plans, budgets and forecasts and set goals for management;

(c) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(d) appoint and remunerate senior staff (if any);

(e) review performance of senior staff (if any);

(f) review financial performance against Key Performance Indicators on a quarterly basis;

(g) approve acquisition and disposal of assets, products and technology;

(h) approve operating budgets, capital, development and other large expenditures;

(i) review risk management and compliance;

(j) oversee the integrity of the Company's control and accountability systems;

(k) Oversee the Company's processes for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's shares;

(l) reporting to shareholders;

(m) ensure compliance with environmental, taxation, Corporations Act and other laws and regulations; and

(n) monitoring the effectiveness of the Company's governance practices.

Management is charged with the day to day running and administration of the Company consistent with the objectives and policies as set down by the Board. Within this framework, the Executive Chairman is directly accountable to the Board for the performance of the management team.

RECOMMENDATION 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and

(b) provide security holders with all material information in its possession relevant to a decision whether or not to elect or re-elect a Director.

The Company does undertake checks before it appoints a person, or puts forward to shareholders a new candidate for election, as a Director. These checks include references as to the person's character, experience and education. The Company does not propose to check criminal records or the bankruptcy history for potential new Board members however may consider such checks where necessary or appropriate in the future.

The Company will include all material information in its possession relevant to a decision whether or not to elect or re-elect a Director in the relevant Notice of Meeting. Information relating to each of the Directors is also provided on the Company's website.

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 Company has not established written agreements with its non-executive directors which set out the terms of their appointment. Accordingly the appointment of Directors is governed by the relevant provisions of the Company's Constitution.

Directors are not appointed for a fixed term but are, excluding any Managing Director, subject to re-election by shareholders at least every three years in accordance with the Constitution of the Company.

A Director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next general meeting of shareholders and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding the Managing Director) must retire at each Annual General Meeting of shareholders.

The Company does maintain written agreements with each of its executive directors and with senior executives which set out the terms of their appointment.

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 been appointed on the basis that he will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

All Directors of the board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

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 measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as 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 that Act.

The Company has established a Diversity Policy Statement which is available on the Company's website.

PPK is committed to an inclusive workplace that embraces and promotes diversity. The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice.

Diversity at PPK refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference.

PPK values the unique contributions made by people with diverse backgrounds, experiences and perspectives, and believes that greater diversity of thought throughout the organisation will lead to more informed decision making and ultimately better business outcomes.

The Company's policy is to recruit and manage its employees on the basis of their competence, performance and potential, regardless of the individual's background or points of difference.

Diversity at PPK is about the commitment to equality and the treating of all individuals with respect.

The Company is committed to promoting a culture of diversity in the workplace by:

- recruiting and managing on the basis of an individual's competence and performance;
- respecting the unique attributes that each individual brings to the workplace;
- fostering an inclusive and supportive culture to enable people to develop to their full potential;
- taking action to prevent and stop bullying, discrimination or harassment;
- rewarding and remunerating fairly;
- offering flexible work practices which recognise that employees may have different domestic responsibilities throughout their career;
- maintaining policies and procedures to provide employees at all levels of the Company with guidelines for behaviour.

Our commitment to diversity forms part of our culture dedicated to retaining the best qualified employees, management and Board. Our commitment applies in all phases of employee engagement including recruitment, selection, development, promotion, rewards and remuneration.

The Board acknowledges the benefits of and will seek to achieve diversity during the process of employment at all levels without detracting from the principal criteria for selection and promotion of people to work within the Company based on merit.

The measurable objectives for achieving gender diversity will be appropriate for the size and nature of the Company and may include initiatives and programs and/or targets in respect of:

- the number of women on the Board;
- the number of women employed by the Company;
- the nature of the roles in which women are employed, including on full time, part time or contracted bases, and in leadership, management, professional speciality or supporting roles.

At 30 June 2014:

- there were no women on the Board of PPK;
- there were 10 women employed by the Company;
- women within the PPK organisation were predominantly employed in full time administrative roles.

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 Board has adopted an on-going, self-evaluation process to measure its own performance and the performance of its committee and individual directors. The process of evaluation is set out in detail and available on the Company's website.

The Executive Chairman together with the Deputy Chairman meet periodically with individual directors to discuss the performance of the Board and the director. In addition, an evaluation is undertaken by the Executive Chairman together with the Deputy Chairman of the contribution of directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of all of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.

The Board believes that this approach is appropriate given its size and the nature of the Company's operations. No formal evaluation was undertaken in the reporting period ended 30 June 2014.

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 Board is responsible for approving the performance objectives and measures for executive directors and assessing whether these objectives have been satisfied by the performance of the executive directors during the relevant period and in accordance with agreed terms of engagement.

The Executive Chairman is responsible for approving the performance objectives and measures of other senior executives in consultation with the Board. The Board provides input into the evaluation of performance by senior executives against the established performance objectives.

The performance of senior executives is monitored by means of scrutiny by the Board of regular monthly reports provided by management regarding the group financial performance and forecasted results, presentations and operational reports, and the achievement of predetermined performance objectives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION 2.1

The Board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent Directors, and

(2) is chaired by an independent director; and disclose

(3) the charter of the committee

(4) the members of the committee; and

(5) 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; or

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

Due to the size of the Company and the number of Board members, the Board does not have a formal nomination committee. Any new Directors will be selected according to the needs of the Company at that particular time, the composition and the balance of experience on the Board as well as the strategic direction of the Company. Where a vacancy arises or it is considered appropriate to vary the composition of the Board of Directors, the full Board generally participates in any review of the Board's composition and the qualifications and experience of candidates. Directors are selected upon the basis of their specialist skills and business background so as to provide an appropriate mix of skills, perspective and business experience.

At each annual general meeting, the following Directors retire:

i. one third of Directors (excluding the Managing Director or Chief Executive Officer, if he/she is a Director, if any);

ii. Directors appointed by the Board to fill casual vacancies or otherwise; and

iii. Directors who have held office for more than three years since the last general meeting at which they were elected.

RECOMMENDATION 2.2

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

The Board does review its composition from time to time taking into account the length of service on the Board, age, qualification and experience, any requirements of the Company's constitution, and in light of the needs and direction of the Company, together with such other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

A Director is expected to resign if the remaining Directors recommend that a Director should not continue in office, but is not obliged to do so.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

RECOMMENDATION 2.3

A listed entity should disclose:

(a) the names of the 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 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.

The PPK Board is currently comprised of 5 directors of whom Mr Jury Wowk, Mr Ray Beath and Mr Glenn Webb are considered to be independent directors.

Mr Robin Levison is the Executive Chairman and accordingly is not considered to be an independent director.

Mr Glenn Molloy is also an executive director and accordingly is not considered to be an independent director.

In addition, the Board has adopted a series of safeguards to ensure that independent judgement is applied when considering the business of the Board:

(i) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.

(ii) Directors having a conflict of interest with an item for discussion by the Board must absent themselves from a Board meeting where such item is being discussed before commencement of discussion on such topic.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

RECOMMENDATION 2.4

A majority of the Board of a listed entity should be independent Directors.

The PPK Board is currently comprised of 5 directors, a majority of whom are independent directors.

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 CEO of the entity.

The Executive Chairman Mr Robin Levison is not considered to be an independent director due to his executive responsibilities and accordingly the Company does not comply with this recommendation. The Board considers that Mr Levison has an outstanding track record of successfully expanding mining services businesses both organically and via acquisitions and accordingly believes that it is appropriate for him to lead PPK's future strategic direction which is focused on mining services activities.

The Deputy Chairman Mr Jury Wowk, is considered to be an independent director.

As Mr. Levison is Executive Chairman and the Company does not have a Managing Director or Chief Executive Officer the roles of chair and its chief executive officer are exercised by the same individual and accordingly the Company does not comply with this recommendation. As stated above, the Board considers that Mr Levison has an outstanding track record of successfully expanding mining services businesses both organically and via acquisitions and accordingly believes that it is appropriate for him to lead PPK's future strategic direction which is focused on mining services activities. Before joining PPK Mr Levison had been the Managing Director of Industrea Limited following a successful career in accountancy and merchant banking. As Managing Director of Industrea, he implemented and executed a successful growth strategy under which the company's range of specialist mining and productivity equipment targeting the underground coal mining sector expanded significantly. The Board considers that Mr. Levison is well placed to lead PPK with the objective of achieving similar success through a mix of organic growth and strategic acquisitions. The Board considers that Mr Levison is uniquely qualified to lead PPK as he holds a Masters of Business Administration from the University of Queensland, is a Chartered Accountant and is a Graduate and Fellow of the Australian Institute of Company Directors.

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 the skills and knowledge needed to perform their role as Directors effectively

The Company provides new Directors with an induction package including copies of the Board Charter and relevant policies and procedures.

Directors are encouraged to pursue appropriate professional development opportunities to develop and maintain their skills and knowledge in order to perform their role as Directors effectively.

All Board members have access to professional independent advice at the Company's expense, provided they first obtain the Chairman's approval, with such approval not being withheld unreasonably.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

RECOMMENDATION 3.1

A listed entity should:

(a) have a code of conduct for its Directors, senior executives and employees; and

(b) disclose that code or a summary of it.

The Board has approved a Code of Conduct and Ethics which applies to all directors, executives, management and employees without exception. In addition, the conduct of directors and executives is also governed by a Code of Conduct for Directors and Executives. In summary, these Codes provide that directors and senior executives must:

- act honestly, in good faith and in the best interests of the Company;
- use due care, skill and diligence in the fulfilling their duties;
- use the powers of their position for a proper purpose, in the interests of the Company;
- not make improper use of information acquired in their position;
- not allow personal interests, or those of associates, conflict with the interests of the Company;
- exercise independent judgement and actions;
- maintain the confidentiality of company information acquired by virtue of their position;
- not engage in conduct likely to bring discredit to the Company; and
- comply at all times with both the spirit and the letter of the law, as well as, policies of the Company.

In addition, PPK has developed a series of policies designed to promote ethical and responsible decision making by directors, executives, employees and contractors of the Company, including:

- Trading Policy;
- Market Disclosure Policy;
- Privacy Policy;
- Occupational Health & Safety Policy.

Employees are actively encouraged to report activities or behaviour to senior management, the Company Secretary or the Board, which are a breach of the Code of Conduct and Ethics, other PPK policies or regulatory requirements or laws.

The Company will investigate any concerns raised in a manner that is fair, objective and affords natural justice to all people involved. The Company is committed to making necessary changes to its processes and taking appropriate action in relation to employees found to have behaved contrary to legal and company standard requirements.

PRINCIPLE 4: SAFEGUARD INTEGRETY IN CORPORATE REPORTING

RECOMMENDATION 4.1

The Board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non executive Directors and a majority of whom are independent Directors; an

(2) is chaired by an independent Director, who is not the chair of the Board, and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(5) 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 the rotation of the audit engagement partner.

The Company has established an audit committee which is comprised of Mr. Ray Beath and Mr. Jury Wowk. Due to the small size of the Company and the number of Board members, the committee is not comprised of three members.

Mr. Ray Beath acts as Chairman of the audit committee. Mr. Beath is an independent Director and not the Chair of the Board. Mr. Wowk is also an independent Director.

The Board has established Terms of Reference for the Audit Committee. The Terms of Reference set out in detail the purpose, composition and membership, meeting procedures, roles and responsibilities of the committee and the authorities of the committee. The Terms of Reference are available on the Company's website.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an Annual Basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

RECOMMENDATION 4.2

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO 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 internal control which is operating effectively.

The Company's Executive Chairman and Chief Financial Officer will report in writing to the Board on a yearly and half-yearly basis to confirm that:

(i) the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards;

(ii) the Company's financial statements are complete and present a true and fair view, in all material respects, of the financial condition and performance of the Company; and

(iii) the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal controls are operating effectively in all material respects.

RECOMMENDATION 4.3

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

The Company's external auditor attends the AGM and is available to answer questions from shareholders relevant to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

The PPK Board is committed to keeping its shareholders, and the market, fully informed of major developments having an impact on the Company.

The Company has a Market Disclosure Policy which is available on the Company's website.

Comprehensive procedures are in place to identify matters that are likely to have a material affect on the price, or value, of the PPK securities and to ensure those matters are notified to the ASX in accordance with ASX Listing Rule disclosure requirements.

Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

The Company Secretary is responsible for all communications with the ASX.

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.

Information about the Company and its governance are available on the Company's website. The Company's website provides detailed corporate information and has a specific section relating to corporate governance.

RECOMMENDATION 6.2

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

PPK recognises the right of shareholders to be informed of matters, in addition to those prescribed by law, which affect their investments in the company.

The Company has a formal Shareholder Communication Policy which is available on the Company's website.

PPK communicates information to shareholders through:

- disclosures to the ASX including the Company's Annual Report;
- notices and explanatory memoranda of annual general meetings and general meetings; and
- the Company's website at **www.ppkgroup.com.au**

It is the Company's communication policy to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.

Investors and other stakeholders are invited to subscribe to an email alert facility on the Company's website so that they can receive material announcements which have been released by the Company to the market via an email in a timely manner.

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 Board encourages active participation by shareholders at each Annual General Meeting, or other general meetings of the Company.

The Company does not have formal policies or process in place to facilitate or encourage participation at shareholder meetings. The Company will despatch a Notice of Meeting and Explanatory Statement to shareholders in accordance with statutory requirements. In addition details of any shareholder meeting will be posted on the Company's website.

At any meeting of shareholders, shareholders will be encouraged to ask questions of the Board of Directors in relation to the matters to be considered at such meeting and where appropriate relating to the operation of the Company.

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 provides shareholders with the option to receive communications from, and send communications to, the entity and its security registry electronically.

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:

(1) has at least three members, a majority of whom are independent Directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) 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; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board of PPK has established a Risk Oversight and Management Framework. In accordance with this framework the Board of PPK:

- recognises that effective management of risk is an integral part of good management and vital to the continued growth and success of PPK;
- is responsible for the oversight of the group's risk management and control framework including the development of risk profiles as a part of the overall business and strategic planning process; and
- has implemented policies designed to ensure that the group's risks are identified, analysed, evaluated, monitored, and communicated within the organisation on an on-going basis, and that adequate controls are in place and functioning effectively.

RECOMMENDATION 7.2

The Board or a committee of the Board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

The PPK Risk Management and Control Policy Framework is utilised by the Board as a means of identifying opportunities and avoiding or mitigating losses in the context of its businesses.

The Audit Committee assists the Board in its risk management role by reviewing the financial and reporting aspects of the group's risk management and control practices.

The Executive Chairman has ultimate responsibility for control and management of operational risk and the implementation of avoidance or mitigation measures within the group and may delegate control of these risks to the appropriate level of management at each site.

The Board regularly monitors the operational and financial performance of the Company and the economic entity against budget and other key performance measures. The Board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks.

Each month, reports are presented to the Board by the Executive Chairman and the Chief Financial Officer and relevant senior executives The reports encompass matters including actual financial performance against budgeted forecasts, workplace health and safety, legal compliance, corporate governance, strategy, quality assurance and standards, human resources, industry and market information, operational developments and environmental conformance. Reports are prepared and submitted on a monthly basis by the Chief Financial Officer in relation to the overall financial position and performance of the Company. In addition to formalised written reporting procedures, the Board is regularly briefed by the Executive Chairman and senior management on emerging or developed trends in market and operational conditions having the potential to impact on the overall performance of the group.

The Executive Chairman has reported to the Board on the effectiveness of the Company's management of its material business risks in respect of the year ended 30 June 2014.

RECOMMENDATION 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) 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.

In light of the nature and extent of the Company's operations and activities, the Company has not established an internal audit function.

The Board continuously reviews the activities of the Group to identify key business and operational risks and, where possible, will implement policies and procedures to address such risks and where approval to establish appropriate internal control processes.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

RECOMMENDATION 7.4

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

In light of the nature and extent of the Company's operations its business activities have limited sustainability implications at this stage of its business strategy.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1

The Board of a listed entity should:

(a) have a remuneration committee which:

(1) has at least three members, a majority of whom are independent Directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) 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; or

(b) if it does not have a remuneration committee, disclose that 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 PPK Board has not established a formal Remuneration Committee as PPK is a relatively small publicly listed company and remuneration matters relating to executive Directors and Senior Executives are considered by the full Board where appropriate.

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.

The aggregate remuneration of non-executive directors is approved by shareholders.

Individual directors' remuneration is determined by the board within the approved aggregate total.

In determining the appropriate level of director's fees, data from surveys undertaken of other public companies similar in size or market section to PPK is taken into account.

Non-executive directors of PPK are:

- not entitled to participate in performance based remuneration practices unless approved by shareholders; and
- currently remunerated by means of the payment of cash benefits in the form of directors' fees.

PPK does not currently have in place a retirement benefit scheme or allowance for its non-executive directors.

Executive directors do not receive directors' fees.

A review of the compensation arrangements for the Executive Chairman, the Executive Director and senior executives is conducted on a regular basis by the full Board and is based on criteria including the individual's performance, market rates paid for similar positions and the results of the Company during the relevant period.

The broad remuneration policy objective of PPK is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest possible quality and standard in the Company's prevailing circumstances to enable the organisation to succeed.

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 that policy or a summary of it.

The Company is in the process of implementing Employee Share Incentive Schemes. The Company has not yet established a formal 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.

The Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or a closely related party of such personnel, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.

2014 FINANCIAL REPORT

DIRECTORS' REPORT

Your directors present their report on the parent entity and its subsidiaries for the financial year ended 30 June 2014.

DIRECTORS

The names of directors in office at any time during or since the financial year are:

Robin Levison (appointed: 22 October 2013)

Jury Ivan Wowk

Glenn Robert Molloy

Raymond Michael Beath

Graeme Douglas Webb

David Alfred Hoff (alternate for Raymond Beath: 5 February 2013 to 7 July 2013)

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

INFORMATION ON DIRECTORS

Details of the current directors' qualifications, experience and responsibilities are detailed below:

Robin Levison CA MBA FAICD (Age 56)
Executive Chairman,

Appointed Executive Chairman of the PPK Group Limited Board on 22 October 2013.

Robin Levison holds a Masters of Business Administration from the University of Queensland and is a Member of the Institute of Chartered Accountants in Australia. Robin has 14 years of public company management experience. During this time he has served as Managing Director at Industrea Limited and Spectrum Resources Limited and has held senior roles at KPMG, Barclays Bank and Merrill Lynch. Robin is also Deputy Chair of the University of Queensland Business, Economics and Law Alumni Ambassador Council, Director of St Aidan's Foundation Limited and is a Graduate and Fellow of Australian Institute of Company Directors.

Other listed public company directorships held in the last 3 years:

Industrea Limited, Managing Director and Chief Executive Officer (Appointed: May 2005; Ceased: December 2012)

Eureka Group Holdings Limited, Non-executive Director & Chairman (Appointed: 24 December 2013)

Jury Wowk BA., LLB (age 63)
Non-Executive Deputy Chairman, Independent Director

Member of the PPK Group Limited Board since listing on 21 December 1994

Chairman from 13 September 2011 to 22 October 2013.

Appointed Deputy Chairman 22 October 2013.

Jury Wowk was a Partner of and is currently a consultant to HWL Ebsworth Lawyers and has provided legal services to the PPK Group since 1979.

From 1987 to 1989, Jury performed the role of Operations Manager at Plaspak Pty Ltd.

Jury has a Bachelor of Arts Degree and a Bachelor of Laws Degree from the University of Sydney. He is also a Law Society of New South Wales Accredited Specialist in Business Law and an Associate Member of the Australian Institute of Company Directors.

Other listed public company directorships held in the last 3 years:

Frigrite Limited, Non-executive Director (Appointed: 22 September 2010; Ceased: 29 November 2011)

Intelligent Solar Limited, Non-executive Director (Appointed: 30 November 2010; Ceased 15 December 2011)

Glenn Molloy (Age 59)
Executive Director

Member of the PPK Group Limited Board since listing on 21 December 1994.

Founder of the former entity Plaspak Pty Limited in 1979.

Appointed Executive Director in September 2009.

Glenn Molloy founded the former entity Plaspak Pty Ltd in 1979 and has acted as a director of the consolidated entity since that time. He has extensive experience on public company boards, and in advising publicly listed and private entities on commercial aspects of mergers, acquisitions and divestment activities.

Glenn was appointed to the role of Executive Director in September 2009 following the retirement and resignation of David Hoff as Managing Director.

Other listed public company directorships held in the last 3 years:

SubZero Group Limited, Non-executive Director (Appointed 10 April 2013; Ceased 25 November 2013), Chairman (Appointed 10 April 2013; ceased 31 July 2013)

Raymond Beath B.Com, F.C.A (Age 64)
Non-Executive, Independent Director

Member of the PPK Group Limited Board since listing on 21 December 1994.
Chairman of the Audit Committee.

Raymond Beath is a Director of Holden & Bolster Avenir Pty Limited, Chartered Accountants. He has a Bachelor of Commerce (Accounting) degree from the University of New South Wales and is a Fellow of the Institute of Chartered Accountants. Raymond has advised the consolidated entity on taxation, corporate and financial management since 1984.

Other listed public company directorships held in the last 3 years: Nil

Graeme Webb (Age 63)
Non-Executive Director

Graeme Webb is a substantial shareholder of PPK Group Limited.

Graeme is Chairman of EDG Capital Limited and has over 40 years of experience in building, construction and property development undertaking over $200 million of projects during his career to date.

In addition, Graeme has a broad range of business experience having acted as a director and/or chairman of a number of private and public companies engaged in a range of industries including plastics packaging, merchant banking, aluminium fabrication, glazing and glass toughening.

Other listed public company directorships in the last 3 years: Nil

David Hoff (65)
Alternate Non-Executive Director for Raymond Beath from 5 February 2013 to 7 July 2013

David Hoff was appointed as an alternate Director for Raymond Beath while Mr Beath was on leave from 5 February to 7 July 2013.

Mr Hoff has a long history of association with the Company and was previously a Director of the company for 9 years until his retirement in 2009. David has international experience in the packaging industry, the mining industry and real estate development.

Other listed public company directorships in the last 3 years: Nil

INFORMATION ON COMPANY SECRETARY

Andrew J. Cooke LL.B, FCIS (Age 54)
Group Company Secretary

Andrew Cooke was appointed as Group Company Secretary on 9 May 2012.

Andrew has extensive experience in law, corporate finance and as the Company Secretary of a number of ASX listed companies. He is responsible for corporate administration together with stock exchange and regulatory compliance.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were the:

- design, manufacture, distribution and servicing of underground mining equipment;
- property ownership and management; and
- investment in publicly listed and privately held businesses.

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

OPERATING RESULTS

The profit after tax of the consolidated entity for the period ended 30 June 2014 amounted to $2,951,000 (2013: Profit of $2,748,000).

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or recommended for payment are as follows:

Interim dividend in respect of the reporting period of 1.5 cents per ordinary share paid on 9 May 2014.	$1,089,000
A final dividend on respect of the reporting period of 2.0 cents per ordinary share will be paid on 10 November 2014.	$1,453,000

Both dividends are fully franked.

REVIEW OF OPERATIONS

The review of operations is outlined in the Executive Chairman's Report set out on pages 6 to 12 and which forms part of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- *Acquisition of COALTRAMS*

  In March 2014 the Group completed the acquisition of the COALTRAMS business.

  The acquisition represents a strong cornerstone from which the Group can achieve the continued expansion of the Group's manufacturing and service operations through future acquisitions and organic growth. The $13 million cost of acquisition was settled in cash.

- *Issue of Share Capital*

  In April 2014 the Group issued 6,509,065 shares as part of a capital raising plan to fund the acquisition of COALTRAMS. Proceeds from the 75 cents per share issue were $4,881,799, each share has the same terms and conditions as the existing ordinary shares.

- *Issue of Shares under a Share and Loan Plans*

  On 28 April 2014 shares totalling 15,500,000 were issued to key Senior Executives. The shares were issued at 70 cents each and each parcel was fully funded by a limited recourse loan for a term of 3 years at an initial interest rate of 6.45%. Since issue $232,500 has been recorded as payment for those shares, being the interim dividend entitlement in respect of those shares paid on 9th May 2014. Under the applicable Accounting Standards, the Share and Loan Plans gave rise to a share-based payment expense totalling $1,329,900.

- *On-Market Buy-Back Scheme*

  During the reporting period, PPK had in place an on-market buy-back scheme which commenced on 10 December 2012 and concluded on 9 December 2013 and pursuant to which a total of 125,938 shares were bought back in the financial year ended 30 June 2014 for a total consideration of $56,007.

There have been no other significant changes in the state of affairs during the 2014 financial year or existing at the time of this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Completion of the MONEx acquisition occurred on 28 August 2014 with 50% of the $2.8 million purchase price paid up-front with the balance payable over 12 equal monthly instalments.

No other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the Consolidated Financial Statements 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 subsequent financial years.

FUTURE DEVELOPMENTS

The likely developments in the operations of the consolidated entity and the expected results of those operations in financial years subsequent to the year ended 30 June 2014 are included in the Executive Chairman's Review set out on pages 6 to 12 and which forms part of this report.

ENVIRONMENTAL ISSUES

PPK remains committed to:

- the effective management of environmental issues having the potential to impact on its businesses; and
- minimising the consumption of resources utilised by its operations.

The Company has otherwise complied with all government legislation and regulations with respect to disposal of waste and other materials and has not received any notices of breach of environmental laws and/or regulations. The Company's approach to environmental sustainability is outlined in its Environmental Policy at **www.ppkgroup.com.au**.

PROCEEDINGS ON BEHALF OF COMPANY

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

The Company was not a party to any such proceedings during the year.

REMUNERATION REPORT (AUDITED)

The Directors of PPK present the Remuneration Report for non-executive directors, executive directors and other key management personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

Remuneration Policy

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term incentives based on key performance areas affecting the consolidated entity's financial results.

The PPK Board believes the remuneration policy to be appropriate and effective in its ability to attract, retain and motivate directors and executives of high quality and standard to manage the affairs of the consolidated entity, as well as, create goal congruence between directors, executives and shareholders.

The remuneration policy, setting the terms and conditions for directors, executives and management was developed by the Board. The policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is detailed in the paragraphs which follow.

Remuneration of non-executive directors is determined by the Board from the maximum amount available for distribution to the non-executive directors as approved by shareholders. Currently this amount is set at $275,000 per annum in aggregate as approved by shareholders at the 2003 Annual General Meeting.

In determining the appropriate level of directors' fees, data from surveys undertaken of other public companies similar in size or market section to the Company is taken into account.

Non-executive directors are remunerated by means of cash benefits. They are not entitled to participate in performance based remuneration practices unless approved by shareholders. The Company will not generally use options as a means of remuneration for non-executive directors and will continue to remunerate those directors by means of cash benefits.

PPK does not provide retirement benefits for its non-executive directors. Executive directors do not receive director's fees.

The Board of Directors is responsible for approving remuneration policies and packages applicable to senior executives of the Company. The broad remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of high quality and standard.

A review of the compensation arrangements for executive directors and senior executives is conducted by the full Board at a duly constituted Directors' meeting.

The Board conducts its review annually based on established criteria which includes:

- the individual's performance;
- reference to market data for broadly comparable positions or skill sets in similar organisations or industry;
- the performance of the Company or consolidated entity during the relevant period; and
- the broad remuneration policy of the consolidated entity.

Senior executives and executive directors may receive bonuses based on the achievement of specific goals of the consolidated entity.

COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTORS AND EXECUTIVES REMUNERATION

The Remuneration Policy has been designed to achieve the goal congruence between shareholders, directors and executives.

The two methods employed in achieving this aim are:

- a performance based bonus for executives based on key performance indicators (KPI's) which include a combination of short-term financial and non-financial indicators; and/or
- the issue of shares or options to executives as a means of long-term incentive to encourage the alignment of personal and shareholder interests.

On 28 April 2014 a General Meeting of Shareholders approved the issue of 15,500,000 shares to *key management personnel*. The shares were issued to each of the Senior Executives as a parcel of "sign-on" shares at an issue price of 70 cents per share under a Share and Loan Plan in which the Group agreed to fully fund the acquisition of each parcel of plan shares by way of a limited recourse loan for a term of 3 years at an initial interest rate of 6.45% per annum.

The primary objectives of the Share and Loan Plan are to:

- align the interests of the Senior Executives with the interests of the Group and its shareholders and other stakeholders by rewarding their performance with the delivery of sustainable shareholder value;
- motivate and retain the services of the Senior Executives;
- ensure that the Senior Executives' remuneration is competitive and aligned with remuneration in the Australian mining services market; and
- encourage the performance and growth the Mining Services Division of the Group.

Details of the Share and Loan Plans issue are disclosed in the table below.

Senior Executive	Plan Shares	Loan Amount	Share-based payment
Robin Levison	7,500,000	$5,250,000	$643,500
Dale McNamara	4,000,000	$2,800,000	$343,200
Zhang Jinping	4,000,000	$2,800,000	$343,200
Total	**15,500,000**	**$10,850,000**	**$1,329,900**

The following is a summary of the key terms and conditions of each Share and Loan Plan:

- Interest is payable on the loan at the benchmark interest rate from time to time determined under section 136 of the *Fringe Benefits Tax Assessment Act 198*. Interest accrues monthly but any unpaid interest is capitalised at 6 monthly intervals.
- The shares rank equally with other ordinary shares on issue with respect to dividends, distribution or return of capital. The Group may in its absolute discretion set off against the outstanding balance of any loan and accrued interest any amount that is required to be paid in cash in respect of Plan Shares, including any dividends, distribution or return of capital, net of any tax payable on that amount.
- Limited Recourse**:** if the Senior Executive fails to repay the outstanding loan balance in accordance with the Plan, they are under no obligation to repay the full amount of the Outstanding Loan Balance and the Group must accept the net proceeds of the sale or buy-back of the Plan Shares in full satisfaction of the Outstanding Loan Balance.

Under the applicable Accounting Standards, the Plans gave rise to a share-based payment expense which were measured by reference to the fair value of the Plan Shares as at the date on which the Share Plan Resolutions were passed. As the Plan Shares were acquired by way of limited recourse loans the fair value of the Plan Shares were measured using an option pricing model in accordance with the Accounting Standard. The fair value of each share issued under the share loan plan at the date of shareholder approval was $0.0858. The company has recognised an after tax, non-cash share-based payment of $1,329,900 during the financial year with a corresponding credit to Shareholders' Equity in the form of a Share Option Reserve.

The treatment of the Plan Shares under the applicable Accounting Standards as options requires that the value of the loans and issue price of the shares are not recorded as Loans Receivables or Share Capital of the Group until repayment or part repayment of the loans occurs. The Plan Shares were entitled to dividends totalling $232,500 from the dividend paid on 9 May 2014. This amount was applied to reduce the loans and increase Share Capital in accordance with both the Plan rules and applicable Accounting Standards.

The Board considers that the existing remuneration arrangements regarding executives are appropriate in the Company's prevailing circumstances to achieve the desired objectives of its Remuneration Policy.

These policy measures are chosen as they directly align the individual's reward to the KPI's of the consolidated entity and to its strategy and performance.

The Company considers this policy is an effective means of maintaining shareholder wealth and in retaining quality employees committed to the long term objectives of the Company.

Consequences of company performance on shareholder wealth

The following table outlines the impact of company performance on shareholder wealth:

	2014	2013	2012	2011	2010
Earnings per share (cents)	4.8	4.7	2.9	(4.5)	1.3
Full year ordinary dividends (cents) per share	3.5	3.5	1.0	2.5	2.5
Year-end share price	$0.66	$0.44	$0.38	$0.30	$0.39
Shareholder return (annual)	58%	25%	30%	(17%)	45%

The above table shows the annual returns to shareholders calculated to include the difference in percentage terms between the dividend yield for the year (based on the average share price during the period) and changes in the price at which shares in the Company are traded between the beginning and the end of the relevant financial year.

Details of Remuneration for the year ended 30 June 2014

DIRECTORS' AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of each element of the remuneration of each key management personnel ('KMP") of PPK Group Limited are shown in the table below:

2014

	SHORT TERM INCENTIVES			POST EMPLOY-MENT	LONG TERM INCENTIVES/BENEFITS				
	Salary& Fees ($)	Short Term Incentive Cash Bonus ($)	Non-Cash Benefits ($)	Super-annuation ($)	Long Service Leave	Post Employment Benefits ($)	Share Based Payments ($)	Total ($)	Proportion of Remuneration Performance Related (%)
Directors									
Non –Executive									
J I Wowk	197,871	-	-	-		-	-	197,871	-
R M Beath	30,000	-	-	-		-	-	30,000	-
GD Webb	30,000	-	-	-		-	-	30,000	-
Executive									
R Levison	200,500			3,469			643,500	847,469	-
G R Molloy	145,500	-	-	-		-	-	145,500	-
Total Directors	603,871			3,469			643,500	1,250,840	-
Other Key Management Personnel									
D A Hoff	130,000	-	-	-	-	-	-	130,000	
D McNamara	86,666	-	-	1,542	-	-	343,200	431,408	
Z Jinping	70,666	-	-	1,542	-	-	343,200	415,408	
Total other	287,332			3,084			686,400	976,816	
Total Key Management Personnel									
	891,203	-	-	6,553	-	-	1,329,900	2,227,656	

2013

	SHORT TERM INCENTIVES			POST EMPLOYMENT	LONG TERM INCENTIVES/BENEFITS				
	Salary& Fees ($)	Short Term Incentive Cash Bonus ($)	Non-Cash Benefits ($)	Super-annuation ($)	Long Service Leave	Post Employment Benefits ($)	Share Based Payments ($)	Total ($)	Proportion of Remuneration Performance Related (%)
Directors									
Non –Executive									
J I Wowk	149,983	-	-	-		-	-	149,983	-
R M Beath	15,000	-	-	-		-	-	15,000	-
GD Webb	30,000	-	-	-		-	-	30,000	-
Executive									
G R Molloy	163,000	-	-	-	-	-	-	163,000	-
Total Directors	357,983							357,983	
Other Key Management Personnel									
D A Hoff	166,542	-	-	-	-	-	-	166,542	-
Total Key Management Personnel	524,525	-	-	-	-	-	-	524,525	

Performance Income as a Proportion of Total Remuneration

No bonuses were paid to Key Management Personnel during the year.

No performance criteria or bonuses have been set by the Board for Key Management Personnel for future financial years.

Options issued as part of remuneration for the year ended 30 June 2014

Options may be issued to executives as part of their remuneration. The options are issued to encourage goal alignment between executives, directors and shareholders.

No options were issued to, or exercised by, directors or other Key Management Personnel during the year apart from those disclosed above as a consequence of the Share and Loan Plans.

Employment Contracts

Mr. Robin Levison

Employment and consultancy agreements are in place between the parties on terms as follows:

Term: Commencing on 1 October 2013 – no fixed term.

Remuneration: Base remuneration under the agreements $290,000 per annum.

Duties: Executive Chairman.

Termination: The consultancy agreement may be terminated with no cause at any time by PPK Group Limited by giving not less than 12 months written notice or by Mr Levison giving not less than 6 months written notice.

Mr. Dale McNamara

Employment and consultancy agreements are in place between the parties on terms as follows:

Term: Commencing on 1 November 2013 and 1 April 2014 – no fixed term.

Remuneration: Base remuneration under the agreements $200,000 per annum.

Duties: PPK's director of Global Mining.

Termination: The consultancy agreement may be terminated with no cause at any time by PPK Group Limited by giving not less than 12 months written notice or by Mr McNamara giving not less than 6 months written notice.

Mr. Zhang Jinping

Employment and consultancy agreements are in place between the parties on terms as follows:

Term: Commencing on 1 November 2013 and 1 April 2014 – no fixed term.

Remuneration: Base remuneration under the agreements $200,000 per annum.

Duties: President – PPK China Operations.

Termination: The consultancy agreement may be terminated with no cause at any time by PPK Group Limited by giving not less than 12 months written notice or by Mr Zhang giving not less than 6 months written notice.

Mr. David Hoff

A consultancy agreement was in place between the parties on terms as follows:

Term: Commencing on 1 September 2012 – no fixed term.

Remuneration: Consultancy fee payable $10,000 per month. Attendances at Board Meetings, if required at $2,000 per meeting.

Duties: Oversight of the mining manufacturing business, Rambor Pty. Ltd and the Company's industrial property portfolio.

Termination: The consultancy agreement may be terminated with no cause at any time by either party serving 3 months written notice. Mr Hoff's consultancy agreement ended on 30 June 2014.

Mr. Glenn Molloy

Glenn Molloy was appointed an Executive Director on 7 September 2009.

The remuneration and other terms of Mr Molloy's employment have been approved by the Board and include payment of the amount of $3,500 per day worked for PPK plus reasonable out of pocket expenses and the provision of a mobile phone and laptop for business use.

There are no formalised written contracts in place with any other key management personnel.

SHARES HELD BY DIRECTOR AND KEY MANAGEMENT PERSONNEL

The number of ordinary shares held by directors and Key Management Personnel during the 2014 reporting period is set out below:

Directors	Balance at Start of year	Net change Other	Shares Purchased	New Share Issue	Share and Loan Plan Issue	Held at the End of the Reporting Period
R Levison	-	-	4,000,000	266,667	7,500,000	11,766,667
G Molloy (1)	11,944,566	(120,000)	680,434	1,050,000	-	13,555,000
R Beath	42,821	-	200,000	57,179	-	300,000
J Wowk	212,302	-	200,000	87,688	-	500,000
G Webb	7,491,653	-	874,979	1,093,308	-	9,460,000
	19,691,342	(120,000)	5,955,413	2,554,912	7,500,000	35,581,667
Key Management Personnel						
D McNamara	-	-	-	-	4,000,000	4,000,000
Z Jinping	-	-	-	-	4,000,000	4,000,000
D Hoff (2)	156,960	(156,960)	-	-	-	-
	156,960	(156,960)			8,000,000	8,000,000

(1) Adjustment for shares incorrectly recorded as Mr Molloy having a relevant interest in.
(2) Mr Hoff's consultancy agreement concluded at 30 June 2014.

(End of Audited Remuneration Report)

OPTIONS

Apart from the Share Loan Plans as discussed above there were no options outstanding as at the date of this report.

OTHER INTERESTS IN RELATED ENTITIES OF THE GROUP

In addition all of the current Directors of the Company have an interest in various unit trusts, the trustees of which are subsidiaries of the Company. As unit holders, the Directors have advanced, or agreed to advance loan funds, to the trustees in proportion to the number of units held by them on usual commercial terms for the purpose of undertaking commercial lending in which the Company has an indirect equity interest - along with other unassociated investors.

Details of the units and the trusts in which each Director has a relevant interest and of the nature of that relevant interest are set out in the tables below:

J I Wowk:

Trusts - registered holder(s)	Number of Units	Nature of Interest (all indirect)
Willoughby Funding Unit Trust - Dealcity Pty Ltd	2	Director & Member
Nerang Street Southport Project Trust – Dealcity Pty Ltd	33	Director & Member
Easy Living Unit Trust - Dealcity Pty Ltd	20	Director & Member
Easy Living (Bundaberg) Trust – Dealcity Pty Ltd	40	Director & Member
SLOT Loan Trust - Dealcity Pty Ltd	100	Director & Member

G R Molloy:

Trusts - registered holder(s)	Number of Units	Nature of Interest (all indirect)
Willoughby Funding Unit Trust		
- Wavet Fund No. 2 Pty Limited	10	Director & Member
Nerang Street Southport Project Trust		
- Wavet Fund No. 2 Pty Limited	286	Director & Member
Easy Living Unit Trust		
- Wavet Fund No. 2 Pty Limited	180	Director & Member
Easy Living (Bundaberg) Trust		
- Wavet Fund No. 2 Pty Limited	200	Director & Member
- Quality Dispensers Super Fund Pty Ltd	60	
SLOT Loan Trust		
- VIP Golf Australia Pty Ltd	500	Director
- Corso Investments Pty Ltd	100	Director & Member
- Quality Dispensers Super Fund Pty Ltd	150	Director

R M Beath:

Trusts - registered holder(s)	Number of Units	Nature of Interest (all indirect)
Willoughby Funding Unit Trust		
- Zenaval Pty Ltd	1	Director & Member
Easy Living Unit Trust		
- Zenaval Pty Ltd	20	Director & Member
Easy Living (Bundaberg) Trust		
- Zenaval Pty Ltd	20	Director & Member
SLOT Loan Trust		
- Zenaval Pty Ltd	50	Director & Member

G D Webb:

Trusts - registered holder(s)	Number of Units	Nature of Interest (all indirect)
Willoughby Funding Unit Trust		
- GRG Finance Pty Ltd	20	Director
- Phillip Street Properties Pty Ltd	20	Director
Nerang Street Southport Project Trust		
- GRG Finance Pty Ltd	231	Director
Easy Living Unit Trust		
- GRG Finance Pty Ltd	40	Director
Easy Living (Bundaberg) Trust		
– Stadurn Pty Ltd	60	Director

MEETINGS OF DIRECTORS

During the financial year, meetings of directors (including committee meetings) were held.

Attendances were:	DIRECTORS' MEETINGS		COMMITTEE MEETINGS	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Robin Levison	9	9	-	-
Jury Ivan Wowk	12	12	3	3
Glenn Robert Molloy	12	12	-	-
Raymond Michael Beath	12	12	3	3
Graeme Douglas Webb	12	7	-	-

RISK & CONTROL COMPLIANCE STATEMENT

Under ASX Listing Rules and the ASX Corporate Government Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Recommendations"), the Company is required to disclose in its Annual Report the extent of its compliance with the ASX Recommendations.

Throughout the reporting period, and as at the date of signing of this Directors' Report, the Company was in compliance with a majority of the ASX Recommendations in all material respects as more fully detailed in the Statement of Corporate Governance Practices as set out in the PPK 2014 Annual Report.

In accordance with the Recommendations, the Board has:

- received and considered reports from management regarding the effectiveness of the Company's management of its material business risks; and
- received assurance from the people performing each of the chief executive officer and chief financial officer functions regarding the consolidated financial statements and the effective operation of risk management systems and internal controls in relation to financial reporting risks.

Material associates and joint ventures, which the company does not control, are not dealt with for the purposes of this statement.

AUDIT COMMITTEE

The consolidated entity has an Audit Committee. Details of the composition, role and Terms of Reference of the PPK Audit Committee are contained in the Statement of Corporate Governance Practices accompanying this Report and are available on the Company's website at **www.ppkgroup.com.au**

During the reporting period, the PPK Audit Committee consisted of the following Non-executive, Independent Directors:

R M Beath (Chairman)
J I Wowk

The Company's lead signing and review External Audit Partner, Executive Director and selected consultants attend meetings of the Audit Committee by standing invitation.

DIRECTORS' AND AUDITORS' INDEMNIFICATION

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all directors of the parent entity and officers of the consolidated entity 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 or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

DIRECTORS' BENEFITS

Since 30 June 2014, no director has received or become entitled to receive a benefit because of a contract made by the consolidated entity, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of remuneration received or due and receivable by directors and shown in the company's accounts, or the fixed salary of a full-time employee of the parent entity, controlled entity, or related body corporate.

NON-AUDIT SERVICES

There were no non-audit services performed by the external auditors during the year.

AUDIT INDEPENDENCE

The lead auditor has provided the Auditor's Independence Declaration under section 307C of the Corporations Act 2001 (Cth) for the year ended 30 June 2014 and a copy of this declaration forms part of the Directors' Report.

ROUNDING OF ACCOUNTS

The parent entity has applied the relief available to it in ASIC Class Order 98/100 and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

ROBIN LEVISON
Executive Chairman

GLENN MOLLOY
Executive Director

Sydney, 30 September 2014

AUDITOR'S INDEPENDENCE DECLARATION

Grant Thornton

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Auditor's Independence Declaration
To the Directors of PPK Group Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of PPK Group Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner - Audit & Assurance

Sydney, 30 September 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated Entity 2014 $000s	2013 $000s
REVENUE			
Mining equipment manufacture		12,568	5,002
Investment properties		4,414	3,060
Investment activities	2(b)	1,268	38
Interest receivable	2(d)	2,300	2,173
Total Revenue	2(a)	20,550	10,273
OTHER INCOME			
Gain from a bargain purchase in business combination	29	2,828	-
Other		52	667
	2(c)	2,880	667
EXPENDITURE			
Mining equipment manufacture		(12,195)	(4,301)
Investment properties		(1,817)	(812)
Investment activities		(828)	(53)
Administrative expenses		(1,900)	(1,514)
Share Based payment expense	5	(1,330)	-
Business combination acquistion costs		(731)	-
Finance costs		(1,569)	(1,298)
TOTAL EXPENDITURE	2(f)	(20,370)	(7,978)
Share of profit / (loss) from associates accounted for using the equity method	2(e)	-	493
PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE		3,060	3,455
Income tax (expense) attributable to profit	3	(109)	(707)
PROFIT / (LOSS) AFTER INCOME TAX		2,951	2,748
Profit / (loss) is attributable to:			
Owners of PPK Group Limited		2,519	2,383
Non-controlling interests		432	365
		2,951	2,748
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Changes in value of available-for-sale financial assets	24	53	(180)
Provision for income tax thereon		(15)	54
Unrealised impairment losses on available-for-sale financial assets transferred to the profit or loss statement from the available-for-sale reserve		263	-
Provision for income tax thereon		(78)	-
Realised gain on sale of available-for-sale financial assets transferred to the profit or loss statement from the available-for-sale reserve		(109)	(36)
Provision for income tax thereon		33	10
Other comprehensive income net of income tax		147	(152)
Total Comprehensive Income / (Loss) for the year		3,098	2,596
Total comprehensive income / (loss) for the year is attributable to:			
Owners of PPK Group Limited		2,666	2,231
Non-controlling interests		432	365
		3,098	2,596
Overall Operations			
Basic earnings per share (cents per share)	7	4.8	4.7
Diluted earnings per share (cents per share)	7	4.6	4.7

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
CURRENT ASSETS			
Cash and cash equivalents	9	4,904	1,345
Trade and other receivables	10	19,235	8,850
Inventories	11	10,612	1,017
Other current assets	12	1,069	312
		35,820	11,524
Assets held for sale	14(a)	18,517	-
TOTAL CURRENT ASSETS		54,337	11,524
NON-CURRENT ASSETS			
Trade and other receivables	10	-	10,472
Investments in associated entities - equity accounted	13(a)	493	493
Other financial assets	13(c)	1,437	2,259
Investment Properties	14(b)	11,479	30,430
Other Property, plant and equipment	15	6,718	993
Deferred tax assets	16(a)	2,132	1,375
Intangible assets	17	4,607	1,985
TOTAL NON-CURRENT ASSETS		26,866	48,007
TOTAL ASSETS		81,203	59,531
CURRENT LIABILITIES			
Trade and other payables	18	7,401	493
Interest Bearing Liabilities	19	19,230	6,720
Current tax liabilities	16(b)	264	58
Provisions	20	1,833	520
TOTAL CURRENT LIABILITIES		28,728	7,791
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	21	13,281	18,080
Trade and Other Payables	22	-	2,881
Deferred tax liabilities	16	1,482	235
Provisions	20	279	89
TOTAL NON-CURRENT LIABILITIES		15,042	21,285
TOTAL LIABILITIES		43,770	29,076
NET ASSETS		37,433	30,455
SHAREHOLDERS' EQUITY			
Contributed equity	23	33,731	28,673
Reserves	24	1,392	(85)
Retained earnings / (Accumulated losses)		2,160	1,741
Capital and reserves attributable to owners of PPK Group Ltd		37,283	30,329
Non-controlling interests		150	126
TOTAL EQUITY		37,433	30,455

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated Entity 2014 $000s	2013 $000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		15,765	8,320
Cash payments to suppliers and employees		(16,979)	(6,420)
Other revenue		44	57
Dividends received		62	38
Proceeds from sale financial assets at fair value through profit or loss		-	360
Interest received		1,416	987
Income tax paid		(196)	(586)
Interest paid		(1,569)	(1,298)
Net cash provided by / (used in) operating activities	31(a)	(1,457)	1,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment property		-	(3,438)
Proceeds from sale of plant & equipment		8	-
Purchase of property, plant & equipment		(396)	(142)
Proceeds from sale of available-for-sale financial assets		2,754	2,530
Purchase of available-for-sale financial assets		(1,583)	(2,912)
Payment for acquisition of business, net of cash acquired		(13,000)	-
Payment for intangibles		(174)	(584)
Net cash (used in) / provided by investing activities		(12,391)	(4,546)
CASH FLOWS FROM FINANCING ACTIVITIES			
Other receivables - loans advanced		(759)	(9,697)
Other receivables - loans repaid		8,002	144
Payment for buyback of shares		(56)	(343)
Proceeds from new issue of shares		4,882	-
Proceeds from bank loans		4,000	3,150
Proceeds from other borrowings		5,292	3,625
Repayment of other borrowings		(1,960)	(335)
Dividends paid		(1,868)	(765)
Transactions with non-controlling interests		(126)	-
Net cash (used in) / provided by financing activities		17,407	(4,221)
Net increase / (decrease) in cash held		3,559	(7,309)
Cash at the beginning of the financial year		1,345	8,654
Cash at the end of the financial year	31(b)	4,904	1,345

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital $000s	Retained Earnings $000s	Options Reserve $000s	Available-for-sale Reserve $000s	Total Attributable to Owners of PPK Group Ltd $000s	Non-controlling Interests $000s	Total Equity $000s
CONSOLIDATED ENTITY							
At 1 July 2012	29,016	123	8	59	29,206	2	29,208
Total comprehensive income for the year							
Profit for the year	-	2,383	-	-	2,383	365	2,748
Other comprehensive income							
Realised gain on available-for-sale financial assets	-	-	-	(36)	(36)	-	(36)
less deferred tax impact	-	-	-	10	10	-	10
Fair value adjustment on available-for-sale financial assets	-	-	-	(180)	(180)	-	(180)
less deferred tax impact	-	-	-	54	54	-	54
Total comprehensive income / (loss) for the year	-	2,383	-	(152)	2,231	365	2,596
Transactions with owners in their capacity as owners							
Dividends paid	-	(765)	-	-	(765)	-	(765)
Trust distributions	-					(241)	(241)
Shares repurchased	(343)	-	-	-	(343)	-	(343)
	(343)	(765)	-	-	(1,108)	(241)	(1,349)
At 30 June 2013	28,673	1,741	8	(93)	30,329	126	30,455
Total comprehensive income for the year							
Profit for the year	-	2,519	-	-	2,519	432	2,951
Other comprehensive income							
Fair value adjustment on available-for-sale financial assets expensed on impairment	-	-	-	263	263	-	263
less deferred tax impact	-	-	-	(78)	(78)	-	(78)
Realised gain on available-for-sale financial assets	-	-	-	(109)	(109)	-	(109)
less deferred tax impact	-	-	-	33	33	-	33
Fair value adjustment on available-for-sale financial assets	-	-	-	53	53	-	53
less deferred tax impact	-	-	-	(15)	(15)	-	(15)
Total comprehensive income / (loss) for the year	-	2,519	-	147	2,666	432	3,098
Transactions with owners in their capacity as owners							
Dividends paid	-	(2,100)	-	-	(2,100)	-	(2,100)
Trust distributions	-	-	-	-	-	(408)	(408)
Shares issued - ordinary	4,882	-	-	-	4,882	-	4,882
Shares issued - share and loan plan	232	-	-	-	232	-	232
Shares repurchased	(56)	-	-	-	(56)	-	(56)
Employee share-based payment	-	-	1,330	-	1,330	-	1,330
Change in holding of non-controlling interest in subsidiaries	-	-	-	-	-	-	-
	5,058	(2,100)	1,330	-	4,288	(408)	3,880
At 30 June 2014	33,731	2,160	1,338	54	37,283	150	37,433

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The financial statements of PPK Group Limited for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 30 September 2014 and covers PPK Group Limited and its subsidiaries as required by the Corporation Act 2001.

Separate financial statements for PPK Group Limited as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001, however, limited financial information for PPK Group Limited is provided as an individual entity in note 8.

PPK Group Limited is a for-profit company limited by shares, incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange.

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with *Australian Accounting Standards* and other authorative pronouncements of the *Australian Accounting Standards Board* and the *Corporations Act 2001*.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by *The International Accounting Standards Board.* PPK Group Limited is a for-profit entity. The financial statements have been prepared on an accruals basis and are based on historical costs, except for available-for-sale financial assets and derivatives which have been measured at fair value, and land and buildings, plant and equipment where impairment has been recognised when the fair value of the asset is less than the historical cost.

Non-current assets and disposal groups held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

The accounting policies have been consistently applied to the entities of the consolidated entity unless otherwise stated. The financial statements are presented in Australian currency.

(b) Basis of Consolidation

Subsidiaries

The financial statements consolidate those of the Parent Company PPK Group Limited and all of its subsidiaries at 30 June each year ("the Group").

The Parent Company, regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing control.

This occurs when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns.

Potential voting rights that are currently exercisable or convertible are considered when assessing control.

Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. The Parent Company, regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing control. All intercompany balances and transactions, including unrealised profits arising from intergroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Associates

Associates are entities over which the Group has significant influence but not control. Associates are accounted for in the consolidated financial statements using the equity method accounting. Under the equity method the Group's share of the post-acquisition other comprehensive income or loss of the associates is recognised in consolidated profit or loss and the Group's share of the post-acquisition movements in reserves of associates is recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends and distributions received from associates reduce the carrying amount of the investment in the consolidated financial statements.

When the Group's share of post-acquisition losses in an associate exceeds its interest in the associate (including any unsecured receivables), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

The financial statements of the associate are used to apply the equity method. The end of the reporting period of the associate and the parent are identical and both use consistent accounting policies.

(c) Revenue and Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowance and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Sales of goods

Revenue from the sale of mining equipment is recognised when significant risk and rewards of rewards of ownership have passed to the buyer and can be reliable measured. Risks and rewards are considered passed to the buyer when the goods have been delivered to the customer. Spare parts sales are recognised when spare parts leave the warehouse and risks and rewards of ownership have passed.

Rental Income

Rental income on investment properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income

Revenue is recognised as it accrues using the effective interest rate method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Asset sales

Gains and losses on sale of assets is recognised on a net basis. The gain or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed, or if a conditional contract is signed, the date it becomes unconditional. In the case of real estate sales under AASB 118 it becomes unconditional when title passes.

Dividends

Dividends are recognised when the Group's right to receive payment is established.

Reclassification of income

In prior years, the gain on sale of available for sale financial assets was recorded as other income. It was resolved that the gain for this year be classified as investment income and not other income. This is now consistent with the presentation of other investment income and expenses.

(d) Inventories

Raw materials, work in progress and finished goods

Inventories are stated at the lower of cost and net realisable value. Costs comprise all direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity. Costs are assigned to inventory using a standard costing system. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

(e) Trade Receivables & other receivables

Trade and other receivables and are recognised initially at original invoice amounts less an allowance for uncollectable amounts and have repayment terms between 30 - 45 days. Collectability is assessed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence that the Group may not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default of payment terms or debts more than 60 days past due. On confirmation that the trade receivable will not be collectable the gross carrying value of the asset is written off against the associated provision.

From time to time the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to a change in the timing of payments rather than changes to the amount owed and are not, in the view of the directors, sufficient to require the derecognition of the original instrument.

(f) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are only recognised for deductible temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or liability 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.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if there is reasonable certainty that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures 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.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

PPK Group Limited and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation for the whole of the financial year. PPK Group Limited is the head entity in the tax consolidated group. The separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax expense to wholly-owned subsidiaries that form part of the tax consolidated group. PPK Group Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place for the whole of the financial year. The amounts receivable/payable under tax funding arrangements are due upon notification by the head entity. Interim funding notices may also be issued by the head entity to its wholly-owned subsidiaries in order for the head entity to be able to pay tax instalments.

(g) Investment Property & Property, Plant and Equipment

Investment Properties

Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at cost, less depreciation and any impairment losses. 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. Depreciation on investment properties is calculated on a straight-line basis over the estimated useful life of the asset of 50 years. Land is not depreciated.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the profit or loss statement in the year that the item is derecognised.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation. The cost of fixed assets constructed within the Group includes the cost of materials used in construction, direct labour and an appropriate proportion of fixed and variable overheads.

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

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the profit before income tax of the consolidated entity in the year of disposal.

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

Class of Fixed Asset	Depreciation Rate Straight Line
Buildings	2%
Leasehold Improvements	over the term of the lease
Plant & Equipment	3-50%
Leased Plant & Equipment	3-33%

Non-Current Assets Classified as Held for Resale

Non-current assets classified as held for sale are those assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. These assets are stated at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised. Interest expense continues to be recognised on liabilities of a disposal group classified as an asset held for sale.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for subsequent increases in fair value less costs to sell of an asset but not exceeding any cumulative impairment losses previously recognised.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the profit or loss.

(h) Investments and Other Financial Assets

All investments and other financial assets are initially recorded at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised at trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Derecognition

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

Classification and subsequent measurement

(i) Loans and receivables

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

The host debt contract of a convertible note is classified as loans and receivables. The host debt contract is measured initially at the residual amount after separating the embedded option derivative. The host debt contract is subsequently at amortised cost using the effective interest rate method.

(ii) Held-to-maturity investments

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

(iii) Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investments within 12 months of the end of the reporting period). After initial recognition, these investments are measured at fair value with gains or losses recognised in other comprehensive income (available-for-sale investments revaluation reserve). Where there is a significant or prolonged decline in the fair value of an available-for-sale (which constitutes objective evidence of impairment) the full amount including any amount previously charged to other comprehensive income is recognised in profit or loss.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Purchases and sales of available-for-sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement being recognised in other comprehensive income. On sale the amount held in available-for-sale reserves associated with that asset is recognised in profit or loss as a reclassification adjustment.

Investments in subsidiaries, associates and joint venture entities are accounted for in the consolidated financial statements as described in note 1(b).

Reversal of impairment losses on equity instruments classified as available-for-sale cannot be reversed through profit or loss. Reversal of impairment losses on debt instruments classified as available-for-sale can be reversed through profit or loss where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in profit or loss.

The fair value of quoted investments are determined by reference to Securities Exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no quoted market, fair price is determined by reference to current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are measured at amortised cost using the effective interest rate method.

(v) Derivatives

Share options embedded in a convertible note are not closely related to the debt host contract and are separated from the host debt contract and accounted for as a separate derivative. The share options are initially measured at fair value using the Black Scholes model or the listed market price if one exists. Other share options are classified as a derivative and initially measured at fair value net of transaction costs. Subsequent adjustments to fair value of the share options are taken to profit or loss.

The group does not use derivative financial instruments such as forward exchange contracts and interest rate swaps to mitigate risks associated with interest rate and foreign exchange fluctuations.

(vi) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or if it is a derivative that is not designated as a hedge. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(i) Leases

Leases of property, plant & equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are 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.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. When assets are leased out under finance leases, the present value of the lease payments is recognised as a lease receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the lease term using the net investment method which reflects a constant periodic rate of return. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying value of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(j) Foreign Currency

Foreign currency transactions during the period are converted to Australian currency at rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currency at balance date are converted at the rates of exchange rates ruling at year end. The gains and losses from conversion of short term balances, whether realised or unrealised, are recognised in profit or loss.

(k) Trade and Other payables

These amounts represent unpaid liabilities for goods received and services provided to the group and parent entity prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 to 60 days, except for imported items for which 90 or 120 day payment terms are normally available.

(l) Borrowings

All loans and 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 the profit or loss statement over the period of the loans and borrowings using the effective interest method. Bank loans are subject to set-off arrangements.

(m) Employee Benefit Provisions

Salary, wages and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other liabilities or provision for employee benefits in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measure as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and period of service. Expected future payments are discounted using national government bond rates at the end of the reporting period with terms to maturity that match as close as possible, the estimated future cash outflows.

Retirement benefit obligations

The Group contributes to defined contribution superannuation funds for employees. All funds are accumulation plans where the Group contributed various percentages of employee gross incomes, the majority of which were as determined by the superannuation guarantee legislation. Benefits provided are based on accumulated contributions and earnings for each employee. There is no legally enforceable obligation on the Group to contribute to the superannuation plans other than requirements under the superannuation guarantee legislation. Contributions are recognised as expenses as they become payable.

(n) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

(o) Intangible assets

Brands Names

Expenditure on internally generated brand names are expensed as incurred. Acquired Brand names are stated at cost and are considered to have indefinite useful lives and are not amortised. The useful life is assessed annually to determine whether events or circumstances continue to support an indefinite useful life assessment. The carrying value of brand names is reviewed annually for impairment, at the same time every year.

Research and Development

Research is recognised as an expense as incurred. Costs incurred on development (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and generate future economic benefits and its costs can be measure reliably. The expenditure capitalised comprises all directly attributable cost, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets at cost less any accumulated amortisation and impairment losses and amortised over the period of expected future sales from the related projects which vary from 5 - 7 years. The carrying value of development costs is reviewed annually when the asset is not yet ready for use, or when events or circumstances indicate that the carrying value may be impaired.

Patents, Trademarks and Licences

Patents, trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis over the number of years of their expected benefit which ranges from 3 to 20 years.

Goodwill

Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over the fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Goodwill is reviewed annually for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combinations synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Impairment losses on goodwill cannot be reversed.

(p) Impairment of Assets

At each reporting date the Group assesses whether there is an indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(q) Borrowing costs

All borrowing costs are expensed when incurred.

(r) Share-Based Payments

The Group recognises an expense for all share-based remuneration and amortises those expenses over the relevant vesting periods where required.

(s) Rounding of Amounts

The parent entity applied the relief available under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Dividends

Provision is made for dividends declared, and no longer at the discretion of the Group, on or before the end of the financial year but not distributed at the end of the reporting period.

Dividends can no longer be paid unless:

(a) Assets exceed liabilities immediately before the dividend is declared and the excess is sufficient for the payment of dividends; and

(b) The payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

(c) The payment of the dividend does not materially prejudice the company's ability to pay its creditors.

(u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of PPK Group Limited, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) GST

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised.

All transaction costs incurred in relation to business combinations other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(x) New and revised Standards that are effective for these financial statements

Several new and revised standards are effective the annual reporting periods beginning on or after 1 July 2013. Information of these is presented below:

- AASB 10 - Consolidated Financial Statements

The definition of control has been revised and new guidance presented. Management have reviewed their control assessments which are unchanged.

- AASB 11 - Joint Arrangemenets

AASB11 also raises the categories of joint arrangement. The option to proportionately consolidate investments in Joint Arrangements has been removed. The Group does not account for its investments in this manner and therefore the change makes no difference to the financial reporting for the group.

- AASB 12 - Disclosure of Interests in Other Entities

This standard makes consistent the disclosure of various types of investments including structured entities and un-consolidated entities. These disclosures have been incorporated into Note 13.

- AASB 13 - Fair Value Measurement

Clarifies the definition of fair value and provides guidance on fair value measurement. The Group already adopts best practice when valuing the assets which are held at fair value. The fair value disclosures have been incorporated into Note 25.

- AASB 19 - Employee Benefits (as amended)

Changes were made to the accounting for defined benefit plans and the definition of short term employee benefits was amended to include benefits expected to be settled wholly within one year. The Group considers that annual leave benefits remain current liabilties of the Group. The Group does not provide defined benefit plans to past or present employees. Other changes in the standard to not have material effects of the Group.

(y) New Accounting Standards and interpretations not yet adopted

No new accounting standards and interpretations, that are available for early adoption at 30 June 2014, but not yet adopted, will result in any material change to the financial statements.

The Group has determined that there will be no material change on the Group's financial reports following adoption of these standards in future years, as either their application is only required to be applied prospectively, they are disclosure standards only and there will be no material impact on amounts recognised in the financial statements or they are disclosure standards only that will require various additional disclosures.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet adopted are as follows

- *AASB 9 - Financial Instruments (applies from 1 January 2018)*

Simplifies measurement and classification of financial liabilities.

- *IFRS 15 - Revenue from Contracts with Customers (applies from 1 January 2017)*

Sets out revised principles for the presentation of revenue and the nature and timing of such.

- *AASB 1031 - Materiality (applies from 1 January 2014)*

This standard has been amended as an interim measure while other standards are updated to refer to the Reporting Framework and not AASB 1031.

Critical accounting estimates and judgements

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

Key estimates - Impairment

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

Available-for-sale financial assets

The Group reviews each of its listed investments at each reporting date to consider whether there is any indication that individual investments are impaired. Based on all the information available to the Directors it was determined that the Group's investment in the following listed companies were impaired:

Alchemy Limited
Kimberley Diamonds Limited
SubZero Group Limited

As a result an impairment loss of $828,000 (2013 $22,000) was taken up in profit or loss on these investment. The Directors determined that no other listed available-for-sale financial assets were impaired at balance date.

Investment in Associates

The Group's investments in associated entities are reviewed at each reporting date to consider whether there is any indication that individual investments are impaired. Based on all the information available to the Directors it was determined that there were no impairments of the Group's investments in associated entities.

Investment Properties

All investment properties are carried at cost less impairment (if any). The last independent valuation of investment properties was carried out in May 2010. Subsequent to that date, at each reporting day, the Directors have used property market reports and, when received, unsolicited offers on the investment properties when forming their view on determining the fair value of the investment properties disclosed in the financial statements. During the current financial year the tenant at the Arndell Park property took up their option to purchase the property. The net sale proceeds were below the carrying value and as such the property was impaired by a further $240,000. Based on all the information available to the Directors it was determined that no further impairment adjustment was required for any investment property in the current year.

Deferred Tax Asset

An assessment was made on the recoverability of the deferred tax asset recognised in the accounts. The deferred tax asset has only been recognised to the extent that there is reasonable certainty of realising future taxable amounts sufficient to use losses incurred. Capital losses with a tax asset value of $1,315,000 (2013 $1,315,000) have not been recognised and carried forward as a deferred tax asset.

Goodwill, Brand Names, Plant and Equipment

No impairment has been recognised in respect of goodwill, brand names, plant and equipment for the current financial year. Refer to note 17 for details of assumptions used in estimating the recoverable amount of intangible assets.

Key judgements - Classification as Held for Sale

The Group classifies assets as held for sale where an asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is highly probable. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Group has classified land and buildings at Arndell Park as held for sale as an option to purchase has been execised. The Group has also classified its two retirements villages in Adelaide and Bundaberg as held for sale since the properties are subject to a put and call option and it is expected that the options will be exercised and settled prior to December 2014.

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 2			
REVENUE, OTHER INCOME & EXPENSES FROM OPERATIONS			
(a) REVENUE			
Sale of goods		12,568	5,002
Rental income from investment properties		4,414	3,060
Investment activities	(b)	1,268	38
Interest receivable	(d)	2,300	2,173
		20,550	10,273
(b) INVESTMENT ACTIVITIES			
Dividends received - other parties		62	38
Gain on sale of available-for-sale financial assets		1,206	-
		1,268	38
(c) OTHER INCOME			
Gain on bargain purchase of business combination		2,828	-
OTHER ITEMS			
Net gain on disposal of plant and equipment		8	-
Sundry income		44	34
Value of available-for-sale financial asset received on redemption of convertible notes		-	47
Fair value adjustment on available-for-sale no longer classified as an associate		-	322
Gain on sale of available-for-sale financial assets		-	264
		52	667
		2,880	667
(d) INTEREST INCOME			
Other persons		1,311	1,230
Associated entities		989	943
		2,300	2,173
(e) SHARE OF PROFIT (LOSS) FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD			
Share of profit (loss) from associates accounted for under the equity method		-	493
		-	493
(f) EXPENSES			
Profit (loss) before income tax includes the following specific expenses:			
Amortisation of intangibles		199	12
Cost of sales - mining equipment manufacture		8,102	2,815
Depreciation - investment properties		325	308
- plant and equipment		652	392
		977	700
Foreign currency translation losses		-	1
Impairment - investment properties		240	-
Impairment of available-for-sale financial assets - Listed investments		828	22
Interest paid - other		1,569	1,298
Doubtful debts - trade receivables		12	4
Defined contribution superannuation expense		446	223
Employee benefit expenses		3,953	2,377
Rental expense on operating leases		794	174

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 3 INCOME TAX EXPENSE			
(a) The prima facie tax payable / (benefit) on the profit / (loss) before income tax is reconciled to the income tax expense as follows:			
Profit (loss) before tax		3,060	3,455
Prima facie tax payable / (benefit) at 30% (2013: 30%)		918	1,037
Fully franked dividend received		(18)	(12)
Share based payment		399	-
Research & Development concession		(15)	(15)
Building allowance		(54)	(54)
Gain on bargain purchase not taxable		(848)	-
Costs associated with purchase of business combination		189	-
(Over) provision relating to prior year - research & development concession		(55)	(177)
Adjustment related to non-controlling interest in profit		(84)	(72)
Capital losses realised not previously recognised		(323)	-
Income tax expense		109	707
The applicable weighted average effective tax rates are as follows:		4%	20%
(b) The components of tax expense comprise:			
Current tax		453	398
Deferred tax		(289)	486
(Over) provision in respect of prior years		(55)	(177)
		109	707
(c) Deferred tax recognised in other comprehensive income through Available-for-sale Financial Asset Reserve relating to valuing investments at fair value		(15)	54

PPK Group Limited ("PPK") has formed a consolidated group for income tax purposes, effective on and from 1 July 2003, with each of its wholly owned Australian subsidiaries.
PPK, as the head entity, has recognised all current income tax assets and liabilities relating to the consolidated group.

The entities within the Group have entered into a tax sharing agreement where each subsidiary will compensate PPK for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity.

NOTE 4 AUDITORS' REMUNERATION

	$	$
Remuneration of the auditor of the group and parent entity for :		
- auditing or reviewing the financial report		
Grant Thornton	131,000	81,856
- non audit services (accounting / technical advice)		
Grant Thornton	-	-
	131,000	81,856

	Notes	Consolidated Entity 2014 $000s	2013 $000s

NOTE 5 KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Key management personnel remunueration			
Short-term benefits		891,203	524,525
Post-employee benefits		6,553	-
Share-based payments		1,329,900	-
		2,227,656	524,525

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report of this annual report.

(b) Equity Instruments

There were no options and rights held directly, indirectly or beneficially by key management personnel and their related parties in the current financial year, except as discussed in the remuneration report in relation to the share loan plans.

(c) Loans

There were no loans or advances to parent entity directors, executives and key management personnel in the current financial or previous financial years, except as discussed in the remuneration report in relation to the share loan plans.

(d) Other transactions with directors

Refer to note 30 for further details of transactions with directors and director related entities.

NOTE 6 DIVIDENDS

(a) Dividends paid			
Final ordinary dividend of 2 cents per share was paid for 2013 year (prior year no final dividend was paid - 100% franked at 30% tax rate)		1,011	-
Interim ordinary dividend of 1.50c per share for 2014 year - 100% franked at 30% tax rate (prior year 1.00c per share - 100% franked)		1,089	765
		2,100	765
(b) Dividends declared after balance date			
At a meeting of Directors held on 26 August 2014 it was resolved that a 2.00 cent fully franked Final ordinary Dividend will be paid in relation to the 2014 financial year.		1,453	1,015

(c) Dividends for Share and loan Plan

PPK Group Ltd has a share and loan plan in place with certain key executives.
During the year they were issued with 15.5 million shares in the Group at an issue price of 70c per share.
The Group provided the executitves with a non-recourse loan to pay for the shares, which is of 3 years duration.
Each share held in the share and loan plan is entitled to dividends declared on ordinary shares. These dividends are are not paid in cash to the executives. Instead they are credited against their repective share loans and reduce the amounts of interest and/or principle outstanding to the Group.

The plan is treated as an option for accounting purposes and a one-off share based payment has been recogniseed during the current financial year for these plans. There are no further share based payments expected to arise from this plan. The repayment of loans by way of dividend or cash repayment is treated as an increase to issued capital for accounting purposes.

The detailed terms and conditions of the share and loan plan were outlined in the Explanotory Memorandum to the Notice of General Meeting held 28th April 2014.

(d) Franked dividends

Franking credits available for subsequent financial years based on a tax rate of 30% (2013 - 30%)		2,888	3,695

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
(d) franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

	Notes	Consolidated Entity 2014 Cents	2013 Cents
NOTE 7 EARNINGS PER SHARE			
Basic earnings per share (cents per share)			
Continuing operations		4.8	4.7
Diluted earnings per share (cents per share)			
Continuing operations		4.6	4.7
		$000s	**$000s**
(a) Reconciliation of Earnings to Net Profit			
Earnings used in calculating Basic EPS			
Continuing operations		2,519	2,383
Earnings used in calculating Diluted EPS			
Continuing operations		2,519	2,383
		No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		52,319,258	51,084,022
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS		54,994,600	51,084,022

(c) The difference between the weighted average ordinary shares used in the basic EPS and diluted EPS calculation arises from the issue of 15,500,000 shares pursuant to the share and loan plan (see note 6). This occurred in April 2014, part way during the financial year.

NOTE 8 PARENT ENTITY INFORMATION

The following detailed information relates to the parent entity, PPK Group Limited at 30 June 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

Current assets		61,597	45,658
Non-current assets		33,545	33,835
Total Assets		95,142	79,493
Current liabilities		44,130	33,622
Non-current liabilities		21,066	19,878
Total liabilities		65,196	53,500
Net Assets		29,946	25,993
Contributed equity		33,730	28,672
Share based payment reserve		1,330	-
Option reserve		8	8
Retained earnings		(5,122)	(2,687)
Total Equity		29,946	25,993
Profit (loss) for the year		(2,435)	259
Other comprehensive income for the year		-	-
Total comprehensive income (loss) for the year		(2,435)	259

CURRENT ASSETS
NOTE 9 CASH AND CASH EQUIVALENTS

Cash at bank and on hand		4,904	1,345
Cash at bank and on hand		4,904	1,345
Cash at bank consists of temporary surplus funds which are non-interest bearing. Short-term bank deposits are funds held at call which are interest bearing.			
Reconciliation of Cash			
The above figures are reconciled to the cash at the end of the financial year as shown in the statement of cash flows as follows:			
Cash and cash equivalents		4,904	1,345
	31	4,904	1,345

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 10 TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables	(a)	6,892	1,105
Less: Allowance for doubtful debts		(36)	(24)
		6,856	1,081
Other Receivables	(b)	1,463	966
Less: Allowance for doubtful debts		-	-
		1,463	966
Loans and receivables			
- other loans, associate entities - secured	(c)	7,316	230
- other loans, other persons - secured	(d)	3,487	6,573
- other loans, associate entities - unsecured		27	-
- other loans, other persons - unsecured		86	-
		10,916	6,803
		19,235	8,850
Non-Current			
Loans and receivables			
- other loans, associate entities - secured	(c)	-	6,608
- other loans, associate entities - unsecured		-	369
- other loans, other persons - secured		-	3,187
- other loans, other persons - unsecured		-	308
Other Non current Assets of continuing operations		-	10,472

(a) Trade Receivables

Current trade receivables are non-interest bearing and are generally 30-60 day terms. A provision for doubtful debts is raised when there is objective evidence that it is considered unlikely that any amounts will be recovered.

(b) Other Receivables

Other receivables are non-interest bearing and are generally 30 day terms. A provision for doubtful debts has been raised for the loans in other receivables where it is considered that there is some doubt as to whether the amounts will be recovered.

(c) Other loans, associated entities

Other loans are funds advanced to unit trusts that are associates of the Group. The amounts are secured by a registered first mortgage over property owned by each of the trusts. The interest rate received by the Group on current and non-current loans range from 0% to 15% with the rate being fixed for the term of the loan at the time it is made.

The loan to PPK Willoughby Funding Unit Trust is for a maximum period of 4 years with principal and interest due for repayment in second half of the 2015 financial year, the balance outstanding on this loan is $6,569,000 (2013 $6,834,000). The loan to Nerang Street Southport Unit Trust is due for repayment in June 2015, the balance outstanding on this loan is $746,000 (2013 $369,000).

(d) Other loans, other persons

Other loans,other persons are funds advanced to non-related third parties. The amounts are secured by a registered first mortgage over property owned the borrower. The interest rate received by the Group on loans range from 15% to 18% with the rate being fixed for the term of the loan at the time it is made.

The current loans have interest rates of 15% per annum calculated daily with interest either due monthly in arrears or compounded monthly.

The prior year non-current loans have interest rates ranging from 15% to 18% per annum calculated daily with interest either paid in advance, monthly in arrears or compounded monthly.

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 10 TRADE AND OTHER RECEIVABLES (continued)			
Movement in balance of secured loans - current			
Opening Balance		6,803	274
Reclassified from non-current		10,472	-
Funds advanced		742	6,623
Trust distribution capitalised		216	-
Less principal and interest repaid		(9,596)	(176)
		8,637	6,721
Interest revenue added to carrying value		2,279	82
		10,916	6,803
Movement in balance of secured loans - non-current			
Opening Balance		10,472	6,276
Funds advanced		-	3,300
Trust distribution capitalised		-	9
Less reclassified as current		(10,472)	-
Less principal and interest repaid		-	(228)
		-	9,357
Interest revenue added to carrying value		-	1,115
		-	10,472

Provision for Impairment of Receivables

Current trade, term and other receivables and loans are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. The reversal of prior year impairments have been included in other income, the impairments were included in Investment Activity. Movements in the provision for impairment are as follows:

	Opening balance	Charge for the year	Reversal of charge	Amounts written off	Closing balance
Consolidated Group 2014					
Current					
Trade receivables	24	12	-	-	36
Other receivables	-	-	-	-	-
Convertible notes	-	-	-	-	-
	24	12	-	-	36
Consolidated Group 2013					
Current					
Trade receivables	20	4	-	-	24
Other receivables	173	-	-	(173)	-
Convertible notes	833	-	-	(833)	-
	1,026	4	-	(1,006)	24

The parent entity has no provisions for impairment of receivables, in the current year or the prior year. There are no provisions for impairment for Non-current Trade and other receivables for the current year or prior year for both the Group and the parent entity.

Trade receivables aging analysis

The ageing analysis of trade receivables for amounts not impaired for the Group and parent is as follows

	2014	2013
Not past due	616	683
Past due 1 - 30 days	2,776	217
Past due 31 - 60 days	2,665	101
Past due over 60 days	799	80
	6,856	1,081

With respect to trade receivables that are neither impaired or past due, there are no indications as at reporting date that the debtors will not meet their obligations as they fall due.

	Notes	Consolidated Entity 2014 $000s	2013 $000s

NOTE 10 TRADE AND OTHER RECEIVABLES (continued)

Other receivables aging analysis

The ageing analysis of other receivables for amounts not impaired for the Group and parent is as follows

	2014 $000s	2013 $000s
Not past due	1,442	855
Past due 1 - 30 days	-	76
Past due 31 - 60 days	-	15
Past due over 60 days	21	20
	1,463	966

With respect to other receivables that are neither impaired or past due, there are no indications as at reporting date that the debtors will not meet their obligations as they fall due.

NOTE 11 INVENTORIES

	2014 $000s	2013 $000s
On hand		
Finished goods at cost	7,393	554
Work in Progress	2,951	199
Raw materials	268	264
	10,612	1,017

Refer to note 21 for details of inventory pledged as security

NOTE 12 OTHER CURRENT ASSETS

	2014 $000s	2013 $000s
Prepayments	1,069	312
	1,069	312

The carrying amount of prepayments approximates fair value.

NON-CURRENT ASSETS

NOTE 13 FINANCIAL ASSETS

13(a) Investments in Associated entities - equity accounted

	2014 $000s	2013 $000s
Summary of movement in carrying value		
Opening Balance	493	9
Share of profit / (loss) from associates accounted for under the equity method	-	493
Trust distributions or dividends received from associates	-	(9)
	493	493

Information relating to associates is set out below:

Unlisted entities	Ownership Interest 2014 %	2013 %	Units Held $1 Each	Units Held $1 Each
Details of units held in associated trusts				
Nerang Street Southport Project Trust	18.75%	25.00%	275	275
PPK Willoughby Funding Unit Trust	22.86%	22.86%	40	40
			315	315

Details of associates

Nerang Street Southport Project Trust
- Name of Joint Arrangement: Nerang Street Southport Project Trust.
- Nature of Activities: Owning and leasing of commercial land as passive investor in the trust alongside other investors.
- Principle place of business: Level 31 , 264 George St Sydney NSW 2000

PPK Willoughby Funding Unit Trust
- Name of Joint Arrangement: PPK Willoughby Funding Unit Trust.
- Nature of Activities: Participation in residential land development as passive investor in the trust alongside other investors.
- Principle place of business: Level 31 , 264 George St Sydney NSW 2000

	$000s	$000s
Distributions receivable from associated trusts		
Nerang Street Southport Project Trust	-	-
PPK Willoughby Funding Unit Trust	-	493
	-	493

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 13 NON-CURRENT ASSETS (continued)			
PPK Willoughby Funding Unit Trust Group			
Current Assets		83,266	4,444
Non-current Assets		-	49,445
Current Liabilties		80,807	4,811
Non-current Liabilities		-	46,875
Equity		2,459	2,203
Revenues		1,809	19,548
Profit or (loss) before income tax		583	2,725
Income tax expense or (credit)		175	808
Profit or (loss) after income tax		408	1,917
Specific Disclosures:			
- cash and cash equivalents included in current assets		488	171
- current financial liabilities (excluding trade and other payables and provisions) included in current liabilities		67,124	-
- non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities		-	46,874
- depreciation and amortisation		-	-
- interest income		27	18
- interest expense		-	-
Contingent liabilities of associate			
Share incurred jointly with other investors		-	-
Contingent liabilities relating to liabilities of the associates for which the company is severally liable		-	-
		-	-

The PPK Willoughby Funding Unit Trust hold 80% of the issued units in the PPK Willoughby Purchaser Unit Trust. The disclosure of financial information is for the consolidated group PPK Willoughby Funding Unit Trust and its subsidiary PPK Willoughby Purchaser Unit Trust. The Group has not included it's share of profit from associates in the current financial year, which was estimated at $0.106million, due to the Associates' financial reports not being finalised in time.

		2014	2013
Nerang Street Southport Project Trust			
Current Assets		491	143
Non-current Assets		6,813	4,582
Current Liabilities		34	21
Non-current Liabilities		7,299	4,702
Equity		(29)	2
Revenues		105	267
Profit or (loss) before income tax		(31)	1
Income tax expense or (credit)		-	-
Profit or (loss) after income tax		(31)	1
Specific Disclosures:			
- cash and cash equivalents included in current assets		426	32
- current financial liabilities (excluding trade and other payables and provisions) included in current liabilities		-	-
- non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities		7,316	4,949
- depreciation and amortisation		-	-
- interest income		8	1
- interest expense		1	-
Contingent liabilities of associate			
Share incurred jointly with other investors		-	-
Contingent liabilities relating to liabilities of the associates for which the company is severally liable		-	-
		-	-

The Group holds 18.75% (2013 25%) of the issued units in this trust and 100% of the share capital in the trustee company, PPK Southport Pty Ltd. The trust is considered to be an associate of the Group.

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 13 NON-CURRENT ASSETS (continued)			
13(b) Financial assets - at fair value through profit or loss			
Current			
(ii) Listed Investments - at fair value			
- Shares in listed corporations			
Opening Balance		-	327
Additions at cost		-	-
Disposals		-	(327)
		-	-

A financial asset is classified at fair value through profit or loss if it classified as held for trading. It is principally acquired for the purpose of selling or repurchasing in the near term or it is part of a portfolio of financial assets that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Upon initial recognition it is designated at fair value through profit or loss and all subsequent movements in fair value are recognised in profit or loss.

13(c) Financial Assets - available-for-sale financial assets

Non-Current

	2014 $000s	2013 $000s
(i) Listed Investments - at fair value		
- Shares in listed corporations		
Opening Balance	2,259	756
Additions at cost	1,581	2,912
Fair value of shares received on redemption of convertible notes held	-	47
Fair value adjustment on reclassification of investment in associate now classified as available-for-sale financial asset	-	322
Fair Value adjustments	205	(181)
Impairment	(828)	(23)
Disposals	(1,780)	(1,574)
	1,437	2,259

Listed investments are recorded at fair value based on the ASX closing price at the 30 June of the relevant financial period.

Gains or losses arising from changes in the fair value of available-for-sale financial assets are initially recognised directly in equity in other comprehensive income through a reserve, unless they are impaired. When the available-for-sale financial asset is disposed of any gain or loss arising from the sale is taken out of the reserve and included in the profit or loss. A significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If such evidence exists for available-for-sale financial assets, the value of the impairment is assessed and the difference between the cost and the impaired value, less any impairment loss on that financial asset previously recognised in the profit or loss, is removed from other comprehensive income and recognised in profit or loss. Any subsequent difference between the impaired value and the fair value will be recognised in equity through the reserve. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

	2014 $000s	2013 $000s
(ii) Unlisted Investments - at cost less impairment		
- Shares and units held in other corporations		
Cost	249	249
Impairment	(249)	(249)
	-	-

Unlisted investments are recorded at cost less impairment which represents fair value at nil.

	2014 $000s	2013 $000s
(iii) Total Listed & Unlisted Investments		
Current	-	-
Non-Current	1,437	2,259
	1,437	2,259

NOTE 13 NON-CURRENT ASSETS (continued)

NOTE 13(d)

Controlled Entitles	Country of Incorporation	Notes	Percentage owned	
Subsidiaries of PPK Group Limited:			2014 %	2013 %
Rutuba Pty Limited	Australia		100%	100%
Seven Hills Property Holdings Pty Ltd	Australia		100%	100%
PPK Properties Pty Ltd	Australia		100%	100%
PPK Property Trust	Australia		100%	100%
Dandenong South Property Pty Ltd	Australia		100%	100%
PPK Willoughby Holdings Pty Ltd	Australia	a	100%	100%
PPK Willoughby Pty Ltd	Australia	b	100%	100%
PPK Aust. Pty Ltd	Australia		100%	100%
PPK Investment Holdings Pty Ltd	Australia		100%	100%
PPK Easy Living Pty Ltd	Australia	c	100%	100%
Easy Living Unit Trust	Australia		50%	50%
Easy Living Bundaberg Trust	Australia		50%	50%
PPK Finance Pty Ltd	Australia	d	100%	100%
SLOT Loan Trust	Australia		51.4%	51.4%
TMD Loan Trust	Australia		100%	100.0%
PPK Southport Pty Ltd	Australia	e	100%	100%
York Group Limited	Australia		100%	100%
Rambor Pty Ltd	Australia		100%	100%
King Cobra Mining Equipment Pty Ltd	Australia		100%	100%
PPK Mining Equipment Group Pty Ltd	Australia			
(formerly Anderson Group of Companies Pty Ltd)	Australia		100%	
PPK Mining Equipment Pty Limited	Australia		100%	
PPK Mining Repairs Alternators Pty Ltd	Australia		100%	
PPK Mining Equipment Hire Pty Ltd (formerly Anderson Mining Hire Pty Ltd)	Australia		100%	
Coaltec Pty Ltd	Australia		100%	
PPK IP Pty Ltd (formerly DMS Tech 1 Pty Ltd)	Australia		100%	
PPK China Pty Ltd (formerly Trigger Sprays Pty Ltd)	Australia		100%	

(a) PPK Willoughby Holdings Pty Ltd acts as the trustee company of the PPK Willoughby Funding Unit Trust. The Group holds 22.86% of issued units of this trust which is considered an an associate of the Group.

(b) PPK Willoughby Pty Ltd acts as the trustee company of the PPK Willoughby Purchaser Unit Trust. PPK Willoughby Funding Unit Trust holds 80% of issued units of this trust.

(c) PPK Easy Living Pty Ltd acts as the trustee company of the Easy Living Unit Trust and the Easy Living Bundaberg Trust. The Group holds a 50% of the issued units in each of these trusts.

(d) PPK Finance Pty Ltd acts as the trustee company of the Slot Loan Trust. The Group holds a 51.4% of the issued units of this trust. PPK Finance Pty Ltd acts as the trustee company of the TMD Loan Trust. The Group holds 100% of the issued units of this trust.

(a) PPK Southport Pty Ltd acts as the trustee company of the Nerang Street Southport Project Trust. The Group holds 18.75% (2013 - 25%) of issued units of this trust which is considered associate of the Group.

13(e) Subsidiary with material non-controlling interests

The Group includes three subsidiaries with Non-Controlling Interests ('NCI').

	Proportion of Ownership Interest Held		Profit Allocated to NCI ('000s)		Accumulated NCI ('000s)		Distributions and Dividends Paid to NCI	
Name	30-June-14	30-June-13	30-June-14	30-June-13	30-June-14	30-June-13	30-June-14	30-June-13
Easy Living (Bundaberg) Trust	50%	50%	62	55	94	57	50	-
Easy Living Trust	50%	50%	88	68	56	69	75	-
Slot Loan Trust	51.43%	51.43%	282	242	-	-	283	241
							408	241

	Notes	Consolidated Entity 2014 $000s	2013 $000s

NOTE 14 INVESTMENT PROPERTIES

		2014 $000s	2013 $000s
(a) Assets classified as held for sale			
Freehold land & buildings - at cost			
Land		10,038	-
Buildings		11,304	-
Less: Accumulated depreciation		(1,256)	-
		10,048	-
		20,086	-
Less: Provision for impairment		(1,569)	-
Total assets held for sale		18,517	-
Reconciliations			
Current			
Balance at the beginning of the year		-	-
Add transferred to Current from non-current			
Land & buildings		18,517	-
Total investment properties of continuing operations		18,517	-
(b) Non-Current			
Freehold land & buildings - at cost			
Land		5,225	15,263
Buildings		8,941	20,113
Less: Accumulated depreciation		(2,687)	(3,618)
		6,254	16,495
		11,479	31,758
Less: Provision for impairment		-	(1,328)
Total Investment Properties		11,479	30,430
Reconciliations			
Non-Current			
Balance at the beginning of the year		30,430	27,276
Acquisition of land and building at cost		-	3,160
Expenditure subsequent to acquisition		131	302
Disposals		-	-
Depreciation expense		(325)	(308)
Impairment expense		(240)	-
		29,996	30,430
Less transferred (to) Classified as current assets held for sale			
Land & buildings		(18,517)	-
Total investment properties of continuing operations		11,479	30,430

The following amounts have been recognised in the statement of comprehensive income

		2014 $000s	2013 $000s
Rental income		4,414	3,060
Direct operating expenses arising from investment property that generated rental income during the period		1,781	772
Direct operating expenses arising from investment property that did not generate rental income during the period		36	40

Acquisition and Disposals

There were no disposals of investment properties in the financial year.

Valuation of Investment Properties

The directors consider the fair value of the retirement villages be be equal to their book value being $6.26 million.
The directors consider the fair value of the industrial properties to be approximately $30 million.
No capital gains tax would be payable if the Land & Buildings were sold at balance date at the independent valuation due to capital losses.

Impairment

During the current financial year the tenant at the Arndell Park property took up their option to purchase the property. The net sale proceeds were below the carrying value and as such the property was impaired by a further $240,000. Based on all the information available to the Directors it was determined that no further impairment adjustment was required for any investment property in the current year.

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 14 INVESTMENT PROPERTIES (continued)			
Non-current assets pledged as security			
Refer to note 21(b) for information on non-current assets pledged as security by the parent entity or its subsidiaries.			
Leases as Lessor			
The investments properties are leased to tenants under long term operating leases with rentals payable monthly.			
- not later than 1 year		1,721	2,665
- later than 1 year but not later than 5 years		1,545	7,313
- later than 5 years		-	-
		3,267	9,978

Refer to Subsequent Event Note 30 for further details as to the current position in relation to investment properties.

NOTE 15 OTHER PROPERTY PLANT AND EQUIPMENT

	2014 $000s	2013 $000s
Leasehold improvements - at cost	431	431
Less: Accumulated depreciation	(340)	(301)
	91	130
Plant and equipment - at cost	9,209	3,198
Less: Accumulated depreciation	(2,582)	(2,335)
	6,627	863
Capital works in progress - at cost	-	-
Total property, plant and equipment of continuing operations	6,718	993

Reconciliations

Reconciliations of the carrying amounts of each class of plant & equipment are set out below.

	Leasehold Improvements $'000	Plant & Equipment $'000	Capital Works In Progress $'000	Total $'000
Consolidated - 2014				
Carrying amount at start of year	130	863	-	993
Acquired with business combination	-	6,120	-	6,120
Additions	-	114	-	114
Manufactured plant & equipment for hire	-	151	-	151
Disposals	-	(8)	-	(8)
Transfers	-	-	-	-
Depreciation & Amortisation expense	(39)	(613)	-	(652)
Carrying amount at end of year	91	6,627	-	6,718
Consolidated - 2013				
Carrying amount at start of year	183	1,066	24	1,273
Additions	-	137	278	415
Manufactured plant & equipment for hire		57	-	57
Disposals	.	(6)	-	(6)
Transfers	-	-	(302)	(302)
Depreciation & Amortisation expense	(53)	(391)	-	(444)
Carrying amount at end of year	130	863	-	993

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 16 TAX			
(a) Assets			
Deferred tax assets comprise temporary differences attributable to:			
Amounts recognised in profit and loss			
Doubtful Debts		11	7
Employee benefits		316	183
Building depreciation		449	396
Warranty		257	-
Deccommisioning and make good		60	-
Plant and equipment depreciation		65	65
Impairment of investments		330	-
Realised capital losses accounted for		614	694
Inventory		5	5
Other		25	25
		2,132	1,375
Movements			
Opening balance		1,375	1,589
Aquired with business combination		487	-
Credit/(charged) to profit or loss		270	(214)
Prior year adjustment		-	-
		2,132	1,375

Assessment was made on the recoverability of the deferred tax asset recognised in the accounts. The deferred tax asset has only been recognised to the extent that there is reasonable certainty of realising capital profits.

		2014 $000s	2013 $000s
(b) Liabilities			
CURRENT			
Income Tax provision		264	58
NON-CURRENT			
Deferred tax liability comprises temporary differences attributable to:			
Amounts recognised in profit and loss			
Rent receivable		112	138
Plant and equipment depreciation		(12)	(12)
Tax deferred trust distribution from associate		148	148
Recoginised on bargain purchase of assets			
Tax cost base adjustment on stock		659	-
Tax cost base adjustment fixed assets		417	-
Tax cost base adjustment on intangibles		136	-
		1,460	274
Amounts recognised in equity			
Fair value adjustment of available-for-sale financial assets		22	(39)
Deferred tax liability		1,482	235
Movements			
Opening balance		235	29
(Credit)/charged to profit or loss		(23)	270
Acquired on business combination		1,212	-
(Credit)/charged to equity		58	(64)
Prior year adjustment		-	-
		1,482	235

NOTE 17 INTANGIBLE ASSETS

	Notes	Consolidated Entity 2014 $000s	Consolidated Entity 2013 $000s
Licences, software and patents - at cost		2,882	787
Less: Accumulated amortisation		(538)	(563)
		2,344	224
Goodwill			
- Mining equipment manufacturing		155	155
Development Costs - at cost			
- Mining equipment manufacturing		1,756	1,109
Less: Accumulated amortisation		(145)	-
		1,611	1,109
Brand names - at cost		497	497
Intangible Assets of continuing operations		4,607	1,985
Reconciliations			
Licences, software and patents - at cost			
Balance at the beginning of year		224	123
Aquired with business combination		2,000	-
Additions - external purchases		174	113
Amortisation charge		(54)	(12)
(Amortisation charges are included in Cost of Goods Sold and Administration expenses in the profit or loss)			
		2,344	224
Goodwill			
Balance at the beginning of year		155	155
Additions / Disposals / Impairment		-	-
		155	155
Development Costs			
Balance at the beginning of year		1,109	638
Additions at cost		647	471
Amortisation charge		(145)	-
		1,611	1,109
Brand Names			
Balance at the beginning of year		497	497
Additions / Disposals / Impairment		-	-
		497	497

Licences, software and patents have a finite useful life. They are recorded at cost and amortised on a straight line basis over the number of years of their expected life which ranges from 3 to 20 years.

Goodwill is assessed to have an indefinite life, it is tested annually for impairment with any impairment losses being charged to profit or loss. Costs incurred on development (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable cost, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its estimated useful life of 7 years.

Brand names have been assessed to have an indefinite useful life. These brands are registered with the relevant agencies. The registrations are renewed at insignificant cost to the consolidated entity. This, combined with continued support for the brands by product development, advertising and marketing expenditure, has allowed the consolidated entity to determine that the assets have an indefinite useful life. They are recorded at cost and tested annually for impairment. Impairment losses are charged to profit or loss.

NOTE 17 INTANGIBLE ASSETS (continued)

Impairment disclosures

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units identified according to business segment.

A segment level summary of the intangible assets deemed to have indefinite lives is as follows:

	Brand Names $'000	Goodwill $'000	Total $'000
Year ended 30 June 2014			
Mining Equipment Manufacturing	497	155	652
Year ended 30 June 2013			
Mining Equipment Manufacturing	497	155	652

The recoverable amount of intangibles in the mining equipment manufacturing cash-generating units are determined based on value-in-use calculations. Value-in-use is calculated based on the present value of 5 year discounted cash flow projections based on budgets approved by management. The growth rate used in these budgets does not exceed the long term average growth rate for the business in which cash-generating units operate.

The following assumptions were used in the value-in-use calculations:

	Growth Rate	2014 Discount Rate	Growth Rate	2013 Discount Rate
Mining Equipment Manufacturing	1.00%	9.50%	5.00%	12.50%

The budgets used by management use historical weighted average growth rates, adjusted for the current economic conditions to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment. The estimated recoverable amount of intangible assets exceeds the carrying amount of these assets at 30 June 2014. If a discount rate of 60% was used instead of 9%, and if sales growth was limited to the inflation rate of 0% instead of 1.0%, the estimated recoverable amount of the intangible assets would equal the carrying value.

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
CURRENT LIABILITIES			
NOTE 18 TRADE AND OTHER PAYABLES			
Trade payables		2,744	381
Sundry payables and accruals		4,657	112
Payables of continuing operations		7,401	493
NOTE 19 INTEREST BEARING LIABILITIES			
Bank loans - secured		14,230	5,420
Other loans - unsecured		5,000	1,300
Interest bearing liabilities of continuing operations		19,230	6,720

Total secured liabilities - see note 21

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 20 PROVISIONS			
Current			
Annual leave		755	199
Redundancy		-	179
Warranty	20 (a)	858	-
Decommissioning and make good	20 (b)	220	-
Long service leave		-	142
		1,833	520
Non Current			
Long service leave		279	89
Total Provisions		2,112	609

Annual leave and current long service leave comprise amounts payable that are vested and could be expected to be settled within 12 months of the end of the reporting period. Non current long service leave comprise amounts that are not vested at the end of the reporting period and the amount and timing of the payments to be made when leave is taken is uncertain. Refer accounting policy Note 1(m) for more detail. Warranty provisions comprise estimated costs to perform repairs to mining equipment while under warranty. Make good proviision comprise estimated costs to return leased premises to their original condition on expiry of the lease.

		2014	2013
(a) Reconciliation of Provision for Warranty			
Opening Balance		-	-
Acquired as part of business combination		858	-
Increases (decreases) to provision		-	-
Closing Balance		858	-
(a) Reconciliation of Provision for Decommissioning and make good			
Opening Balance		-	-
Acquired as part of business combination		220	-
Increases (decreases) to provision		-	-
Closing Balance		220	-

NON-CURRENT LIABILITIES
NOTE 21 INTEREST BEARING LIABILITIES

		2014	2013
Bank Loans - Secured		13,281	18,080
Other Loans - Secured		-	-
Interest bearing liabilities		13,281	18,080
(a) Secured liabilities			
Total secured liabilities (current and non-current) are:			
Bank overdrafts		-	-
Bank loans - PPK Group Limited		19,800	19,800
Bank loans - The Easy Living Unit Trust		1,850	1,850
Bank loans - The Easy Living (Bundaberg) Unit Trust		1,850	1,850
Bank loans - PPK Mining Equipment Pty Ltd		4,011	-
		27,511	23,500
(b) Unsecured liabilities			
Other loans - other persons		5,000	1,300
		32,511	24,800

Bank overdrafts and bank loans are secured as noted in note 19 above.

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 21 INTEREST BEARING LIABILITIES (continued)			
(c) Assets pledged as security			
The carrying amounts of non-current assets pledged as security are:			
First mortgage	14(a)		
Freehold investment properties		11,479	30,430
Registered Mortgage Debentures over company assets and cross guarantees & indemnities	14(a)		
Freehold investment properties		-	-
Term receivables		-	10,472
Financial Assets		1,437	2,259
Investments in associated entities		493	493
Plant & equipment		6,718	993
Intangible Assets		4,607	1,985
Total non-current assets pledged as security		24,734	46,632
The following current assets are also pledged as security under the registered mortgage and cross guarantees & indemnities			
Freehold investment properties		18,517	-
Cash assets		4,904	1,345
Term receivables		10,916	6,803
Receivables - current		8,319	2,047
Inventories		10,612	1,017
Other current assets		1,069	312
Total current assets pledged as security		54,337	11,524
Total assets pledged as security		79,071	58,156

The total financial assets included in the above pledged as security for liabilities is $25,576,000 (2013 $23,154,000)

(d) Unused credit facilities

(i) The consolidated entity had access to the following lines of credit at balance date:

	2014	2013
Total facilities available		
Bank Overdraft	1,000	1,000
Bank Loans	27,591	24,190
Master asset finance facility	-	-
	28,591	25,190
Not utilised at balance date		
Bank Overdraft	1,000	1,000
Bank Loans	80	690
Master asset finance facility	-	-
	1,080	1,690
Utilised at balance date		
Bank Overdraft	-	-
Bank Loans	27,511	23,500
Master asset finance facility	-	-
	27,511	23,500

The major facilities are summarised as follows:

Banking overdrafts

Bank overdraft facilities are arranged with the National Australia Bank with the general terms and conditions being set from time to time. Overdraft balances are subject to set-off arrangements whereby credit balances can be netted off against debit balances with the total facility and interest being applied to the net balance.

Commercial bill facilities

Provided by the National Australia Bank Ltd (NAB).
$19,800,000 (2013 $19,800,000) variable interest rate facilities provided by the NAB. Further details on the banking facilities with the NAB are included in note 21c. Banking facilities with the NAB are subject to annual review and six monthly satisfaction of banking covenants. There is no reason to believe that facilities will not be routinely renewed. At year end the interest rates on the facilities range from 5.44%-5.66% (2013 5.66% to 7.94%) inclusive of bank margins.
Provided by the Commonwealth Bank of Australia Ltd (CBA).
$3,700,000 of variable interest rate facilities and $4,000,000 of market rate facilities are provided by the CBA.
Further details on the banking facilities with the CBA are included in note 25c.
Variable interest banking facilities with the CBA are for two years and subject to a six monthly satisfaction of banking covenants. There is no reason to believe that facilities will not be renewed at the end of the term. At year end the interest rate on the facility was 5.66% inclusive of bank margins. Market rate interest banking facilities with the CBA are for 3 years and subject to six monthly satisfaction of banking covenants. There is no reason to believe that facilities will not be renewed at the end of the term. At year end the interest rate on the facility was 6.55% inclusive of bank margins.

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
NON-CURRENT LIABILITIES			
NOTE 22 TRADE AND OTHER PAYABLES			
Other Loans - secured		-	1,229
Other Loans - unsecured		-	1,652
Payables of continuing operations		-	2,881

The Group has loans owing to the non-controlling interest investors in the Easy Living Unit Trust, Easy Living Bundaberg Trust and SLOT Loan Trust. The loans in the Easy Living Unit Trust and Easy Living Bundberg Trust are secured by a registered second mortgage over the properties owned by each of the trusts and a registered second ranking fixed and floating charge over the assets of each trust. They are repayable in 2017. The loans in the SLOT loan Trust are unsecured and are repayable by February 2015. The current terms of the loans are that they are interest free, and are in proportion to the number of units each investor holds in each of the trusts. The non-controlling investors in each of the unit trusts are entitled to trust distributions each year, of the trusts net profit in proportion to the number of units they hold. The group considers that under the existing terms of the loans and their anticipated repayment date that their carrying value approximates the present value of the loans.

SHAREHOLDERS' EQUITY
NOTE 23 CONTRIBUTED EQUITY
PAID-UP CAPITAL

72,647,903 (2013 50,764,776) ordinary shares fully paid	33,731	28,673
Movements in ordinary share capital		
Balance at the beginning of the financial year	28,673	29,016
Shares repurchased under approved buy back scheme	(56)	(343)
New share issue	4,882	-
Treasury shares - share and loan plan	232	-
	33,731	28,673

The shares have no par value. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.
Each ordinary share is entitled to one vote at shareholder meetings.

	No.	No.
Movements in number of ordinary shares		
Balance at the beginning of the financial year	50,764,776	51,625,430
Shares repurchased under approved buy back scheme	(125,938)	(860,654)
New share issue	6,509,065	-
New share issue - share plan and loan	15,500,000	-
	72,647,903	50,764,776

	Notes	Consolidated Entity 2014 $000s	2013 $000s

NOTE 23 CONTRIBUTED EQUITY (continued)

Capital Risk Management

The Group considers its capital to comprise its ordinary share capital, reserves and retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions and through the payment of annual dividends to its shareholders. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, share buy-backs, or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives .

It is the Group's policy to maintain its gearing ratio within the range of 20% - 50% (2013 20% - 50%). The Group's gearing ratio at the balance sheet date is shown below :

Gearing ratios

	2014	2013
Total borrowings	32,511	24,800
less Cash and cash equivalents	(4,904)	(1,345)
Net debt	27,607	23,455
Total equity	35,891	30,414
Total capital	63,498	53,869
Gearing Ratio	43%	44%

There have been no significant change to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

NOTE 24 RESERVES

	2014	2013
Available-for-sale financial assets	54	(93)
Share options	1,338	8
	1,392	(85)
Movement in reserves		
Share options		
Opening balance	8	8
Employee share based payment - options	1,330	-
Closing balance	1,338	8
Available-for-sale financial assets		
Opening balance	(93)	59
Revaluation	53	(180)
Deferred tax impact	(15)	54
Expensed on impairment	263	-
Deferred tax impact	(78)	-
Realised gains to (profit) / loss	(109)	(36)
Deferred tax impact	33	10
Closing balance	54	(93)

The available-for-sale financial assets reserve carries fair value adjustments made to available-for-sale financial assets which are recognised in other comprehensive income.

When an available-for-sale financial asset is either sold or considered impaired the amount held in this reserve is recognised in the profit or loss.

NOTE 25 FINANCIAL RISK MANAGEMENT

The Group's financial instruments include investments in deposits with banks, receivables, equities, derivatives, payables and interest bearing liabilities. The accounting classifications of each category of financial instruments as defined in note 1(i) and their carrying amounts are set out below.

	Weighted Average InterestRate	Notes	Floating Interest Rate $000s	Fixed Interest Rate Maturing Within 1 Year $000s	1 to 5 Years $000s	Non-Interest Bearing $000s	Total $000s
Consolidated 2014							
Financial Assets							
Receivables	0.0%	10	-	-	-	8,319	8,319
Loans receivable	14.8%	10	-	10,916	-	-	10,916
Loans and receivables			-	10,916	-	8,319	19,235
Cash and cash equivalents	2.4%	9	2,391	-	-	2,513	4,904
Available-for-sale financial assets	0.0%	13c	-	-	-	1,437	1,437
Investments in associated companies	0.0%	13a	-	-	-	493	493
Financial assets at fair value through profit or loss - held for trading	0.0%	13b	-	-	-	-	-
Total financial assets			2,391	10,916	-	12,762	26,069
Financial Liabilities							
Bank Loans	5.7%	21	27,511	-	-	-	27,511
Other Loans	10.0%	21	-	5,000	-	-	5,000
Trade & Other Payables - non-current	0.0%	22	-	-	-	-	-
Trade & Other Payables - current	0.0%	18	-	-	-	7,401	7,401
Total financial liabilities at amortised cost			27,511	5,000	-	7,401	39,912
Consolidated 2013							
Financial Assets							
Receivables	0.0%	10	-	-	-	2,047	2,047
Loans receivable	14.8%	10	-	-	6,977	-	6,977
Loans receivable	14.8%	10		6,803			6,803
Loans and receivables			-	6,803	6,977	2,047	15,827
Cash	3.3%	9	408	-	-	937	1,345
Available-for-sale financial assets	0.0%	13c	-	-	-	2,259	2,259
Investments in associated companies	0.0%	13a	-	-	-	493	493
Financial assets at fair value through profit or loss - held for trading	0.0%	13b	-	-	-		-
Total financial assets			408	6,803	6,977	5,736	19,924
Financial Liabilities							
Bank Loans	5.8%	21	23,500	-	-	-	23,500
Other Loans	10.0%	21	-	1,300		-	1,300
Trade & Other Payables - non current	0.0%	22	-	-	-	2,881	2,881
Trade & Other Payables - current	0.0%	18				493	493
Total financial liabilities at amortised cost			23,500	1,300	-	3,374	28,174

NOTE 25 FINANCIAL RISK MANAGEMENT (continued)

Fair Value

The carrying values of financial assets and liabilities listed above approximate their fair value.

Estimated discounted cash flows were used to measure fair value, except for fair values of financial assets that were traded in active markets that are based on quoted market prices.

The Group's and parent's investments and obligations expose it to market, liquidity and credit risks. The nature of the risks and the policies the Group and parent has for controlling them and any concentrations of exposure are discussed as follows:

Hierarchy

The following tables classify financial instruments recognised in the statement of financial position of the group according to the hierarchy stipulated in AASB13 as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for financial instruments, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 - a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Group 2014				
Fair value through profit or loss				
Listed equity securities	-	-	-	-
Available-for-sale financial assets				
Listed equity securities	1,437	-	-	1,437
	1,437	-	-	1,437
Group 2013				
Fair value through profit or loss				
Listed equity securities	-	-	-	-
Available-for-sale financial assets				
Listed equity securities	2,259	-	-	2,259
Unlisted equity securities	-	-	-	-
	2,259	-	-	2,259

Financial risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the financial risk management framework. PPK Group's activities expose it to a range of financial risks including market risk, credit risk and liquidity risk. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Board receives monthly reports, which it reviews and regularly discuss the effectiveness of the processes put in place and the appropriateness of the objectives and policies to support the delivery of the Group's financial targets while protecting future financial security. The Board also has in place informal policies over the use of derivatives and does not permit their use for speculative purposes.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of the Group's and parent entity's financial instruments will fluctuate because of changes in market prices.

Market risk comprises three types of risk: interest rate risk, equity price risk and currency risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a security, will fluctuate due to changes in interest rates. Exposure to interest risk arises due to holding floating rate interest bearing liabilities, investments in cash and cash equivalents and loans to related parties and other persons. Although a change in the current market interest rate may impact the fair value of the Group's fixed interest financial liabilities and other receivables, it does not impact the Group profit after tax or equity as these financial liabilities and other receivables are carried at amortised cost and not fair value through profit or loss. Floating interest rates attached to the Group's and parent's financial assets and liabilities give rise to cash flow interest rate risk. Any changes in the current market rate will affect the cash flows payable on floating rate interest bearing liabilities and hence impact the Group's profit after tax.

	Notes	Consolidated Entity 2014 $000s	2013 $000s

NOTE 25 FINANCIAL RISK MANAGEMENT (continued)

Sensitivity disclosure analysis

The Group's exposure to its floating interest rate financial assets and liabilities is as follows:

	Notes	2014 $000s	2013 $000s
Financial Assets			
Cash		2,391	408
Receivables		-	-
		2,391	408
Financial Liabilities			
Bank Loans		27,511	23,500
		27,511	23,500
Net Exposure		(25,120)	(23,092)

The group has performed sensitivity analysis relating to its interest rate risk based on the Group's year end exposure. This sensitivity demonstrates the effect on after tax results and equity which could result from a movement in interest rates of +/- 1%.

	2014 $000s	2013 $000s
Change in after tax profit		
- increase in interest rate by 1%	(176)	(162)
- decrease in interest rate by 1%	176	162

(ii) Equity Price risk

Equity securities price risk is the risk that changes in market prices will affect the fair value of future cash flows of the Group's financial instruments. The group is exposed to equity price risk through the movement in share prices of the companies in which it is invested. These are determined by market forces and and are outside control of the group. The risk of loss is limited to the capital invested in relation to shares and options held.

As the market value of listed companies fluctuate the fair value of the available-for-sale financial assets and financial assets at fair value through profit or loss of the group change continuously. Changes in fair value of available-for-sale financial assets are recognised through the available for sale reserve unless there is objective evidence that available-for-sale financial assets have been impaired. Impairment losses are recognised in profit or loss. Unlisted investments do not have a quoted price in an active market and their fair value cannot be reliably measured, so they remain valued at cost after their initial recognition. However when there is objective evidence of impairment of these unlisted investments, such impairment losses are recognised in profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are taken directly to profit or loss for the year.

The group's portfolio of investments in listed companies is concentrated in a small number of companies. The individual performances of these companies exposes the group to a greater concentration of risk than just that of general market forces if a more wide-spread portfolio were held. However, because of this concentration of holdings the Directors are able to regularly monitor the performance of the companies within its portfolio.

Sensitivity disclosure analysis

The Group's and parent's exposure to equity price fluctuations on the fair value of its available-for-sale financial assets and its financial assets at fair value through profit or loss is as follows:

	2014 $000s	2013 $000s
Financial Assets		
Available-for-sale financial assets		
Investments in listed companies	1,437	2,259
Financial assets at fair value through profit or loss		
Investments in listed companies	-	-
	1,437	2,259

The Group has performed sensitivity analysis relating to its exposure equity price risk based on it's year end asset holdings. This sensitivity demonstrates the effect on after tax results and equity which could result from a movement in equity prices at year end of +/- 10%.

	2014 $000s	2013 $000s
Change in after tax profit		
- increase in equity price by 10%	26	1
- decrease in equity price by 10%	(26)	(1)
Change in equity		
- increase in equity price by 10%	76	157
- decrease in equity price by 10%	(76)	(157)

NOTE 25 FINANCIAL RISK MANAGEMENT (continued)

(iii) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial item will fluctuate as a result of movements in international exchange rates. The Group is exposed to exchange rate transaction risk on foreign currency sales and purchases primarily with respect to the United States dollar (USD). Of the total sales revenue for the Group some 21% (2013: 22%) is in export sales, all sales from 1 January 2009 are designated in AUD thus limiting the currency risk exposure. The group does not take forward cover or hedge and was therefore at risk in relation to foreign currency movements during the year. The group has maintained a USD bank account for receiving payments (if any) from trade receivables and making payment to trade payables. The account is held with a major Australian Bank, which limits the group's exposure to credit risk associated with this deposit.

(b) Credit Risk

The Group's maximum exposure to credit risk is generally the carrying amount net of any provisions for doubtful debts. The Group's exposure is minimised by the fact that the trade receivables balance is with a diverse range of Australian and Multi-national customers. The Group has in place informal policies for establishing credit approval and limits so as to manage the risk.

The Group also has a credit risk exposure in relation to cash at bank. The Group's policy is ensure funds are placed only with major Australian banks thus minimising the group's exposure to this credit risk. The Group's credit risk relating to tenants is primarily the risk that they will fail to honour their lease agreements. The lease agreements with the Dandenong property are secured by a guarantee from the head entity, Visy Industrial Plastics Pty Ltd, and the lease in relation to the Seven Hills property is supported by a bank guarantee. Loans receivable from the associate entity PPK Willoughby Funding Unit Trust are secured by a registered first mortgage over property owned by that entity. Refer to note 10 for detail the Group's trade and other receivables.

The group's exposure to credit risk at balance date by country of loans and receivables is as follows:

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
Loans and receivables by country			
Australia		19,026	19,083
United States of America		131	228
United Kingdom		54	9
Germany		24	-
Liechtenstein		-	2
New Zealand		-	-
		19,235	19,322
The groups exposure to credit risk at balance date by industry of loans and receivables is as follows:			
Loans and receivables by industry			
Property development		7,342	7,205
Plastic Packaging		289	79
Mining Equipment		7,348	8,041
Retirement Villages		3,109	3,179
Manufacturing		-	70
Property and investing		1,147	757
		19,235	19,331

NOTE 25 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group and parent will encounter difficulty in meeting obligations associated with financial liabilities.
The Group's objective to mitigate liquidity risk is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and hire purchase contracts.
The Group and parent's exposure to liquidity risk is not significant based on available funding facilities and cash flow forecasts.
Details of the groups financing facilities are set-out in note 21.

Financial Liabilities maturity analysis

The tables below reflect the undiscounted contractual settlement terms for the groups financial liabilities of a fixed period of maturity, as well as the earliest possible settlement period for all other financial liabilities. As such the amounts may not reconcile to the balance sheet. Bank loans provided by the NAB are subject to an annual review with the next review date being 30 November 2014.
Bank overdraft facility is provided by the NAB with the current facility expiring on 31 January 2016.
The Bank loans provided by the NAB have facilities that expire on 30 September 2014 and 31 January 2016. A facility of $1,380,000 expires on 30 September 2014,
$1,380,000 of this facility is currently used. A facility of $18,500,000 expires on 31 January 2016, $18,420,000 of this facility is currently used.
The CBA variable interest facilities expire on 23 March 2015 and are each for an amount of $1,850,000 that is fully utilised.
The CBA market rate loan facility expires in April 2017 and is an amount of $4,000,000 that is fully utilised and amortised quarterly.
These new renewal dates have been used for disclosure of maturity dates of bank overdraft and loans, even though they are subject to an annual review as there is no reason to believe that the facilities will be altered by the bank at the time of annual review.

	Carrying amount	< 6 months	6 - 12 months	1 - 3 years	> 3 years	Contractual Cash flows
Consolidated 2014						
Financial Liabilities (current & non-current)						
Trade & Other Payables	7,401	7,401	-	-	-	7,401
Bank Loans & overdrafts	27,511	2,164	3,565	23,611	-	29,340
Other Loans - other persons	5,000	5,125	-	-	-	5,125
Total Financial Liabilities	39,912	14,690	3,565	23,611	-	41,866
Consolidated 2013						
Financial Liabilities (current & non-current)						
Trade & Other Payables	493	493	-	-	-	493
Bank Loans & overdrafts	23,500	2,377	2,440	20,554	-	25,371
Other Loans - other persons	1,300	1,009	315	-	-	1,324
Other Loans - trade and other payables	2,881	-		1,652	1,229	2,881
Total Financial Liabilities	28,174	3,879	2,755	20,554	1,229	30,069

	Notes	Consolidated Entity 2014 $000s	2013 $000s
NOTE 26 LEASE COMMITMENTS			
(b) Operating lease commitments			
Operating lease rentals contracted for but			
not capitalised in the financial statements payable:			
- not later than 1 year		3,865	121
- later than 1 year but not later than 5 years		9,370	96
- later than 5 years		-	-
		13,235	**217**

The Group leases premises in Nowra under non cancellable operating leases. The terminating date of the lease is 31st May 2015. The Group has an option to renew the lease for the Nowra premises, for a period of up to 2 years.

The Group leases premises in Tomago under non cancellable operating leases. The terminating date of the lease is 30th June 2017. The Group has 2 options to renew the lease for the Tomago premises, for a period of up to 5 years each.

The Group leases premises in Port Kembla under non cancellable operating leases. The terminating date of the lease is 30th April 2018. The Group has an option to renew the lease for the Port Kembla premises, for a period of up to 5 years.

The Group leases a office in Brisbane under non cancellable operating leases. The terminating date of the lease is 30 June 2015.

The Group leases 7 of its Coaltrams under non-cancellable operating leases. The terminating dates of the leases run to approximately September 2019.

The Group operates a car fleet under an operating lease agreement.

NOTE 27 CONTINGENT LIABILITIES

Group Cross guarantees of the Groups banking and finance facilities totalling $20,880,000 (2013 $22,190,000) of which $19,800,000 (2013 $20,500,000) was drawn at balance date.

NOTE 28 SEGMENT INFORMATION

The Group applies AASB 8 Operating Segments whereby segment information is presented using a "management approach" i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision makers.

Information regarding segment assets is not provided to the Directors, segment assets therefore have not been disclosed. Operating segments have been determined on the basis of reports reviewed by the Directors. The Directors are considered to be the chief operating decision makers of the group. The segments are as follows:

- The Investment Property Segment owns three industrial properties and two retirement villages.
- The Investment Segment owns primarily listed and some unlisted investments, it has also made loans from which it earns interest. Investments in associated entities are included in this segment.
- The Mining Equipment Segment manufactures portable underground mining equipment, Coaltram vehicles and performs service work.

NOTE 28 SEGMENT INFORMATION (continued)

(a) Year ended 30 June 2014

Business Segments	Investment Properties $000s	Investing $000s	Mining Equipment $000s	Total of Continuing Operations $000s
Segment Revenue from external customers				
Sales revenue	-	-	12,568	12,568
Rental income	4,414			4,414
Interest received	-	2,300	-	2,300
Gain on sale of available-for-sale financial assets	-	1,206	-	1,206
Dividends received	-	62	-	62
	4,414	3,568	12,568	20,550
Segment other income				
Net gain on disposal of plant & equipment	-	-	8	8
Other segment income	-	30	14	44
	-	30	22	52
Total Revenue and other income	4,414	3,598	12,590	20,602
Segment expenses include				
Depreciation and amortisation	617	-	360	977
Impairments - available-for-sale financial assets	240	828	-	1,068
Segment result	2,597	2,770	395	5,762
Reconciliation of segment net profit to group net profit before tax				
Amounts not included in segment profit but reviewed by the Board				
Net gain on bargain purchase				2,828
Share based payment expense				(1,330)
Business combination transaction expense				(731)
Unallocated corporate expenses				(1,900)
Unallocated interest expense				(1,569)
Consolidated operating (loss) before income tax				3,060
Non-controlling interests share of after tax profit				(432)
Income tax (expense)				(109)
Consolidated profit after income tax attributable to owners of PPK Group Limited				2,519

(b) Year ended 30 June 2013

Business Segments	Investment Properties $000s	Investing $000s	Mining Equipment $000s	Total of Continuing Operations $000s
Segment Revenue from external customers				
Sales revenue	-	-	5,002	5,002
Rental income	3,060	-	-	3,060
Interest received	-	2,173	-	2,173
Dividends received	-	38	-	38
	3,060	2,211	5,002	10,273
Segment other income	-			
Net gain on disposal of plant and equipment	-	-	6	6
Other segment income	-	661	-	661
	-	661	6	667
Total Revenue and other income	3,060	661	5,008	10,940
Segment expenses include				
Depreciation and amortisation	328	-	370	698
Segment result	2,248	2,819	707	5,774
Reconciliation of segment net profit to group net profit before tax				
Amounts not included in segment profit but reviewed by the Board				
Share of profit from associates accounted for using the equity method				493
Unallocated corporate expenses				(1,514)
Unallocated interest expense				(1,298)
Consolidated operating (loss) before income tax				3,455
Non-controlling interests share of profit				(365)
Income tax (expense)				(707)
Consolidated (loss) after income tax attributable to owners of PPK Group Limited				2,383

NOTE 28 SEGMENT INFORMATION (continued)

(c) Geographic location of Customers

Although the group operates in Australia the mining equipment manufacturing segment has sales revenue from customers located overseas. Additional disclosure of sales revenue by geographical location of external customers that represent 10% or more of total entity sales revenue is as follows:

	2014	2013
	$000s	$000s
Australia	12,008	3,922
Germany	235	-
United States of America	195	682
United Kingdom	130	278
New Zealand	-	2
Liechtenstein	-	119
Other countries	-	-
	12,568	5,003

The geographical location of receivables, relating to these sales, is disclosed in Note 25 of these accounts.
All Non current receivables are from customers based in Australia.

NOTE 29 BUSINESS COMBINATIONS

Summary of Acquisition

During the period PPK Group incorporated two new companies being PPK Mining Equipment Pty Ltd and PPK Mining Repairs Alternators Pty Ltd. On 17 March 2014 these companies purchased specific business assets and assumed specific business liabilities of Anderson Industries Australia Pty Ltd and DMS Mining Services Pty Ltd.

PPK Group also gained 100% control of Anderson Mining Hire Pty Ltd, DMS Tech 1 Pty Ltd, Coaltec Pty Ltd and Anderson Group of Companies Pty Ltd on 17 March 2014. At the time of purchase, Anderson Mining Hire Pty Ltd was in the business of hiring out Coaltram mining vehicles. DMS Tech 1 Pty Ltd and Coaltec Pty Ltd held or had the rights to intangible assets. Anderson Group of Companies acted as a holding company.

This business combination was accounted for using the following fair values of assets and liabilities:

		$000s
Assets Acquired		
	Inventory	9,682
	Trade Receivables	2,471
	Other Receivables	724
	Prepayments	217
	Fixed Assets	6,120
	Deffered tax asset	487
	Intangible Assets	2,000
		21,701
Liabilities Assumed		
	Trade Creditors	1,870
	Other Payables & accuals	979
	Payroll liabilities & accruals	176
	Provisions	1,625
	Deferrred tax liability	1,212
	Borrowings	11
		5,873
	Fair value of net assets acquired	15,828
	Less: Cash consideration paid	13,000
	Gain on bargain purchase	2,828

The business combination resulted in a gain on bargain purchase since the fair value of the net assets acquired was higher than the consideration paid.
The gain on bargain purchase was recognised seperately in profit or loss.

NOTE 29 BUSINESS COMBINATIONS (continued)

Revenue and Profit Contribution

The acquiree businesses contributed $8.282m of revenue and $0.039m of net profit after tax to the group from the date of acquisition 17 March 2014 to 30 June 2014.

It is impracticable to disclose the profit that the businesses would have contributed if the acquisition had occurred on 1 July 2013 since the businesses were run as part of a larger group and under different management without access to their records.

Acquisition Costs

Costs arising directly from the acquisition have been expensed directly in profit or loss and have been separately identified. The total amount of acquistion costs is $0.731m.

Intangibles

An intangible asset has been recognised to the value of $2m. It represents the fair value of patents and associated intellectual property purchased from the vendors which are used in the manufacture of the Coaltram engine management system.

Contingent Liabilities

There are no contingent liabilities arising fom the business combination as as 30 June 2014.

Contingent Consideration

There is no contingent consideration arising fom the business combination as as 30 June 2014.

NOTE 30 RELATED PARTIES

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

Transactions with related parties:

The Group has made loans to the ASX-listed entity SubZero Group Limited. Mr Glenn Molloy was a Director of SubZero Group Limited from April 2013 to November 2013. The loan was repaid on 2 August 2014.

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
Loans advanced		308	300
Interest paid and credited to loan		31	0
Loans repaid		(261)	8
Balance outstanding		78	308

Directors and key management personnel and their related entities had made loans to the Easy Living Unit Trust. The loans were secured by a second mortgage over property held by the trust. Loans are repayable on 16 February 2017 and are interest free under current terms.

The Easy Living Unit Trust is a subsidiary of the Group by virtue of its 50% ownership interest.

	2014	2013
Balance at start of year	350	365
Loans advanced to the Group	-	-
Loans repaid by the Group	(50)	(15)
Total advanced to the Group	300	350
Interest paid and credited to loan	-	-
Reclassification of Key Management Personel	(25)	-
Trust distribution credited to loan	-	-
Balance outstanding	275	350

Loans to the Easy Living Bundaberg Trust, secured by a second mortgage over property held by the trust Loans are repayable on 8 October 2017 and are interest free under current terms The Easy Living Bundaberg Trust is a subsidiary of the Group by virtue of its 50% ownership interest.

	2014	2013
Balance at start of year	407	-
Loans advanced to the Group	-	425
Loans repaid by the Group	(50)	(18)
Total advanced to the Group	357	407
Reclassification of Key Management Personel	(23)	-
Trust distribution credited to loan	-	-
Balance outstanding	334	407

NOTE 30 RELATED PARTIES (continued)

Loans to the SLOT Loan Trust, are secured Loans are repayable on 7 February 2015 and are interest free under current terms
The SLOT Loan Trust is a subsidiary of the Group by virtue of its 51% voting interest.

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
Balance at start of year		1166	0
Loans advanced to the Group		-	1,200
Loans repaid by the Group		(148)	(204)
Total advanced to the Group		1,018	996
Reclassification of Key Management Personel		(292)	-
Trust distribution credited to loan		149	170
Balance outstanding		875	1,166
PPK Group Limited - ordinary shares		35,581,667	19,691,342
The Easy Living Unit Trust - units		260	260
The Easy Living Bundaberg Trust - units		380	380
The SLOT Loan Trust - units		900	900
Transactions with Associates			
Interest receiveable from associates			
PPK Willoughby Funding Unit Trust		1,881	891
Nerang Street Southport Project Trust		101	44
		1,982	935
Loans and receivables from associates			
Current			
PPK Willoughby Funding Unit Trust		-	-
Nerang Street Southport Project Trust		28	230
		28	230
Non Current			
PPK Willoughby Funding Unit Trust		6,570	6,606
Nerang Street Southport Project Trust		746	369
		7,316	6,975

NOTE 31 CASH FLOW INFORMATION

		Consolidated Entity	
		2014	2013
	Notes	$000s	$000s
(a) Reconciliation of profit/(loss) after income tax to the cash provided by operating activities			
Profit/(Loss) after income tax		2,519	2,748
Cash flows in operating activities but not attributable to operating result:			
Non controlling interest equity distribution		(432)	(365)
Non-cash flows in operating profit:			
Amortisation		199	12
Depreciation		977	700
Impairment of land & buildings		240	-
Interest received on other loans		(884)	(1,197)
Impairment of available-for-sale-assets		828	22
Transfers to provisions		(110)	213
Other Income		(44)	-
Share of (profit) / loss from associates		-	(493)
Loss/(Profits) on sale of available-for-sale assets		(1,206)	(264)
(Profits) on sale of shares at fair value through profit and loss		-	-
Share based payment expense		1,330	-
Gain on bargain purchase		(2,828)	-
Fair value adjustments on available-for-sale assets		-	(369)
(Profits) on sale of plant & equipment		(8)	6
(Profits) on sale of property		-	-
Increase/(decrease) in tax payable		206	(364)
decrease/(increase) in deferred tax assets		(270)	218
Increase/(decrease) in deferred tax liabilities		35	206
Changes in assets and liabilities,			
decrease/(increase) in financial assets at fair value through profit and loss		822	327
decrease/(increase) in trade and other debtors		(2,855)	(367)
decrease/(increase) in intangible asset investment		(647)	471
decrease/(increase) in prepayments		(540)	11
(increase)/decrease in inventories		87	145
(decrease)/increase in trade creditors and accruals		1,124	(202)
Net cash/(used in) provided by operating activities		(1,457)	1,458
(b) Reconciliation of Cash			
For the purposes of the cash flow statement, cash includes:			
Cash on hand		1	1
Call deposits with financial institutions		4,903	1,344
Bank overdrafts - secured		-	-
		4,904	1,345
(c) Non-cash Financing and Investing Activities			
During the financial year, the consolidated entity had the following non cash adjustments, expense/(income);			
Gain on bargain purchase		(2,828)	-
Impairment of available-for-sale financial assets		828	22
These related to shares and options held in listed company investments.			
		(2,000)	22

NOTE 32 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to year end the Group purchased the MONEx Electronic Engine Management System technology for $2.8 million. The purchase was completed on 28th August 2014.

The purchase price will be paid in stages up to the final instalment in August 2015. The assets purchased include inventory, intellectual property rights, tools and equipment. The purchase settled close to the date of preparation of this report and as such the Group's determination of accounting fair values for the assets is in progress. The Group is entitled to apportion the purchase price across the purchased assets using whichever methods it sees as appropriate. Detailed apportonment calculatons are in progress. No other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in the Directors Report or the Consolidated Financial Statements, 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 years

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014

1. In the opinion of the Directors of PPK Group Limited:

(a) The consolidated financial statements and notes of PPK Group Limited are in accordance with the *Corporations Act 2001*, including Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that PPK Group Limited will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2014.

3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Robin Levison
Executive Chairman

Glenn Molloy
Director

Dated this 30th day of September 2014

Grant Thornton

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Independent Auditor's Report
To the Members of PPK Group Limited

Report on the financial report

We have audited the accompanying financial report of PPK Group Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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 us to 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.

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.

Auditor's opinion

In our opinion:

a the financial report of PPK Group 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 2014 and of its performance for the year ended on that date; and

 ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in pages 32 to 37 of the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of PPK Group Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Ian Kemp

I S Kemp
Partner - Audit & Assurance

Sydney, 30 September 2014

SHAREHOLDER INFORMATION
AS AT 15 SEPTEMBER 2014

(a) Number of PPK shareholders: 955

(b) Total shares issued: 72,647,903

(c) Percentage of total holdings by or on behalf of the 20 largest shareholders: 72.4%

(d) Distribution schedule of holdings

	Ordinary Shares
1-1,000	109
1,001-5,000	277
5,001-10,000	212
10,001-100,000	287
100,001 and over	70
less than marketable parcel	56

(e) Voting rights: Every member present personally or by proxy or attorney etc, shall, on a show of hands, have one vote and on a poll shall have one vote for every share held.

TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES

Holder Name		%
Wavet Fund No 2 Pty Ltd	12,739,000	17.535
Ignition Capital Pty Ltd <The Ignition A/C>	11,016,667	15.164
Equipment Company of Australia Pty Limited	9,460,000	13.022
McNamara Investment Group Pty Ltd <McNamara Investment A/C>	4,000,000	5.506
Zhang Family Investment Group Pty Ltd <Zhang Investment A/C>	4,000,000	5.506
Contemplator Pty Ltd <ARG Pension Fund A/C>	2,552,484	3.513
Mr Dennis J & Mrs Graciela McGillicuddy	1,200,000	1.652
Mr Barry Silverstein	1,199,981	1.652
John E Gill Operations Pty Limited	1,077,993	1.484
Ignition Capital No 2 Pty Ltd <Ignition Super Fund A/C>	750,000	1.032
Mr Guy Lance Jones <BoQ Loan A/C>	750,000	1.032
Dealcity Pty Limited <Wowk Superannuation Fund A/C>	500,000	0.688
Ruminator Pty Ltd	500,000	0.688
Ryan Consultancy Group Pty Ltd <Estateways P/L Exec S/F A/C>	500,000	0.688
John E Gill Trading Pty Ltd	490,992	0.676
Mr Robert Joseph Faulks & Mrs Patricia Baynton Faulks <Tharwa Super Fund A/C>	459,535	0.633
Mr Ian Macdonald	425,000	0.585
Mr Leslie John Field & Mrs Eve Field	355,936	0.490
Onmell Pty Ltd <Onm BPSF A/C>	328,000	0.451
Charles Peter Taylor	320,000	0.440
TOTAL	52,625,588	72.438

Substantial Shareholders	**Shares to Which Entitled**	**% of Issued Capital**
Wavet Holdings Pty Ltd	12,739,000	17.54
Ignition Capital Pty Ltd and Associates	11,766,667	15.35
Equipment Company of Australia Pty Ltd	9,460,000	13.02

CORPORATE DIRECTORY

PPK Group Limited
ABN 65 003 964 181

A public company incorporated in New South Wales and listed on the Australian Securities Exchange
(ASX Code: PPK)

Directors
Robin Levison (Executive Chairman)
Jury I. Wowk (Non-Executive Deputy Chairman)
Glenn R. Molloy (Executive Director)
Raymond M. Beath (Non-Executive Director)
Graeme D. Webb (Non-Executive Director)

Company Secretary
Andrew J. Cooke

Head and Registered Office
PPK Group Limited
Level 27,
10 Eagle Street
Brisbane QLD 4000

Telephone	+61 7 3054 4500
Email	info@ppkgroup.com.au
Web Site:	www.ppkgroup.com.au

Auditors
Grant Thornton Audit Pty Limited
Level 17, 383 Kent Street
Sydney NSW 2000
Australia

Telephone:	+ 61 2 8297 2400
Fax:	+61 2 9299 4445

Share Registry
Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Australia

Tel	1300 737 760
Fax	1300 653 459

International

Tel	+61 2 9290 9600
Fax	+61 2 9279 0664

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