PPK GROUP LIMITED

ANNUAL REPORT

2015

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Executive Chairman's Report

As Executive Chairman of PPK Group Limited it is with great disappointment I present my second Annual Report to Shareholders and other stakeholders given the depressed trading conditions in the mining sector, and particularly the coal mining sector, in the year under review. While subsequently there has been some encouraging signs, picking any recovery in this industry is extremely difficult.

While the board is committed to transforming the size, scope and profitability of PPK, it is equally intent on expanding the company in an ordered manner through maintaining a prudent and relatively conservative approach to debt and capital management.

With the current challenges in our Mining business, this strategy is more important than ever.

As such the potential capital cost of all future planned acquisitions will be carefully evaluated to ensure that they can be primarily funded internally, and that when required, additional funding via external debt or share issues, will not overly negatively impact on PPK's balance sheet or shareholder value.

Given the date of release of this 2015 Annual Report, it is recommended shareholders take time to review the 2016 Annual Report and 2017 half year report, which are due for release on or before 30 June 2017.

2015 FINANCIAL YEAR IN REVIEW

PPK's strategy, as articulated in market releases from late calendar 2013 onwards, is predicated on creating longer-term assets which will generate consistent, increasing revenue streams and demonstrate significant growth in asset value as the mining equipment and technology cycle rebounds and strengthens. Thus PPK will be well placed to financially benefit from any future mining market upswings in Australia and overseas. While considerable progress was made against this strategy in the year in review, the continued challenging market conditions in the mining sector, and in particular the coal mining sector, have been well documented. A number of Australian coal mines are currently operating in "care and maintenance" mode, while operating mines are experiencing both capital and operational expense constraints. This environment impacts PPK via limited sales of capital equipment, and an extremely competitive maintenance, service and rental/lease market resulting in varying degrees of margin suppression across PPK's mining equipment products and services range. PPK's mining businesses recorded a disappointing loss in the year in review.

While PPK remains committed to this strategy, recognising the cumulative effect of continued challenging market conditions for the mining services sector, the company has recognised a series of impairments and provisions totalling $13.670M as outlined under the financial results section.

By contrast, PPK was pleased to report a number of successful outcomes from its Property division, including the successful sale of the PPK Easy Living retirement villages and the Arndell Park and Dandenong South properties.

Your Board declared an interim dividend of 1.5 cents fully franked per share. A final dividend has not been declared.

FINANCIAL RESULTS

The loss after tax of the Group for the year ended 30 June 2015 amounted to $11.822M (2014: Profit of $2.951M). Included in the year end results was a series of impairments, provisions and business restructuring costs totalling $13.670M. These comprised impairments to intangibles ($7.696M), plant & equipment ($0.489M), inventories ($2.191M) and financial assets ($0.556M), together with onerous lease provision ($2.000M), and redundancy and relocation costs ($0.738M) associated with the closure of PPK's Nowra facility.

Group revenue for the 12 months from mining equipment sales and mining services was $29.577M (FY2014 $12.568M), while revenues from investment properties, investment activities and interest received collectively was $3.390M (FY2014 $6.776M).

OPERATIONS

Highlights

Major operational highlights during the year under review were:

- The inaugural sale and export of one of PPK's market leading COALTRAM underground flameproof and explosion proof vehicles into China;
- The acquisition of the Firefly business and subsequent merger of it and Rambor to create a comprehensive suite of market leading air powered mobile products and associated services;
- Completing acquisition of the MONEx Electronic Engine Management System technology;
- Material progress on the COALTRAM engine management system upgrade project, with the first upgrade package due to market at the end of calendar 2015; and
- Completing a series of milestones at the Kiah Willoughby development, as well as the sales of the PPK Easy Living retirement villages and Arndell Park and Dandenong South properties.

PPK Mining Equipment Businesses

Like many companies servicing the sector, PPK's mining equipment businesses have been materially impacted by the current market environment.

At the end of the financial year PPK's mining equipment and technology businesses comprised:

- Manufacture, service, support, and hire of the class leading COALTRAM underground transport utility vehicle;
- Manufacture and distribution of the global market leading flameproof alternator for use in methane gas prone underground mines;
- Design, manufacture and overhaul of Exlec hazardous area electrical equipment and
- Manufacture, service, support and hire of Rambor and Firefly mining equipment.

COALTRAM

In the year in review, PPK completed the delivery of two COALTRAM's to South 32 and the sale and delivery of one COALTRAM to a customer in China. While PPK was delighted to provide these machines to our customers, PPK understands that these were the only load-haul-dump machines sold into the Australian underground coal industry in the year in review, and the restricted capital environment has resulted in the volume of COALTRAM sales being far lower than anticipated.

Mining Equipment Service Facilities

In June 2014 a new state-of-the-art service and support centre was commissioned at Port Kembla for the service and support of COALTRAM and other diesel equipment. With around 40 of the approximately 100 COALTRAM vehicles deployed in Australia currently utilised by South 32's Illawarra Coal at various mines in the Illawarra, there are clear logistical and economic advantages for this major client to have a dedicated service centre on their doorstep. Pleasingly, the Port Kembla facility has experienced excellent support from customers and is performing well. By contrast, PPK's flagship Tomago facility, which primarily services the Hunter region, has been particularly impacted by reduced customer activity and the competitive environment. Commensurate with business improvement plans for PPK in the Hunter region saw the appointment of a new Tomago Branch Manager in July 2015.

COALTRAM Hire / Leasing

Included with the acquisition of the COALTRAM business in March 2014 was a fleet of twelve COALTRAMs which are hired or leased to customers. Seven of these machines are themselves leased from an industry finance provider under long term lease contracts that expire in 2019/20. Through a combination of reduced demand and a very competitive short term hire environment, the revenues that PPK is able to achieve on these machines is considerably lower than the lease payments that PPK must make. Accordingly, PPK has determined that this situation represents an onerous lease arrangement, and has recognised a charge of $2.000M in the year in review to reflect this.

MONEx Electronic Engine Management System

In August 2014, PPK completed the acquisition of the intellectual property, manufacturing lines and certain inventory of the MONex Electronic Management System (EMS). The MONex EMS is an integral part of the COALTRAM LHD machine.

EXLEC Hazardous Area Electrical Equipment

In October 2014, PPK completed the acquisition of the Exlec business. Exlec provides and services electrical equipment for hazardous areas, with particular focus on underground coal. Exlec's products complement the COALTRAM (for example, hazardous area lights and flame proof enclosures).

Firefly & Rambor

In December 2014, PPK completed the acquisition of the Firefly business. Operating from a base at Mt Thorley, Firefly sells, services and hires a range of mobile pneumatic (air) powered products for the mining industry. The Firefly business compliments PPK's existing Rambor pneumatic products business. Post-acquisition, PPK consolidated Rambor's operations at Nowra into both the Firefly Mt Thorley facility and PPK's Port Kembla centre. This process was completed in early FY16, immediately after which the Nowra facility was closed, generating considerable cost savings across the combined businesses.

BUILDING A CHINESE MARKET PRESENCE

While the coal sector in China has undergone a well-documented contraction over the past few years, the board and senior management remain convinced that the Chinese market for PPK's products, technologies and 'know-how' is vast. In addition, the opportunity to partner with China based suppliers to provide quality mining consumables and certain capital equipment into Australia is also considerable.

In the year in review, PPK established its Chinese entity and opened a small office in Beijing. In addition, PPK signed an exclusive Australia and New Zealand distribution agreement with CCTEG. Under this agreement, PPK is trialling CCTEG drilling consumables into Australian mines. Finally, as stated, PPK sold its first COALTRAM into China.

PROPERTY

Industrial Property

Just prior to the end of FY2014, PPK announced the sale of the Arndell Park industrial property for a consideration of $12.420M. The sale completed in October 2014.

In April 2015, PPK announced the sale of the Dandenong South industrial property for a consideration of $12.350M. This sale completed in June 2015.

At 30 June 2015, PPK's remaining industrial property at Seven Hills remains fully tenanted.

Retirement Villages

In September 2014, PPK sold its interest in the Easy Living Unit Trust and Easy Living Bundaberg Unit Trust, with a net gain on disposal of $1.894M recognised. Prior to disposal, PPK held a 50% interest in each trust and consolidated the financial statements of the trusts as part of the PPK Group. The trusts held two retirement village assets in Elizabeth Vale and Bundaberg, respectively.

Property Development

PPK continues to hold an 18.2% interest in the Kiah Willoughby residential development which is scheduled to be completed within FY2017. By completion the project is expected to distribute approximately a further $5.000M to PPK as repayment of loans, accumulated interest and profits.

PPK also has an 18.75% stake in the Nerang Street Southport Project Trust (Trust), which owns an 11,000 square metre development site at Southport, on the Gold Coast. The Trust is currently marketing this site for sale to capitalise on the strengthening Gold Coast property market.

The proceeds from realisations mentioned above, along with those arising in the future, will be used to fund a combination of debt reduction, working capital requirements, new business acquisitions, select further property investments and capital management strategies.

Financial Investments

As at 30 June 2015, PPK has one remaining short term mortgage secured loan totalling $0.400M and the book value of PPK's share investment portfolio is approximately $3.500M.

OUTLOOK

Whilst the mining and general business environment remains challenging, the PPK focus continues to be:

Our Customers

a) Support our current and seek new underground coal mining customers through the sales, service, provision of parts and leasing of our market leading Coaltram, Rambor and Firefly product lines, both domestically and internationally.
b) Utilise our significant industry experience, connections and supply chain to provide high quality low cost mining and drilling consumables and underground diesel parts, thus assisting our customers in lowering their ongoing operational costs.

Our Products

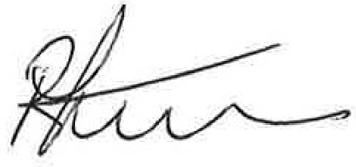
c) Continue to be one of the few Australian original equipment makers (OEMs) incrementally investing in the continual development of their products.
d) Partner internationally for the sale of current products and new technologies to international markets.

Our Business

e) Recognising the well documented economic challenges in the underground coal mining industry, which we serve, leverage our resources and particularly our Board's considerable experience to diversify our revenue streams through investment in appropriate attractive property and financial investments.
f) Continue to manage the company as leanly and efficiently as possible.

Your Board has determined that PPK should, for the sake of diversity, adopt a two-pronged approach of executing on the mining strategy as articulated, and now continue to leverage its experience in both property and other attractive financial asset or investment opportunities in order to supplement PPK Groups earnings and Balance Sheet.

Finally, while it is the Board's policy that wherever possible, and taking into account the financial position of the company, it will pay regular interim and final dividends each year, the disappointing result for the year in review and continued difficult global trading conditions has resulted in the Board electing not to pay a final dividend. Based on the current trading performance and the continued focus on strong capital management, the company does not anticipate paying an interim dividend for the current financial year. Dividends in FY16 and beyond will be subject to financial performance.



Robin Levison
Executive Chairman

2015 FINANCIAL REPORT

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DIRECTORS' REPORT

Your directors present their report together with the financial statements of the consolidated entity, being PPK Group Limited and its controlled entities ("PPK" or the "Group") for the financial year ended 30 June 2015.

DIRECTORS

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

Robin Levison	
Jury Ivan Wowk	(resigned 5 May 2017)
Glenn Robert Molloy	
Raymond Michael Beath	(resigned 7 March 2017)
Graeme Douglas Webb	
Dale William McNamara	(appointed 30 April 2015)

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 special responsibilities are detailed below:

Robin Levison CA MBA F.A.I.C.D. (Age 59)
Executive Chairman

Member of the PPK Group Limited Board since 22 October 2013
Non-Executive Chairman from 29 April 2015 to 28 February 2016
Executive Chairman from 22 October 2013 to 29 April 2015. Reappointed Executive Chairman from 28 February 2016.

Robin Levison has 15 years of public company management and board 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 holds a Masters of Business Administration from the University of Queensland, is a Member of the Institute of Chartered Accountants Australia and NZ and is a Graduate and Fellow of Australian Institute of Company Directors. Robin is also Deputy Chair of the University of Queensland Business, Economics and Law Alumni Ambassador Council.

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

- Eureka Group Holdings Limited, Non-executive Director & Chairman (Appointed: 24 December 2013)
- Industrea Limited, Managing Director and Chief Executive Officer (Appointed: May 2005; Ceased: December 2012)

Jury Wowk BA., LLB (Age 66)
Non-Executive Deputy Chairman, Independent Director

Member of the PPK Group Limited Board since listing on 21 December 1994. Resigned 5 May 2017.
Chairman from 13 September 2011 to 22 October 2013.
Appointed Deputy Chairman 22 October 2013
Member of the Audit Committee

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 Graduate Member of the Australian Institute of Company Directors.

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

INFORMATION ON DIRECTORS (cont'd)

Glenn Molloy (Age 62)
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 PPK 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.

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 66)
Non-Executive, Independent Director

Member of the PPK Group Limited Board since listing on 21 December 1994. Resigned 7 March 2017.
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 Australia and NZ. 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 67)
Non-Executive Director

Member of the PPK Group Limited Board since 1 August 2011.

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

Dale McNamara (Age 58)
Executive Director

Member of the PPK Group Limited Board since 30 April 2015.

Dale McNamara first joined PPK in an executive capacity in late 2013. Dale has more than 30 years of experience in operational and management roles in the coal mining industry in Australia and China.

Dale founded Wadam Industries, a subsidiary of Industrea Ltd and served as its Managing Director since 1993. Dale 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.

INFORMATION ON COMPANY SECRETARY

Andrew J. Cooke (Age 56) LL.B, FCIS
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 PPK 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 loss after tax of the Group for the year ended 30 June 2015 amounted to $11.822M (2014: Profit of $2.951M). Included in the year end results was a series of impairments, provisions and business restructuring costs totalling $13.67M. These comprised impairments to intangibles ($7.696M), plant & equipment ($0.489M), inventories ($2.191M) and financial assets ($0.556M), together with onerous lease provision ($2.0M), and redundancy and relocation costs ($0.738M) associated with the closure of PPK's Nowra facility.

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 3 April 2015.	$1,090,000

A final dividend has not been declared.

The above dividend was fully franked.

REVIEW OF OPERATIONS

The review of operations is outlined in the Executive Chairman's Report set out on pages 1 to 6 and which forms part of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- *Acquisition of MONEx Electronic Engine Management System*
  In August 2014, PPK completed the acquisition of the intellectual property, manufacturing lines and certain inventory of the MONEx Electronic Management System (EMS). The MONEx EMS is an integral part of the COALTRAM LHD machine.

- *Acquisition of EXLEC Hazardous Area Electrical Equipment*
  In October 2014, PPK completed the acquisition of the Exlec business. Exlec provides and services electrical equipment for hazardous areas, with particular focus on underground coal. Exlec's products complement the COALTRAM (for example, the Exlec hazardous area lights are now used on COALTRAMS and Exlec flame proof enclosures are a key component of the upgrade to the COALTRAM engine management system (EMS) package).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (Cont'd)

- *Acquisition of Firefly International and consolidation of Rambor*
  In December 2014 PPK completed the acquisition of the Firefly business as well as its associated land and buildings. Operating from a base at Mt Thorley, Firefly sells, services and hires a range of mobile pneumatic (air) powered products for the mining industry. The Firefly business compliments PPK's existing Rambor pneumatic products business. Post-acquisition, PPK consolidated Rambor's operations at Nowra into both the Firefly Mt Thorley facility and PPK's Port Kembla centre. This process was completed in early FY16, after which the Nowra facility was closed, generating considerable cost savings across the combined businesses.

- *Sale of Industrial Property*
  In October 2014 PPK sold all holdings in relation to the Arndell Park (NSW) investment property for consideration of $12.420M.

  In June 2015 PPK sold all holdings in relation to the Dandenong South industrial property for consideration of $12.350M.

- *Sale of Unit Trusts*
  In September 2014 PPK sold its interest in the Easy Living Unit Trust and Easy Living Bundaberg Unit Trust, with a net gain on disposal of $1.894m recognised. Total consideration on sale was $3.231M comprising $1.010M cash and $2.221M in listed shares of the purchaser. Prior to disposal, PPK held a 50% interest in each trust and consolidated the financial statements of the trusts as part of the PPK Group. The trusts hold two retirement village assets in Elizabeth Vale and Bundaberg, respectively.

- *Chinese Market Presence*
  In January 2015 PPK established its Chinese entity and opened a small office in Beijing. Prior to year end PPK has sold its first COALTRAM into China. In addition, PPK is trialling CCTEG drilling consumables in Australian mines under an exclusive distribution agreement entered into with CCTEG.

There have been no other significant changes in the state of affairs during the 2015 financial year or existing at the time of this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Refer note 33 to the financial statements.

FUTURE DEVELOPMENTS

The likely developments in the operations of PPK and the expected results of those operations in financial years subsequent to the year ended 30 June 2015 are included in the Executive Chairman's Report set out on pages 1 to 6 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 remaining business; 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.

REMUNERATION REPORT (audited) (cont.)

Shares or Options

No shares or options were issued to executives in the current financial year.

PPK Group Ltd has a share and loan plan in place with certain key executives. During the 2014 year, they were issued with 15,500,000 shares in the Group at an issue price of 70c per share.

The Group provided the executives with a non-recourse loan to pay for the shares, which expires 27 April 2017. The terms of the non-recourse loan provide no obligation on the senior executive to repay the full amount of the outstanding loan balance and the Group has the option to sell or buy-back the plan shares as full satisfaction of the outstanding loan balance. Each share held in the share and loan plan is entitled to dividends declared on ordinary shares. These dividends are not paid in cash to the executives. Instead they are credited against their respective 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 was recognised during the 2014 financial year for these share 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, which during the current financial year was $542,500 (2014: $232,500).

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:

	2015	2014	2013	2012	2011
Earnings per share (cents)	(21.2)	4.8	4.7	2.9	(4.5)
Full year ordinary dividends (cents) per share	1.5	3.5	3.5	1.0	2.5
Year-end share price	$0.40	$0.66	$0.44	$0.38	$0.30
Shareholder return (annual)	(37%)	58%	25%	30%	(17%)

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.

REMUNERATION REPORT (cont'd)

Details of Remuneration for the year ended 30 June 2015

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:

2015	SHORT TERM INCENTIVES			POST-EMPLOYMENT	LONG TERM INCENTIVES/BENEFITS				
	Salary& Fees ($) [5]	**Short Term Incentive Cash Bonus ($)**	**Non-Cash Benefits ($)**	**Superannu-ation ($)**	**Long Service Leave**	**Post Employ-ment Benefits ($)**	**Share based payments ($)**	**Total ($)**	**Proportion of Remuneration Performance Related (%)**
Directors									
Non –Executive									
R Levison [1]	254,392	-	-	4,750	-	-	-	259,142	-
J I Wowk	138,492	-	-	-	-	-	-	138,492	-
R M Beath	26,000	-	-	-	-	-	-	26,000	-
GD Webb	26,000	-	-	-	-	-	-	26,000	-
Executive									
G R Molloy	113,700	-	-	-	-	-	-	113,700	-
D McNamara [2]	176,276	-	-	4,750	-	-	-	181,026	-
Total Directors	734,860	-	-	9,500	-	-	-	744,360	-
Other Key Management Personnel									
P Barker [3]	228,439	-	-	20,583	-	-	-	249,022	-
J Beddow [4]	33,692	-	-	2,982	-	-	-	36,674	-
Z Jinping	202,943	-	-	4,750	-	-	-	207,693	-
Total other	465,074	-	-	28,315	-	-	-	493,389	-
Total Key Management Personnel									
	1,199,934	-	-	**37,815**	-	-	**-**	**1,237,749**	-

[1] Whilst remaining Chairman, Robin Levison passed his executive responsibilities to Peter Barker from 30 April 2015 to 28 Feb 2016, see [3] below. Robin Levison resumed his executive responsibilities on 28 Feb 2016.

[2] Dale McNamara was appointed as an executive director on 30 April 2015.

[3] Peter Barker was appointed Chief Executive Officer on 30 April 2015. Previously Chief Financial Officer from 1 July 2014 to 29 April 2015. Subsequently, Peter Barker resigned effective on 28 Feb 2016.

[4] Jason Beddow was appointed as Chief Financial Officer on 30 April 2015.

[5] Amounts reported above include both paid and unpaid entitlements. A number of PPK directors have voluntarily elected to temporarily defer payment of their consulting fee entitlements. Refer further to details on page 19. Further, in February 2017 Robin Levison forgave $214,667 in unpaid consulting fees, of which $81,333 was earned in the 2015 financial year and is included in the amounts above.

2014	SHORT TERM INCENTIVES			POST-EMPLOYMENT	LONG TERM INCENTIVES/BENEFITS				
	Salary& Fees ($) [2]	**Short Term Incentive Cash Bonus ($)**	**Non-Cash Benefits ($)**	**Superannu-ation ($)**	**Long Service Leave**	**Post Employ-ment 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 [1]	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**	-

[1] David Hoff was appointed as alternate director for R Beath for the period 5 February to 7 July 2013.

[2] Amounts reported above include both paid and unpaid entitlements. A number of PPK directors have voluntarily elected to temporarily defer payment of their consulting fee entitlements. Refer further to details on page 19. Further, in February 2017 Robin Levison forgave PPK $214,667 in unpaid consulting fees, of which $30,000 was earned in the 2014 financial year and is included in the amounts above.

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 2015

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

Notwithstanding the entitlements outlined in the following, a number of PPK directors have voluntarily elected to defer payment of their consulting fee entitlements, refer page 19 for further details.

Employment Contracts (cont'd)

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. Mr Levison's remuneration is currently reduced by 20% reflecting the challenging industry conditions.

Duties: Non-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 April 2014 – no fixed term.

Remuneration: Base remuneration under the agreements $200,000 per annum. Mr McNamara's remuneration is currently reduced by 20%, reflecting the challenging industry conditions.

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 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. 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.

Peter Barker

Employment agreements are in place with the parties on terms as follows:

Term: Commencing 1 July 2015 – no fixed term.

Remuneration: Fixed at $250,000 per annum plus superannuation. Mr Barker's remuneration is currently reduced by 20%, reflecting the challenging industry conditions.

In addition:
(i) a potential short term incentive of up to a maximum of 50% of total fixed remuneration is subject to meeting Board approved targets.
(ii) a long term incentive is subject to the achievement of financial and shareholder return measures and hurdles set by the Board.

REMUNERATION REPORT (cont'd)

Employment Contracts (cont'd)

Duties: Chief Executive Officer

Termination: Either Mr Barker or PPK may terminate his employment by giving six months' notice. PPK may end Mr Barker's employment without notice for cause.

Jason Beddow

Employment agreements are in place with the parties on terms as follows:

Term: Commencing 30 April 2015 – no fixed term.

Remuneration: Fixed at $180,000 per annum plus superannuation.

In addition:
(iii) a potential short term incentive of up to a maximum of 25% of total fixed remuneration is subject to meeting Board approved targets.
(iv) a potential long term incentive is subject to the achievement of financial and shareholder return measures and hurdles set by the Board.

Duties: Chief Financial Officer

Termination: Either Mr Beddow or PPK may terminate his employment by giving three months' notice.

SHARES HELD BY DIRECTORS AND KEY MANAGEMENT PERSONNEL

The number of ordinary shares held by directors and Key Management Personnel during the 2015 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	11,766,667	-	-	-	-	11,766,667
G Molloy	13,555,000	(30,481)	-	-	-	13,524,519
R Beath	300,000	-	-	-	-	300,000
J Wowk	500,000	-	150,000	-	-	650,000
G Webb	9,460,000	-	-	-	-	9,460,000
D McNamara	4,000,000	-	132,500	-	-	4,132,500
	39,581,667	(30,481)	282,500	-	-	39,833,686
Key Management Personnel						
P Barker	-	-	-	-	-	-
J Beddow	-	-	-	-	-	-
Z Jinping	4,000,000	-	-	-	-	4,000,000
	4,000,000	-	-	-	-	4,000,000

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 PARTIES OF THE GROUP

In addition, the following Directors of PPK have an interest in various unit trusts, the trustees of which are subsidiaries of the PPK Group. 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 PPK 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
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
SLOT Loan Trust - VIP Golf Australia Pty Ltd - Corso Investments Pty Ltd	 500 100	 Director Director & Member

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
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 - Phillip Street Properties Pty Ltd	 20 20	 Director Director
Nerang Street Southport Project Trust - GRG Finance Pty Ltd	231	Director

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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.

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	
	2015	2014
	$000s	$000s
Loans advanced	78	308
Interest paid and credited to loan	2	31
Loans repaid	(80)	(261)
Balance outstanding	-	78

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (CONT'D)

A number of PPK directors have voluntarily elected to temporarily defer payment of their director & consulting fee entitlements. The following amount remain unpaid as at reporting date:

	Consolidated Entity	
	2015	2014
	$000s	$000s
Jury Wowk (The Wowk Management Trust)	4	-
Ray Beath (Zenaval Pty Ltd)	1	-
Graeme Webb (Awaba Partnership)	41	15
Glenn Molloy (Corso Management Services)	30	-
Dale McNamara (McNamara Consultants Pty Ltd)	118	-
Robin Levison (Ignition Equity Partners)	261	60
Balance outstanding	455	75

Directors and key management personnel and their related entities had made loans to the Easy Living Unit Trust and the Easy Living Bundaberg Trust. Both loans were secured by a second mortgage over property held by the trusts and were interest free.

On 30 September 2014 PPK disposed of its entire interests in the Easy Living Unit Trust and Easy Living Bundaberg Trust.

The Easy Living Unit Trust was a subsidiary of the Group by virtue of its 50% ownership interest prior to its disposal by the Group on 30 September 2014.

Balance at start of year	275	350
Loans advanced to the Group	-	-
Loans repaid by the Group	-	(50)
Total advanced to the Group	275	300
Reclassification of Key Management Personnel	-	(25)
Trust distribution credited to loan	22	-
Loan capitalisation to trust units	(297)	-
Balance outstanding	-	275

The Easy Living Bundaberg Trust was a subsidiary of the Group by virtue of its 50% ownership interest prior to its disposal by the Group on 30 September 2014.

Balance at start of year	334	407
Loans advanced to the Group	-	-
Loans repaid by the Group	-	(50)
Total advanced to the Group	334	357
Reclassification of Key Management Personnel	-	(23)
Trust distribution credited to loan	45	-
Loan capitalisation to trust units	(379)	-
Balance outstanding	-	334

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (CONT'D)

	Consolidated Entity	
	2015	2014
	$000s	$000s
Loans to the SLOT Loan Trust are secured loans repayable by October 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.		
Balance at start of year	875	1,166
Loans advanced to the Group	-	-
Loans repaid by the Group	(138)	(148)
Total advanced to the Group	737	1,018
Reclassification of Key Management Personnel	-	(292)
Trust distribution credited to loan	154	149
Balance outstanding	891	875
	number	**number**
PPK Group Limited - ordinary shares	39,833,686	39,581,667
The Easy Living Unit Trust - units	-	260
The Easy Living Bundaberg Trust - units	-	380
The SLOT Loan Trust - units	900	900
Transactions with Associates		
Interest receivable from associates		
PPK Willoughby Funding Unit Trust	2,624	1,881
Nerang Street Southport Project Trust	101	101
	2,725	1,982
Loans and receivables from associates		
Current		
PPK Willoughby Funding Unit Trust	-	-
Nerang Street Southport Project Trust	29	28
Non Current		
PPK Willoughby Funding Unit Trust	4,814	6,570
Nerang Street Southport Project Trust	811	746
	5,625	7,316

(End of Audited Remuneration Report)

MEETINGS OF DIRECTORS

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

Attendances were:	DIRECTORS' MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Robin Levison	12	12	-	-
Jury Ivan Wowk	12	12	3	2
Glenn Robert Molloy	12	12	-	-
Raymond Michael Beath	12	12	3	3
Graeme Douglas Webb	12	7	-	-
Dale William McNamara	2	2	-	-

CORPORATE GOVERNANCE STATEMENT

PPK's directors and management are committed to conducting the Group's business ethically and in accordance with high standards of corporate governance. A copy of PPK's Corporate Governance Statement can be found in the corporate governance section of PPK's website at www.ppk.com.au.

RISK & CONTROL COMPLIANCE STATEMENT

Under ASX Listing Rules and the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Recommendations 3rd edition"), 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 PPK's corporate governance section as set out on its website.

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 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, Chairman, Chief Financial Officer 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 during 2015 of $71,636 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.

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

Brisbane, 13th June 2017

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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 2015, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 13 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated Entity	
		2015	**2014**
	Notes	**$000s**	**$000s**
REVENUE			
Mining equipment		29,577	12,568
Investment properties		1,778	4,414
Investment activities		25	62
Interest receivable	3(b)	1,587	2,300
TOTAL REVENUE	3(a)	32,967	19,344
OTHER INCOME	3(c)	8,626	4,086
EXPENDITURE			
Mining equipment		(47,082)	(12,195)
Investment properties		(292)	(1,817)
Investment activities		(588)	(828)
Administrative expenses		(3,111)	(1,900)
Share-based payment expense		(397)	(1,330)
Business combination transaction expenses		(323)	(731)
Finance costs		(1,540)	(1,569)
TOTAL EXPENDITURE		(53,333)	(20,370)
Share of profit (loss) from associates accounted for using the equity method	3(e)	(85)	-
PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE		(11,825)	3,060
Income tax (expense)/benefit attributable to profit	4	3	(109)
PROFIT / (LOSS) AFTER INCOME TAX		(11,822)	2,951
PROFIT / (LOSS) IS ATTRIBUTED TO:			
Owners of PPK Group Limited		(12,122)	2,519
Non-controlling interest		300	432
		(11,822)	2,951
OTHER COMPREHENSIVE INCOME			
Items that may be re-classified to profit or loss			
Changes in fair value of available-for-sale financial assets		1,826	316
Income tax relating to these items		-	(93)
Realised gain on sale of available-for-sale financial assets transferred to the profit and loss statement from the available for sale reserve		(252)	(109)
Income tax relating to these items		-	-
Realised loss on sale of available-for-sale financial assets transferred to the profit or loss statement from the available-for-sale reserve		18	-
Income tax relating to these items		-	33
Foreign currency translation of controlled entities		2	-
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX		1,594	147
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(10,228)	3,098
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR IS ATTRIBUTABLE TO:			
Owners of PPK Group Limited		(10,528)	2,666
Non-controlling interest		300	432
		(10,228)	3,098
Overall Operations			
Basic Earnings/(Loss) per share	8	(21.2) cents	4.8 cents
Diluted Earnings/(Loss) per share	8	(21.2) cents	4.6 cents

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Consolidated Entity	
		2015	**2014**
	Notes	**$000s**	**$000s**
CURRENT ASSETS			
Cash and cash equivalents	10	2,476	4,904
Trade and other receivables	11	9,389	19,235
Inventories	12	11,437	10,612
Other current assets	13	627	1,069
Current tax receivable	17	178	-
Assets held for sale	15	-	18,517
TOTAL CURRENT ASSETS		24,107	54,337
NON-CURRENT ASSETS			
Other receivables	11	4,139	-
Investments in associates - equity accounted	14a	408	493
Financial assets	14b	3,533	1,437
Investment Properties	15	3,468	11,479
Property, plant and equipment	16	9,051	6,718
Deferred tax assets	17	-	2,132
Intangibles	18	120	4,607
TOTAL NON-CURRENT ASSETS		20,719	26,866
TOTAL ASSETS		44,826	81,203
CURRENT LIABILITIES			
Trade and other payables	19	7,381	7,401
Interest bearing liabilities	20	7,137	19,230
Current tax liabilities	17	-	264
Provisions	21	2,064	1,833
TOTAL CURRENT LIABILITIES		16,582	28,728
NON-CURRENT LIABILITIES			
Interest bearing liabilities	22	1,421	13,281
Deferred tax liabilities	17	-	1,482
Provisions	21	1,818	279
TOTAL NON-CURRENT LIABILITIES		3,239	15,042
TOTAL LIABILITIES		19,821	43,770
NET ASSETS		25,005	37,433
EQUITY			
Contributed equity	24	34,125	33,731
Reserves	25	3,383	1,392
Retained earnings / (Accumulated losses)		(12,505)	2,160
Capital and reserves attributable to owners of PPK Group Ltd		25,003	37,283
Non-controlling interests		2	150
TOTAL EQUITY		25,005	37,433

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated Entity	
		2015	**2014**
	Notes	**$000s**	**$000s**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		33,910	15,765
Cash payments to suppliers and employees		(35,357)	(16,979)
Other revenue		-	44
Dividends received		25	62
Interest received		1,560	1,416
Income taxes paid		(300)	(196)
Interest paid		(1,408)	(1,569)
Net cash provided by / (used in) operating activities	32(a)	(1,570)	(1,457)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of plant and equipment		(1,275)	(396)
Payment for purchase of land and buildings		(1,257)	-
Proceeds from sale of investment property		24,567	-
Proceeds from sale of property and equipment		18	8
Purchase of business combination	30	(3,327)	(13,000)
Business purchase acquisition costs		(323)	-
Proceeds from sale of available-for-sale financial assets		1,935	2,754
Proceeds on sale of subsidiaries (net of cash lost in deconsolidation)[1]		943	-
Payments for available-for-sale financial assets		(184)	(1,583)
Payment for intangibles		(728)	(174)
Net cash (used in) / provided by investing activities		20,369	(12,391)
CASH FLOWS FROM FINANCING ACTIVITIES			
Other receivables - loans advanced		(845)	(759)
Other receivables - loans repaid		2,552	8,002
Payment for buyback of shares		(148)	(56)
Proceeds from new issue of shares		-	4,882
Proceeds from bank loans		-	4,000
Proceeds from other borrowings		4,096	5,292
Repayment of other borrowings and bank loans		(24,586)	(1,960)
Dividends paid		(2,000)	(1,868)
Transactions with non-controlling interests		(296)	(126)
Net cash (used in) / provided by financing activities		(21,227)	17,407
Net increase / (decrease) in cash held		(2,428)	3,559
Cash at the beginning of the financial year		4,904	1,345
Cash at the end of the financial year	32(b)	2,476	4,904

[1] In addition to cash consideration, the proceeds on sale of subsidiaries included shares in the ASX listed purchaser entity, refer note 14(b) for further details

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital $000s	Retained Earnings $000s	Options Reserve $000s	Available-for-sale Reserve $000s	Foreign Currency Translation Reserve $000s	Total Attributable to Owners of PPK Group Ltd $000s	Non-Controlling Interests $000s	Total Equity $000s
CONSOLIDATED ENTITY									
At 1 July 2014		33,731	2,160	1,338	54	-	37,283	150	37,433
Total comprehensive income for the year									
Profit for the year		-	(12,122)	-	-	-	(12,122)	300	(11,822)
Other comprehensive income									
Fair value adjustment on available-for-sale financial assets		-	-	-	1,826	-	1,826	-	1,826
Realised gain on available-for-sale financial assets		-	-	-	(252)	-	(252)	-	(252)
Realised loss on available-for-sale financial assets		-	-	-	18	-	18	-	18
Foreign currency translation of controlled entities		-	-	-	-	2	2	-	2
Total comprehensive income / (loss) for the year		-	(12,122)	-	1,592	2	(10,528)	300	(10,228)
Transactions with owners in their capacity as owners									
Dividends paid	7	-	(2,543)	-	-	-	(2,543)	-	(2,543)
Trust distributions		-	-		-	-	-	(448)	(448)
Shares issued - share and loan plan		542	-	-	-	-	542	-	542
Treasury shares repurchased		(148)	-	-	-	-	(148)	-	(148)
Employee share-based payment		-	-	397	-	-	397	-	397
		394	(2,543)	397	-	-	(1,752)	(448)	(2,200)
At 30 June 2015		34,125	(12,505)	1,735	1,646	2	25,003	2	25,005

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital $000s	Retained Earnings $000s	Options Reserve $000s	Available-for-sale Reserve $000s	Foreign Currency Translation Reserve $000s	Total Attributable to Owners of PPK Group Ltd $000s	Non-Controlling Interests $000s	Total Equity $000s
CONSOLIDATED ENTITY									
At 1 July 2013		28,673	1,741	8	(93)	-	30,329	126	30,455
Total comprehensive income for the year									
Statutory profit for the year		-	2,519	-	-	-	2,519	432	2,951
Other comprehensive income									
Fair value adjustment on available-for-sale financial assets		-	-	-	316	-	316	-	316
less deferred tax impact		-	-	-	(93)	-	(93)	-	(93)
Realised gain on available-for-sale financial assets		-	-	-	(109)	-	(109)	-	(109)
less deferred tax impact		-	-	-	33	-	33	-	33
Total comprehensive (loss) / income for the year		-	2,519	-	147	-	2,666	432	3,098
Transactions with owners in their capacity as owners									
Dividends paid	7	-	(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
		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 2015

NOTE 1
CORPORATE INFORMATION

The financial statements of PPK Group Limited ("PPK" or "the Group") for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 13th June 2017 and covers PPK Group Limited and its controlled entities as required by the Corporation Act 2001.

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

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 9.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation and Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and other authoritative 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 and intangible assets 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 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 substantive, whether or not they are 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 of 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.

Revenue from the sale of Coaltram vehicles or spare parts sales are recognised when they 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 2
SUMMARY 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.

(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 are recognised initially at original invoice amounts less an allowance for uncollectable amounts and have repayment terms between 30 - 60 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 de-recognition 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.

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 and impairment. 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.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 %

(h) 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.

(i) 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.

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 2(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.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

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 corporate 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.

(o) 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.

(p) 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.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

(q) 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.

(r) Borrowing costs

All borrowing costs are expensed when incurred.

(s) Share-Based Payments

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

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) 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.

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

PPK has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board “AASB” that are mandatory for the current reporting period.

Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of PPK.

Information of these standards is presented below.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 2012-3 *Offsetting Financial Assets and Liabilities*

► adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2013-3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*

► includes the requirement to disclose additional information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

(z) New Accounting Standards and interpretations not yet adopted

No new accounting standards and interpretations, that are available for early adoption at 30 June 2015, 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.

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. For example financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

  Furthermore AASB 9 introduces a new impairment model based on expected credit losses.

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

► Establishes a new revenue recognition model and changes the basis for deciding whether revenue is to be recognised over time or at a point in time. It also provides new and more detailed guidance on specific topics.

AASB 16 - Leases (applies from 1 January 2019)

► The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16. The key features of AASB 16 are as follows:

Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for lessees.

The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Group.

(aa) 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:

SubZero Group Limited

As a result an impairment loss of $556,313 (2014 $828,000) was taken up in profit or loss on this 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 have been included in the financial statements at cost. The last independent valuation of investment properties was conducted in November 2014, which indicated that no impairment was necessary.

Goodwill, Brand Names, Plant and Equipment

Impairment charges of $7,696,000 have been recognised in respect of goodwill, brand names, patents, licences and development costs and $489,000 for plant and equipment for the current financial year reflecting the challenging industry conditions particularly in the second half of the 2015 financial year. Refer to note 18 for details of assumptions used in estimating the recoverable amount of intangible assets.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Tax Asset

Deferred tax asset is only recognised to the extent that there is reasonable certainty of realising future taxable amounts sufficient to recover the carrying value. Due to carry forward tax losses exceeding $9m and an expectation that the current challenging industry conditions would continue in the short term, the Directors assessed that deferred tax assets would only be recognised to the extent of, and offset against, available deferred tax liabilities. As a result, an impairment of previously recognised deferred tax assets of $73,000 was recognised. Refer note 4 for further details.

Inventory

Inventory is carried at the lower of cost or net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to realise and the estimate of costs to complete. Key assumptions require the use of management judgment which are continually reviewed. Management's assessment resulted in an inventory write-down of $2,191,000

Warranty Provision

Provisions for product warranties are based on current volumes of products sold still under warranty and on historic quality rates for mature products as well as estimates and assumptions on future quality rates for new products and estimates of costs to remedy the various qualitative issues that might occur. Total provisions for product warranties as at year end was $140,000.

Key judgements

Cash Generating Units (CGU)

A key judgement has been the determination of cash generating units relating to the assessment of assets for impairment. The Group has determined the existence of two cash generating units for the mining equipment segment: Manufacture (design, build and sale of capital equipment) and Non-Manufacture (service, repair, hire and spare parts distribution).

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.

(ab) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As articulated in this report, the financial performance for the group's Mining Equipment business segment has been materially impacted by the severe economic conditions affecting the underground coal mining industry during the financial year and subsequently. In particular, customer capital expenditure restrictions have been detrimental to PPK's Coaltram mining equipment sales. Accordingly, in the 2015 financial year the Group recorded a loss of $11,822,000 after tax and consumed $1,570,000 in operating cash flows. On 13th June 2017, being the date of approval of the financial report, the Directors believe it is appropriate to prepare the financial report on a going concern basis. In making this assessment the directors have identified and considered:

- As at the end of the 2015 financial year, and at all times subsequently, the Group has been able to meet its obligations as and when they fell due;
- The Group currently enjoys low levels of debt financing and the Directors are confident that additional debt financing would be available if required;
- Industry conditions and the operating performance of the group's mining equipment segment is improving and the company is currently responding to enquiries for the sale of Coaltram mining equipment with a number of customers; and
- The Group has a history of strong support from the majority of shareholders and has an expectation that this will continue.

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s
NOTE 3			
REVENUE, OTHER INCOME & EXPENSES FROM OPERATIONS			
(a) REVENUE			
Mining equipment sale / service / hire revenue		29,577	12,568
Rental income from investment properties		1,778	4,414
Dividends received – other parties		25	62
Interest receivable	(b)	1,587	2,300
		32,967	19,344
(b) INTEREST INCOME			
Other persons		692	1,311
Associated entities		895	989
		1,587	2,300
(c) OTHER INCOME			
Gain on bargain purchase of business combination		1,636	2,828
OTHER ITEMS			
Net gain on sale of held for sale property		4,478	-
Net gain on sale of subsidiaries		1,894	-
Net gain on sale of available-for-sale financial assets		605	1,206
Net gain on disposal of plant and equipment		-	8
Sundry income		13	44
		6,990	1,258
		8,626	4,086
(d) EXPENSES			
Profit (loss) before income tax includes the following specific expenses:			
Amortisation of intangibles		353	199
Cost of sales - mining equipment manufacture		12,238	3,705
Depreciation - investment properties		199	325
- plant and equipment		1,342	652
		1,541	977
Warranty costs		341	-
Inventory write down		2,191	-
Impairment – intangibles		7,696	-
Impairment – plant and equipment		489	-
Recognition of onerous contract liability		2,000	-
Impairment – investment properties		-	240
Impairment of listed investments (available-for-sale financial assets)		556	828
Interest paid - other		1,540	1,569
Employee benefit expenses		12,853	8,147
Defined contribution superannuation expense		1,137	446
Employee share-based payment expense		397	1,330
Redundancy and relocation costs		738	-
Rental expense on operating leases		4,249	997
Doubtful debts - trade receivables		66	12

NOTE 3 REVENUE, OTHER INCOME & EXPENSES FROM OPERATIONS (Cont'd)

(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		(85)	-
		(85)	-

NOTE 4 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		(11,825)	3,060
Prima facie tax payable / (benefit) at 30% (2014: 30%)		(3,548)	918
(Non-assessable income)/non-deductible expenses		231	61
Share based payment		105	399
Gain on bargain purchase not taxable		(491)	(848)
(Over) provision relating to prior year - research & development concession		(74)	(55)
Capital losses realised not previously recognised		(1,141)	(366)
Current year losses for which no deferred tax asset was recognised		3,000	-
Current year temporary differences for which no deferred tax asset or liability was recognised		1,842	-
Impairment of deferred tax asset previously recognised (net of deferred tax liability offset)	17	73	-
Income tax expense/(benefit)		(3)	109
The applicable weighted average effective tax rates are as follows:		0%	4%
(b) The components of tax expense comprise:			
Current tax		(2)	453
Deferred tax		73	(289)
(Over) provision in respect of prior years		(74)	(55)
Income tax expense/(benefit)		(3)	109
(c) Deferred tax recognised on other comprehensive income through Available-for-sale Financial Asset Reserve relating to valuing investments at fair value		-	(15)

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 5 AUDITORS' REMUNERATION

Remuneration of the auditor of the Group and parent entity for:		
- auditing or reviewing the financial report		
Grant Thornton	144	131
- non audit services (accounting / technical advice)		
Grant Thornton	-	-
	144	131

	Notes	Consolidated Entity 2015 $000s	2014 $000s
NOTE 6 KEY MANAGEMENT PERSONNEL REMUNERATION			
(a) Key management personnel remuneration			
Short-term benefits		1,199,934	891,203
Post-employee benefits		37,815	6,553
Share-based payments		-	1,329,900
		1,237,749	2,227,656

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 noted in the remuneration report in relation to the share loan plans issued in 2014.

(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 noted in the remuneration report in relation to the share loan plans issued in 2014.

(d) Other transactions with directors
Refer to note 31 for further details of transactions with directors and director related entities.

NOTE 7 DIVIDENDS

	2015 $000s	2014 $000s
(a) Dividends paid		
2015 interim ordinary dividend of 1.50c per share - 100% franked at 30% tax rate (prior year 1.50c per share - 100% franked)	1,090	1,011
2014 final ordinary dividend of 2.00c per share – 100% franked at 30% tax rate (prior year 2.00c per share – 100% franked)	1,453	1,089
	2,543	2,100
(b) Dividends declared after balance date The directors have not declared a final dividend for the 2015 financial year.	-	1,453

(c) Dividends for Share and Loan Plan

The detailed terms and conditions of the Share and Loan Plan were outlined in the Explanatory Memorandum to the Notice of General Meeting held 28th April 2014.

The dividend relating to the Share and Loan Plan for the current financial year was $542,500 (2014: $232,500), for further details refer to the Remuneration Report.

(d) Franked dividends

	2015 $000s	2014 $000s
Franking credits available for subsequent financial years based on a tax rate of 30% (2014 - 30%)	1,911	2,888

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 2015 Cents	2014 Cents
NOTE 8 EARNINGS PER SHARE			
Basic earnings per share (cents per share)			
Continuing operations		(21.2)	4.8
Diluted earnings per share (cents per share)			
Continuing operations [1]		(21.2)	4.6
		$000s	**$000s**
(a) Reconciliation of Earnings to Net Profit			
Earnings used in calculating Basic and Dilutive EPS Continuing operations		(12,122)	2,519

	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	57,147,902	52,319,258
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS [1]	57,147,902	54,994,600

[1] For 2015 15.5 million loan plan shares (see note 7) were excluded from the computation of diluted earnings per share as they would have resulted in a decrease in loss per share for continuing operations.

NOTE 9 PARENT ENTITY INFORMATION

The following detailed information relates to the parent entity, PPK Group Limited at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2015 $000s	2014 $000s
Current assets	85	61,597
Non-current assets	35,428	33,545
Total Assets	35,513	95,142
Current liabilities	76	44,130
Non-current liabilities	2,210	21,066
Total liabilities	2,286	65,196
Net Assets	33,227	29,946
Contributed equity [1]	34,273	33,731
Share based payment reserve	1,727	1,330
Option reserve	8	8
Retained earnings	(2,781)	(5,123)
Total Equity	33,227	29,946
Profit (loss) for the year	(2,852)	(2,435)
Other comprehensive income for the year	-	-
Total comprehensive income (loss) for the year	(2,852)	(2,435)

[1] In addition to the Parent Entity contributed equity, the Group's consolidated Contributed Equity for the current financial year includes Treasury Shares of $148,000 related to the Employee Share Plan, refer note 24.

NOTE 10 CASH AND CASH EQUIVALENTS

	Notes	2015	2014
Cash at bank and on hand	32(b)	2,476	4,904

Cash at bank consists of temporary surplus funds which are non-interest bearing.

	Notes	Consolidated Entity 2015 $000s	2014 $000s

NOTE 11 TRADE AND OTHER RECEIVABLES

	Notes	2015 $000s	2014 $000s
Current			
Trade receivables	(a)	3,555	6,892
Less: Allowance for doubtful debts		-	(36)
		3,555	6,856
Other receivables	(b)	663	1,463
Less: Allowance for doubtful debts		-	-
		663	1,463
Loans and receivables			
- other loans, associates - secured	(c)	1,494	7,316
- other loans, other persons - secured	(d)	3,637	3,487
- other loans, associates - unsecured		29	27
- other loans, other persons - unsecured		11	86
		5,171	10,916
		9,389	19,235
Non-Current			
Loans and receivables			
- other loans, associates - secured	(c)	4,139	-
		4,139	-

(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 is 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 expected to be repaid during the 2016 and 2017 financial years from proceeds on sale of residential property being developed, the balance outstanding on this loan is $4,813,773 (2014 $6,569,000). The loan to Nerang Street Southport Unit Trust is expected to be repaid when the related property asset is sold, the balance outstanding on this loan is $810,706 (2014 $746,000).

(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 20% 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.

	2015	2014
Movement in balance – current		
Opening Balance	10,916	6,803
Reclassified to/from non-current	(4,139)	10,472
Funds advanced	845	742
Trust distribution capitalised	123	216
Expenses capitalised	22	-
Less principal and interest repaid	(4,179)	(9,596)
	3,588	8,637
Interest revenue added to carrying value	1,583	2,279
	5,171	10,916

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s

NOTE 11 TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in balance – non-current			
Opening Balance		-	10,472
Funds advanced		-	-
Trust distribution capitalised		-	-
Less reclassified to/from current		4,139	(10,472)
Less principal and interest repaid		-	-
		4,139	-
Interest revenue added to carrying value		-	-
		4,139	-

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 2015					
Current					
Trade receivables	36	-	(36)	-	-
Other receivables	-	-	-	-	-
Convertible notes	-	-	-	-	-
	36	-	(36)	-	-
Consolidated Group 2014					
Current					
Trade receivables	24	12	-	-	36
Other receivables	-	-	-	-	-
Convertible notes	-	-	-	-	-
	24	12	-	-	36

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

Not past due	2,385	616
Past due 1 - 30 days	991	2,776
Past due 31 - 60 days	153	2,665
Past due over 60 days	26	799
	3,555	6,856

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 obligation as they fall due.

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s

NOTE 11 TRADE AND OTHER RECEIVABLES (Cont'd)

Other receivables aging analysis

	2015	2014
The ageing analysis of other receivables for amounts not impaired for the Group and parent is as follows		
Not past due	551	1,442
Past due 1 - 30 days	112	-
Past due 31 - 60 days	-	-
Past due over 60 days	-	21
	663	1,463

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 obligation as they fall due.

NOTE 12 INVENTORIES

	2015	2014
On hand		
Raw Materials	300	268
Finished goods	6,015	7,661
Work in Progress	5,122	2,951
	11,437	10,612

During 2015 $11,150,000 (2014: $3,908,000) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

As part of a series of impairments recognised for 2015 the Group wrote down $2,191,000 in inventories to net realisable value (2014: $Nil) (refer note 3).

NOTE 13 OTHER CURRENT ASSETS

	2015	2014
Prepayments	627	1,069
	627	1,069

The carrying amount of prepayments approximates fair value.

NON-CURRENT ASSETS

NOTE 14 FINANCIAL ASSETS

14(a) Investments in Associates - equity accounted

	2015	2014
Summary of movement in carrying value		
Opening Balance	493	493
Share of profit / (loss) from associates accounted for under the equity method	(85)	-
Trust distributions or dividends received from associates	-	-
	408	493

Unlisted entities	**Ownership Interest**		**2015**	**2014**
	2015	**2014**	**Units Held**	**Units Held**
	%	%	**$1 Each**	**$1 Each**
Details of units held in associated trusts				
Nerang Street Southport Project Trust	18.75%	18.75%	275	275
PPK Willoughby Funding Unit Trust	22.86%	22.86%	40	40
			315	315

NOTE 14 FINANCIAL ASSETS (continued)

Details of associates
Nerang Street Southport Project Trust
- Nature of Activities: Owning and leasing of commercial land as passive investor in the trust alongside other investors.
- Principal place of business: Level 21, 1 York St Sydney NSW 2000

PPK Willoughby Funding Unit Trust
- Nature of Activities: Participation in residential land development as passive investor in the trust alongside other investors.
- Principal place of business: Level 21, 1 York St Sydney NSW 2000.

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s
Distributions receivable from associated trusts			
Nerang Street Southport Project Trust		-	-
PPK Willoughby Funding Unit Trust		408	493
		408	493
PPK Willoughby Funding Unit Trust Group			
Current Assets		80,551	83,266
Non-current Assets		23	-
Current Liabilities		78,346	80,807
Non-current Liabilities		-	-
Equity		2,228	2,305
Revenues		27,054	1,809
Profit or (loss) before income tax		(1,049)	583
Income tax expense or (credit)		-	175
Profit or (loss) after income tax		(1,049)	408
Specific Disclosures:			
- cash and cash equivalents included in current assets		748	488
- current financial liabilities (excluding trade and other payables and provisions) included in current liabilities		67,169	67,124
- non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities		-	-
- depreciation and amortisation		9	-
- interest income		98	27
- 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 22.86% (2014 22.86%) of the issued units in this trust and 100% of the share capital in the trustee company PPK Willoughby Holdings Pty Ltd.

	Notes	Consolidated Entity 2015 $000s	2014 $000s

NOTE 14 FINANCIAL ASSETS (continued)

	2015	2014
Nerang Street Southport Project Trust		
Current Assets	354	491
Non-current Assets	7,238	6,813
Current Liabilities	114	34
Non-current Liabilities	7,515	7,299
Equity	(37)	(29)
Revenues	10	105
Profit or (loss) before income tax	(9)	(31)
Income tax expense or (credit)	-	-
Profit or (loss) after income tax	(9)	(31)
Specific Disclosures:		
- cash and cash equivalents included in current assets	352	426
- 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	7,515	7,316
- depreciation and amortisation	-	-
- interest income	10	8
- interest expense	2	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% (2014 18.75%) 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.

14(b) Financial Assets – available-for-sale financial assets

Non-Current

	2015	2014
(i) Listed Investments – at fair value		
- Shares in listed corporations		
Opening Balance	1,437	2,259
Additions at cost	2,407	1,581
Fair Value adjustments	1,808	205
Impairment	(556)	(828)
Disposals	(1,562)	(1,780)
	3,533	1,437

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.

In the current financial year, Additions at Cost includes $2.221M in listed shares of the purchaser received as part of the consideration on sale of the Easy Living subsidiary investments.

	Notes	Consolidated Entity 2015 $000s	2014 $000s

NOTE 14 FINANCIAL ASSETS (continued)

Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

	Notes	2015 $000s	2014 $000s
(ii) Unlisted Investments - at cost less impairment			
- Shares and units held in other corporations			
Cost		-	249
Impairment		-	(249)
		-	-

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

	Notes	2015 $000s	2014 $000s
(iii) Total Listed & Unlisted Investments			
Current		-	-
Non-Current		3,533	1,433
		3,533	1,433

NOTE 14(c)

Controlled Entitles

	Country of Incorporation	Notes	Percentage Owned	
Subsidiaries of PPK Group Limited:			**2015 %**	**2014 %**
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%
Easy Living Unit Trust	Australia		-	50%
Easy Living Bundaberg Trust	Australia		-	50%
PPK Finance Pty Ltd	Australia	d	100%	100%
SLOT Loan Trust	Australia		51.4%	51.4%
TMD Loan Trust	Australia		100%	100%
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		100%	100%
PPK Mining Equipment Pty Limited	Australia		100%	100%
PPK Mining Repairs Alternators Pty Ltd	Australia		100%	100%
PPK Mining Equipment Hire Pty Ltd	Australia		100%	100%
Coaltec Pty Ltd	Australia		100%	100%
PPK IP Pty Ltd (formerly DMS Tech 1 Pty Ltd)	Australia		100%	100%
PPK China Pty Ltd	Australia		100%	100%
PPK (Beijing) Mining Equipment Co., Ltd	China	f	100%	-
PPK Plans Pty Ltd	Australia	g	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 associate of the Group (refer to note 14a).

(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.

NOTE 14 FINANCIAL ASSETS (Cont'd)

(c) **Sale of Easy Living Unit Trust & Easy Living Bundaberg Unit Trust**

On 30 September 2014 PPK disposed of its entire interests in the Easy Living Unit Trust and the Easy Living (Bundaberg) Unit Trust. Total consideration on sale was $3.231M comprising $1.010M cash and $2.221M in listed shares of the purchaser. Prior to disposal PPK held a controlling 50% interest in each trust and consolidated the financial statements of each trust as part of the PPK Group. The net gain on disposal of $1,894,000 (inclusive of de-consolidated loss) is disclosed as part of other income (see Note 3).

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

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

(f) PPK (Beijing) Mining Equipment Co., Ltd was formed in conjunction with the opening of PPK's office in Beijing, China.

(g) PPK Plans Pty Ltd was created as trustee for the PPK Long Term Incentive Plan Trust which administers the employee share plan.

14(d) Subsidiary with material non-controlling interests

As at reporting date the Group includes one subsidiary with Non-Controlling Interests ('NCI'). See Note 14(c) for details of disposal of unit trusts.

	Proportion of Ownership Interest Held		Profit Allocated to NCI ('000s)		Accumulated NCI ('000s)		Distributions and Dividends Paid to NCI	
Name	**30-June-15**	**30-June-14**	**30-June-15**	**30-June-14**	**30-June-15**	**30-June-14**	**30-June-15**	**30-June-14**
Easy Living (Bundaberg) Trust	0%	50%	-	62	-	94	-	50
Easy Living Trust	0%	50%	-	88	-	56	-	75
SLOT Loan Trust	51.43%	51.43%	300	282	-	-	300	283
							300	408

	Notes	Consolidated Entity 2015 $000s	Consolidated Entity 2014 $000s
NOTE 15 INVESTMENT PROPERTIES			
(a) Assets classified as held for sale			
Freehold land & buildings - at cost			
Land		-	10,038
Buildings – at cost		-	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		18,517	-
Add transferred to Current from non-current Land & Buildings		-	18,517
Disposals		(18,517)	-
Total investment properties of continuing operations		-	18,517

	Notes	Consolidated Entity 2015 $000s	2014 $000s
NOTE 15 INVESTMENT PROPERTIES (Cont'd)			
(b) Non-Current			
Freehold land & buildings - at cost			
Land		2,109	5,225
Buildings		1,881	8,941
Less: Accumulated depreciation		(522)	(2,687)
		1,359	6,254
		3,468	11,479
Less: Provision for impairment		-	-
Total Investment Properties		3,468	11,479
Reconciliations			
Non-Current			
Balance at the beginning of the year		11,479	30,430
Acquisition of land and building at cost		-	-
Expenditure subsequent to acquisition		-	131
Disposals		(7,812)	-
Depreciation expense		(199)	(325)
Impairment expense		-	(240)
		3,468	29,996
Less transferred (to) Classified as current assets held for sale			
Land & buildings	15a	-	(18,517)
Total investment properties of continuing operations		3,468	11,479
The following amounts have been recognised in the statement of comprehensive income:			
Rental income		1,778	4,414
Net gain on sale of held-for-sale property		4,478	-
Direct operating expenses arising from investment property that generated rental income during the period		292	1,781
Direct operating expenses arising from investment property that did not generate rental income during the period		-	36

Acquisition and Disposals

In October 2014 PPK sold all holdings in relation to the Arndell Park (NSW) investment property for consideration of $12,420,000.

In June 2015 PPK sold all holdings in relation to the Dandenong South industrial property for consideration of $12,350,000.

Total gains derived from the above property sales were $4,478,000 (refer Note 3).

Impairment

Based on all the information available to the Directors it was determined that no impairment adjustment was required for any investment property in the current year.

Valuation of Investment Properties

At balance date, PPK holds one industrial property located at Seven Hills, NSW.

In accordance with an Independent Valuation dated November 2015, the fair value of the industrial property is $7.7 million

Non-current assets pledged as security
Refer to note 22(c) for information on non-current assets pledged as security by the parent entity or its subsidiaries.

NOTE 15 INVESTMENT PROPERTIES (Cont'd)

	Notes	Consolidated Entity 2015 $000s	2014 $000s
Leases as Lessor			
The investments properties are leased to tenants under long term operating leases with rentals receivable monthly.			
- not later than 1 year		562	1,721
- later than 1 year but not later than 5 years		983	1,545
- later than 5 years		-	-
		1,545	3,267

NOTE 16 PROPERTY PLANT AND EQUIPMENT

		2015 $000s	2014 $000s
Land and Buildings – at cost		1,264	-
Less: Accumulated depreciation		(14)	-
		1,250	-
Leasehold improvements – at cost		12	431
Less: Accumulated depreciation		(4)	(340)
		8	91
Plant and equipment – at cost		9,085	9,209
Less: Accumulated depreciation and impairment		(1,292)	(2,582)
		7,793	6,627
Total property, plant and equipment of continuing operations		9,051	6,718

NOTE 16 OTHER PROPERTY PLANT AND EQUIPMENT (Cont'd)

Reconciliations

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

	Land & Buildings $000s	Leasehold Improvements $000s	Plant & Equipment $000s	Total $000s
Consolidated – 2015				
Carrying amount at start of year	-	91	6,627	6,718
Acquired with business combination	-	-	1,722	1,722
Additions	1,267	-	1,265	2,532
Disposals	-	(46)	(44)	(90)
Impairment	-	-	(489)	(489)
Depreciation & Amortisation expense	(17)	(37)	(1,288)	(1,342)
Carrying amount at end of year	1,250	8	7,793	9,051
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)
Depreciation & Amortisation expense	-	(39)	(613)	(652)
Carrying amount at end of year	-	91	6,627	6,718

The land and buildings relate to the Mt Thorley (NSW) industrial property out of which the Firefly and Rambor businesses operate. The property was acquired simultaneously to the Firefly business (refer note 30).

	Notes	Consolidated Entity 2015 $000s	Consolidated Entity 2014 $000s
NOTE 17 DEFERRED TAX ASSETS AND LIABILITIES			
(a) Assets			
CURRENT			
Income tax receivable		178	-
		178	-
NON-CURRENT			
Deferred tax assets comprise temporary differences attributable to:			
Amounts recognised in profit and loss			
Doubtful Debts		-	11
Employee benefits		-	316
Building depreciation		-	449
Warranty		-	257
Decommissioning and make good		-	60
Plant and equipment depreciation		-	65
Impairment of investments		-	330
Realised capital losses accounted for		-	614
Inventory		-	5
Other		-	25
		-	2,132

	Notes	Consolidated Entity 2015 $000s	2014 $000s

NOTE 17 DEFERRED TAX ASSETS AND LIABILITIES (Cont'd)

	Notes	2015 $000s	2014 $000s
Movements			
Opening balance		2,132	1,375
Acquired with business combination	30	102	487
Credit/(charged) to profit or loss		-	270
Set off against deferred tax liability		(2,161)	-
Impaired through profit and loss	4	(73)	-
		-	2,132

A deferred tax asset is only recognised to the extent that there is reasonable certainty of realising future taxable amounts sufficient to recover the carrying value. Due to carry forward tax losses of approximately $10M and an expectation that the current challenging industry conditions would continue in the short term, the Directors assessed that deferred tax assets would only be recognised to the extent of, and offset against, available deferred tax liabilities. As a result, an impairment of previously recognised deferred tax assets of $73,000 was recognised. Refer note 4 for further details.

(b) Liabilities

	Notes	2015 $000s	2014 $000s
CURRENT			
Income Tax provision		-	264
NON-CURRENT			
Deferred tax liability comprises temporary differences attributable to:			
Amounts recognised in profit and loss			
Rent receivable		-	112
Plant and equipment depreciation		-	(12)
Tax deferred trust distribution from associate		-	148
Recognised 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
Amounts recognised in equity			
Fair value adjustment of available-for-sale financial assets		-	22
Deferred tax liability		-	1,482
Movements			
Opening balance		1,482	235
(Credit)/charged to profit or loss		-	(23)
Acquired on business combination	30	701	1,212
(Credit)/charged to equity		(22)	58
Set off against deferred tax asset		(2,161)	-
		-	1,482

(c) Not Recognised in the Statement of Financial Position

	Notes	2015 $000s	2014 $000s
Unrecognised deferred tax assets			
Tax losses		3,000	-
Temporary differences		1,422	-
Total		4,422	-
Movements			
Opening balance		-	-
Tax losses not recognised current year		3,000	-
Temporary differences not recognised current year		1,915	-
Charged to equity (reserves)		(493)	-
Closing balance		4,422	-

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s

NOTE 18 INTANGIBLE ASSETS

Licences, software and patents - at cost		134	2,882
Less: Accumulated amortisation and impairment		(14)	(538)
		120	2,344
Goodwill			
- Mining equipment manufacturing		-	155
Development Costs - at cost			
- Mining equipment manufacturing		-	1,756
Less: Accumulated amortisation and impairment		-	(145)
		-	1,611
Brand names - at cost		-	497
		-	497
Intangible Assets of continuing operations		120	4,607

Reconciliations

Licences, software and patents - at cost			
Balance at the beginning of year		2,344	224
Acquired with business combination	30	2,166	2,000
Additions - external purchases		132	174
Impairment charge		(4,198)	-
Amortisation charge[1]		(324)	(54)
		120	2,344

[1] (Amortisation charges are included in Cost of Goods Sold and Administration expenses in the statement of profit or loss and other comprehensive income)

Goodwill			
Balance at the beginning of year		155	155
Acquired with business combination	30	286	-
Impairment charge		(441)	-
		-	155
Development Costs			
Balance at the beginning of year		1,611	1,109
Acquired with business combination	30	380	-
Additions at cost		597	647
Impairment charge		(2,559)	-
Amortisation charge		(29)	(145)
		-	1,611
Brand Names			
Balance at the beginning of year		497	497
Impairment charge		(497)	-
		-	497

NOTE 18 INTANGIBLE ASSETS (Cont'd)

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 costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs 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 Group 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.

Impairment disclosures

At balance date PPK assessed certain non-current assets at their cash generating unit level for impairment. As a result intangibles of $7,696,000 were written down, of which $2,480,000 were acquired intangibles during the year relating to the Firefly and MONEx acquisitions (refer to Note 30).

The remaining intangibles balance of $120,000 relates to software acquired through business acquisition and acquired at cost.

Refer to note 2(p) for information on PPK's accounting policy for intangibles.

Segment level for indefinite lives

The Group has assessed the Mining Equipment segment to comprise of two identifiable cash generating units: mining equipment manufacture and mining equipment non-manufacture.

Intangible assets deemed to have indefinite lives are allocated to the mining equipment manufacture cash generating unit.

A cash generating unit level summary of the intangible assets deemed to have indefinite lives were as follows:

	Brand Names $000s	Goodwill $000s	Total $000s
Year ended 30 June 2015			
Mining Equipment Manufacture	-	-	-
Year ended 30 June 2014			
Mining Equipment Manufacture	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:

	2015		2014	
	Growth Rate	Discount Rate	Growth Rate	Discount Rate
Mining Equipment Manufacture	0%	9.70%	1.00%	9.50%

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.

	Notes	Consolidated Entity 2015 $000s	Consolidated Entity 2014 $000s
CURRENT LIABILITIES			
NOTE 19 TRADE AND OTHER PAYABLES			
Trade payables		3,689	2,744
Sundry payables and accruals		3,692	4,657
Payables of continuing operations		7,381	7,401

	Notes	2015 $000s	2014 $000s
NOTE 20			
INTEREST BEARING LIABILITIES - CURRENT			
Bank loans – secured		3,600	14,230
Other loans - secured		2,037	-
Other loans - unsecured		1,500	5,000
Interest bearing liabilities of continuing operations		7,137	19,230
Total secured liabilities - see note 22			

	Notes	2015 $000s	2014 $000s
NOTE 21 PROVISIONS			
Current			
Annual leave		775	755
Redundancy and relocation		297	-
Warranty	(a)	140	858
Decommissioning and make good	(b)	240	220
Onerous lease provision		548	-
Long service leave		64	-
Total current		2,064	1,833
Non-Current			
Long service leave		366	279
Onerous lease provision		1,452	-
Total Non-current		1,818	279

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 comprises 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 2(n) for more detail.

Warranty provisions comprise estimated costs to perform repairs to mining equipment while under warranty.

Make good provision comprise estimated costs to return leased premises to their original condition on expiry of the lease.

An onerous lease provision of $2,000,000 was recognised for 2015 in relation to long term lease contracts entered into for seven COALTRAMS with an industry finance provider. PPK has determined that the lease payments are considerably higher than corresponding revenue currently expected in the short term hire environment.

(a) Reconciliation of Provision for Warranty

	2015	2014
Opening Balance	858	-
Acquired as part of business combination	-	858
Increases (decreases) to provision	(718)	-
Closing Balance	140	858

(b) Reconciliation of Provision for Decommissioning and make good

	2015	2014
Opening Balance	220	-
Acquired as part of business combination	-	220
Increases (decreases) to provision	20	-
Closing Balance	240	220

	Notes	Consolidated Entity 2015 $000s	2014 $000s
NON-CURRENT LIABILITIES			
NOTE 22 INTEREST BEARING LIABILITIES			
Bank Loans - Secured		1,421	13,281
Other Loans - Secured		-	-
Interest bearing liabilities		1,421	13,281
(a) Secured liabilities			
Total secured liabilities (current and non-current) are:			
Bank overdrafts		-	-
Bank loans - PPK Group Limited		2,210	19,800
Bank loans - The Easy Living Unit Trust		-	1,850
Bank loans - The Easy Living (Bundaberg) Unit Trust		-	1,850
Bank loans - PPK Mining Equipment Pty Ltd		2,811	4,011
Vendor loan - PPK Property Trust		1,235	-
Vendor loan - PPK Mining Equipment Pty Ltd		802	-
		7,058	27,511
(b) Unsecured liabilities			
Other loans - other persons		1,500	5,000
		1,500	5,000
Total Interest Bearing Liabilities		8,558	32,511
(c) Assets pledged as security			
The carrying amounts of non-current assets pledged as security are:			
	Notes		
First mortgage			
Freehold investment properties	15	3,468	11,479
Land and buildings	16	1,250	-
Registered Mortgage Debentures over company assets and cross guarantees & indemnities			
Freehold investment properties		-	-
Term receivables		-	-
Financial Assets		3,533	1,437
Investments in associated entities		408	493
Plant & equipment		7,801	6,718
Intangible Assets		120	4,607
Total non-current assets pledged as security		16,580	24,734
The following current assets are also pledged as security under the registered mortgage and cross guarantees & indemnities:			
Freehold investment properties		-	18,517
Cash assets		2,476	4,904
Term receivables		9,310	10,916
Receivables - current		4,218	8,319
Inventories		11,437	10,612
Other current assets		627	1,069
Total current assets pledged as security		28,068	54,337
Total assets pledged as security		44,648	79,071

The total financial assets included in the above pledged as security for liabilities is $19,537,000 (2014: $25,576,000).

(d) Unused credit facilities

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

	2015 $000s	2014 $000s
Total facilities available		
Bank Overdraft	940	1,000
Bank Loans	4,877	27,591
Master asset finance facility	144	-
	5,961	28,591

	Notes	Consolidated Entity 2015 $000s	2014 $000s
NOTE 22 INTEREST BEARING LIABILITIES (Cont'd)			
Not utilised at balance date			
Bank Overdraft		940	1,000
Bank Loans		-	80
Master asset finance facility		-	-
		940	1,080
Utilised at balance date			
Bank Overdraft		-	-
Bank Loans		4,877	27,511
Master asset finance facility		144	-
		5,021	27,511

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).
$2,210,000 (2014 $19,800,000) variable interest rate facilities provided by the NAB. Further details on the banking facilities with the NAB are included in note 26c.

Banking facilities are interest only with the NAB, mature in July 2016, and are subject to annual review and six monthly satisfaction of banking covenants. At year end the full loan balance has been classified as current, due to failure to meet the interest service ratio covenant. Subsequent to balance date, the full loan amount was repaid pursuant to refinancing arrangements as outlined in Note 33. At year end the interest rates on the facilities are 4.89% (2014 5.44%-5.66%) inclusive of bank margins.

Provided by the Commonwealth Bank of Australia Ltd (CBA).
$2,666,667 of market rate facilities are provided by the CBA, maturing in April 2017.

Further details on the banking facilities with the CBA are included in note 26c.

Market rate interest banking facilities with the CBA are for 3 years and subject to principal and interest repayment and 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 6.11% inclusive of bank margins.

Vendor Loans

The PPK Mining Equipment Pty Ltd vendor loan relates to the MONEx business acquisition (refer note 30) and is secured by PPK Group Ltd (parent company) guarantee. The loan is notional interest bearing at 6.5%. The PPK Property Trust vendor loan relates to the Mt Thorley land and buildings and is secured by first registered mortgage over this property. The loan is fixed interest bearing at 8%.

NON-CURRENT LIABILITIES
NOTE 23 TRADE AND OTHER PAYABLES

The PPK Group has loans owing to the non-controlling interest investors in the SLOT Loan Trust.

These loans are secured and are repayable by October 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. The non-controlling investors are entitled to trust distributions each year, of the trust's net profit in proportion to the number of units they hold.

PPK 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.

	Notes	Consolidated Entity 2015 $000s	2014 $000s

SHAREHOLDERS' EQUITY
NOTE 24 CONTRIBUTED EQUITY
PAID-UP CAPITAL

	Notes	2015 $000s	2014 $000s
72,647,903 (2014 72,647,903) ordinary shares fully paid		34,125	33,731
Movements in ordinary share capital			
Balance at the beginning of the financial year		33,731	28,673
Shares repurchased under approved buy back scheme		-	(56)
New share issue		-	4,882
Treasury shares – employee share plan		(148)	-
Treasury shares - share and loan plan		542	232
		34,125	33,731

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.

Treasury shares purchased pursuant to an employee share plan of $148,000 have not been allotted to individual employees as at balance date.

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	72,647,903	50,764,776
Shares repurchased and cancelled under approved buy back scheme	-	(125,938)
New share issue	-	6,509,065
New share issue - share plan and loan	-	15,500,000
	72,647,903	72,647,903

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% (2014 20% - 50%). The Group's gearing ratio at the balance sheet date is shown below:

	Notes	Consolidated Entity 2015 $000s	2014 $000s
Gearing ratios			
Total borrowings		8,558	32,511
less Cash and cash equivalents		(2,476)	(4,904)
Net debt		6,082	27,607
Total equity		25,005	35,891
Total capital		31,087	63,498
Gearing Ratio		20%	43%

There have been no significant changes 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.

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s

NOTE 25 RESERVES

		2015 $000s	2014 $000s
Available-for-sale financial assets [1]		1,646	54
Share options [2]		1,735	1,338
Foreign Currency translation [3]		2	-
		3,383	1,392
Movement in reserves			
Share options			
Opening balance		1,338	8
Employee share based payment - options		397	1,330
Closing balance		1,735	1,338
Available-for-sale financial assets			
Opening balance		54	(93)
Revaluation		1,826	316
Deferred tax impact		-	(93)
Realised gains to (profit) / loss		(252)	(109)
Deferred tax impact		-	33
Realised loss to (profit) / loss		18	-
Deferred tax impact		-	-
Closing balance		1,646	54
Foreign currency translation			
Opening balance		-	-
Foreign currency translation		2	-
Closing balance		2	-

[1] 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.

[2] The share options reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration and business vendors as part of business combination agreements. The current financial year share based payment expense of $397,000 relates wholly to a business combination. In accordance with the terms of the business combination in October 2014 the vendor employee may receive $1,000,000 in PPK Group Limited ordinary share capital in two $500,000 tranches over two years. As per this agreement and having met the vesting conditions the vendor was issued 666,667 shares on 16 October 2015 being the first $500,000 tranche. Further the vesting conditions for the second tranche of $500,000 shares due on 16 October 2016 were not met and accordingly no shares issued. The terms and condition of the contract effectively makes the agreement a share options instrument under AASB 2 Share-based Payments and does not form part of the consideration paid for the acquisition in accordance AASB 3 Business Combinations. The fair value of the options at issue date is deemed to represent the value of employee services received over the vesting period, recognised as a proportional share-based payment expense during each reporting period, with the corresponding credit taken to a Share Option Reserve.

[3] The foreign currency translation reserve is used for consolidation purposes to recognise exchange differences arising on translation of PPK's foreign subsidiary PPK (Beijing) Mining Equipment Co., Ltd.

NOTE 26 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 2(i) and their carrying amounts are set out below.

	Weighted Average Interest Rate	Notes	Floating Interest Rate $000s	Fixed Interest Rate Maturing Within 1 Year $000s	Fixed Interest Rate Maturing 1 to 5 Years $000s	Non-Interest Bearing $000s	Total $000s
Consolidated 2015							
Financial Assets							
Receivables	0.0%	11	-	-	-	4,218	4,218
Loans receivable	16.4%	11	-	8,493	-	817	9,310
Loans and receivables			-	8,493	-	5,035	13,528
Cash and cash equivalents	2.0%	10	1,344	-	-	1,132	2,476
Available-for-sale financial assets	0.0%	14b	-	-	-	3,533	3,533
Investments in associated companies	0.0%	14a	-	-	-	408	408
Total financial assets			1,344	-	-	5,073	6,417
Financial Liabilities							
Bank Loans	3.1%	22d	4,877	98	46	-	5,021
Other Loans	9.1%	22	-	2,735	-	802	3,537
Trade & Other Payables - non-current	0.0%	23	-	-	-	-	-
Trade & Other Payables - current	0.0%	19	-	-	-	7,381	7,381
Total financial liabilities at amortised cost			4,877	2,833	46	8,183	15,939
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%	14b	-	-	-	1,437	1,437
Investments in associated companies	0.0%	14a	-	-	-	493	493
Total financial assets			2,391	10,916	-	12,762	26,069
Financial Liabilities							
Bank Loans	5.7%	22d	27,511	-	-	-	27,511
Other Loans	10.0%	22	-	5,000	-	-	5,000
Trade & Other Payables - non-current	0.0%	23	-	-	-	-	-
Trade & Other Payables - current	0.0%	19	-	-	-	7,401	7,401
Total financial liabilities at amortised cost			27,511	5,000	-	7,401	39,912

NOTE 26 FINANCIAL RISK MANAGEMENT (Cont'd)

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	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Group 2015					
Available-for-sale financial assets					
Listed equity securities	14(b)	3,533	-	-	3,533
		3,533	-	-	3,533
Group 2014					
Available-for-sale financial assets					
Listed equity securities	14(b)	1,437	-	-	1,437
		1,437	-	-	1,437

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 2015 $000s	2014 $000s

NOTE 26 FINANCIAL RISK MANAGEMENT (Cont'd)

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

	2015 $000s	2014 $000s
Financial Assets		
Cash	1,344	2,391
Receivables	-	-
	1,344	2,391
Financial Liabilities		
Bank Loans	4,877	27,511
	4,877	27,511
Net Exposure	(3,533)	(25,120)

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%.

	2015 $000s	2014 $000s
Change in after tax profit		
- increase in interest rate by 1%	(25)	(176)
- decrease in interest rate by 1%	25	176

(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 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.

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 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:

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s

NOTE 26 FINANCIAL RISK MANAGEMENT (Cont'd)

Financial Assets			
Available-for-sale financial assets			
Investments in listed companies		3,533	1,437
Financial assets at fair value through profit or loss			
Investments in listed companies			-
		3,533	1,437

The Group has performed sensitivity analysis relating to its exposure of equity price risk based on its 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%.

Change in after tax profit			
- increase in equity price by 10%		-	-
- decrease in equity price by 10%		-	-
Change in equity			
- increase in equity price by 10%		248	102
- decrease in equity price by 10%		(248)	(102)

(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 5% (2014: 21%) is in export sales primarily in USD. 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 operates an office in Beijing, China and maintains CNY and USD bank accounts in relation to this office. At balance date these accounts comprised approximately 1.7% of cash at bank.

(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 to 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 agreement with 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 11 for detail on 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	
		2015	2014
	Notes	$000s	$000s
Australia		13,496	19,026
United States of America		32	131
United Kingdom		-	54
Germany		-	24
		13,528	19,235

		Consolidated Entity	
		2015	2014
	Notes	$000s	$000s

NOTE 26 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit Risk (Cont'd)

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

Loans and receivables by industry	2015	2014
Property development	5,587	7,342
Plastic Packaging	-	289
Mining Equipment	3,861	7,348
Retirement Villages	3,236	3,109
Property and investing	844	1,147
	13,528	19,235

(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 Group's financing facilities are set-out in note 22.

Financial Liabilities maturity analysis

The tables below reflect the undiscounted contractual settlement terms for the Group's 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.

The NAB provide bank overdraft and bank loan facilities which expire on 31 July 2016. Bank overdraft facilities are $940,000, (unused at balance date) and bank loan facilities are $2,210,000 (fully used at balance date). These facilities are subject to an annual review.

The CBA market rate loan facility of $2,666,667 (fully used at balance date) expires in April 2017 and is subject to quarterly review.

These renewal dates have been used for disclosure of maturity dates of bank overdraft and loans, even though they are subject to periodic review as there is no reason to believe that the facilities will be altered by the bank at the time of annual review. These bank loans were subsequently refinanced in the 2016 reporting year.

$'000	Carrying amount	<6 months	6-12 months	1-3 years	>3 years	Contractual Cash flows
Consolidated 2015						
Financial Liabilities (current & non-current)						
Trade & Other Payables	7,381	7,381	-	-	-	7,381
Bank Loans & overdrafts	5,021	725	2,957	1,473	-	5,155
Other Loans - other persons	3,537	3,537	-	-	-	3,537
Total Financial Liabilities	15,939	11,643	2,957	1,473	-	16,073
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

	Notes	Consolidated Entity 2015 $000s	2014 $000s

NOTE 27 LEASE COMMITMENTS

	Notes	2015 $000s	2014 $000s
(a) Operating lease commitments			
Operating lease rentals contracted for but not capitalised in the financial statements payable:			
- not later than 1 year		4,004	3,865
- later than 1 year but not later than 5 years		8,849	9,370
- later than 5 years		-	-
		12,853	13,235

The Group leases premises in Tomago under a non-cancellable operating lease with an annual escalation clause of 3%. 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 a non-cancellable operating lease with an annual CPI escalation. The terminating date of the lease is 28th March 2019. 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 7 of its Coaltrams under non-cancellable operating leases. The terminating dates of the leases run to approximately October 2019 to April 2020. In the 2015 financial year, an onerous lease provision has been recognised in relation to these leases, refer to note 21.

The Group operates a car fleet of 24 vehicles under operating lease agreements with terms up to 4 years.

NOTE 28 CONTINGENT LIABILITIES

Group Cross guarantees of the Groups banking and finance facilities total $5,962,000 (2014 $20,880,000) of which $5,022,000 (2014 $19,800,000) was drawn at balance date. In addition, the Group has bank guarantees issued of $986,254 for leasing arrangements at the Tomago and Port Kembla premises.

Non bank guarantees and indemnities include:
Unlimited Guarantee and Indemnity from PPK Group Limited and PPK Mining Equipment Group Pty Ltd in relation to the 7 leased Coaltrams.
Unlimited Guarantee and Indemnity from PPK Group Limited in relation to the Tomago leased premises.
Guarantee and Indemnity of $500,000 from PPK Group Limited in favour of a key Coaltram parts supplier in relation to trade credit account.
Guarantee and Indemnity PPK Group Limited in relation to the leased motor vehicle fleet.

NOTE 29 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.

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 one industrial property.
- 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 design, manufacture, service, support, distribute and hire underground coal mining equipment, COALTRAM vehicles, alternators, electrical equipment, drilling and bolting equipment and mining consumables.

NOTE 29 SEGMENT INFORMATION (Cont'd)

(a) Year ended 30 June 2015

Business Segments	Investment Properties $000s	Investing $000s	Mining Equipment $000s	Total of Continuing Operations $000s
Segment Revenue from external customers				
Sales revenue	-	-	29,577	29,577
Rental income	1,778	-	-	1,778
Interest received	-	1,587	-	1,587
Dividends received	-	25	-	25
	1,778	1,612	29,577	32,967
Segment other income				
Net gain on sale of available-for-sale financial assets	-	605	-	605
Net gain on disposal of investment property	4,478	-	-	4,478
Net gain on disposal of subsidiary	1,893	-	-	1,893
Other segment income	-	14	-	14
	6,373	619	-	6,990
Total Revenue and other income	8,149	2,231	29,577	39,957
Segment expenses include				
Depreciation and amortisation	199	-	1,695	1,894
Impairment of available-for-sale financial assets	-	556	-	556
Impairment of Intangibles	-	-	7,696	7,696
Impairment of plant and equipment	-	-	489	489
Inventory write-down	-	-	2,191	2,191
Recognition of onerous contract liability	-	-	2,000	2,000
Redundancy and relocation costs	--	-	738	738
Segment result	7,857	1,643	(17,505)	(8,005)
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				1,636
Share based payment expense				(397)
Business combination transaction expense				(323)
Unallocated corporate expense				(3,111)
Unallocated interest expense				(1,540)
Share of profit from associates				(85)
Consolidated operating (loss) before income tax				(11,825)
Non-controlling interests share of after tax profit				(300)
Income tax (expense)				3
Consolidated profit after income tax attributable to owners of PPK Group Limited				(12,122)

	Investment Properties $000s	Investing $000s	Mining Equipment $000s	Total $000s
Segment Assets	5,086	14,743	24,668	44,497
Unallocated				329
Total Assets				44,827
Segment Liabilities	3,453	3,156	11,891	18,500
Unallocated				1,321
Total Liabilities				19,821

NOTE 29 SEGMENT INFORMATION (Cont'd)

(b) 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 expense				(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

	Investment Properties $000s	Investing $000s	Mining Equipment $000s	Total $000s
Segment Assets	30,677	16,902	32,163	79,742
Unallocated				1,461
Total Assets				81,203
Segment Liabilities	23,596	8,311	9,568	41,475
Unallocated				2,295
Total Liabilities				43,770

(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 5% or more of total entity sales revenue is as follows:

	Consolidated Entity	
	2015	**2014**
	$000s	**$000s**
Australia	27,908	12,008
China	1,415	-
Germany	-	235
United States of America	195	195
United Kingdom	59	130
	29,577	12,568

The geographical location of receivables, relating to these sales, is disclosed in Note 26 of these accounts.

(d) Customer Concentration

The mining equipment segment revenues are concentrated on the top three customers as follows:

Customer 1	12,071	5,111
Customer 2	3,401	917
Customer 3	1,569	419

NOTE 30 BUSINESS COMBINATIONS

Summary of Acquisitions
During the period PPK Group acquired three businesses, being:

(i) MONEx

On 29 August 2014 PPK acquired the technology, associated intellectual property, manufacturing line and agreed inventory of the MONex Electronic Management System (EMS). Said acquisition includes the remaining 50% ownership interest in the flameproof solenoid patent (the first 50% having been acquired in the March 2014 Coaltram acquisition). The MONEx EMS is an integral part of the Coaltram flameproof and explosion proof Load-Haul-Dump (LHD) multi-purpose vehicle manufactured by PPK.

(ii) Exlec

On 16 October 2014, PPK acquired 100% of the shares of Exlec Pty Ltd and Exlec Holdings Pty Ltd, which together own and operate the business assets of Exlec.

Exlec designs, manufactures and overhauls hazardous area electrical equipment (with a key focus on underground mining) and provide PPK with a complimentary offer to its existing product suite.

(iii) Firefly

The business and assets of Firefly International were acquired in full on 8 December 2014. Firefly supplies, services and hires a range of drilling, boring and other equipment which provides PPK with additional market share in compliment to its existing suite of products.

The land and buildings comprising the Firefly business premises were acquired in a separate simultaneous transaction (refer note 16).

NOTE 30 BUSINESS COMBINATIONS (Cont'd)

These business combinations were accounted for using the following fair values of assets and liabilities.

	MONEx	Exlec	Firefly	Total
	$000s	$000s	$000s	$000s
Assets Acquired				
Inventory	836	79	713	1,628
Trade Receivables	-	4	-	4
Other Receivables	-	12	-	12
Fixed Assets	420	359	943	1,722
Deferred tax asset	-	61	41	102
Intangible Assets	2,100	-	447	2,547
	3,356	515	2,144	6,015
Liabilities Assumed				
Trade Creditors	-	131	-	131
Other Payables & accruals	-	10	-	10
Provisions	-	204	136	340
Deferred tax liability	266	-	435	701
Borrowings	-	157	-	157
	266	502	571	1,339
Fair value of net assets acquired	3,090	13	1,573	4,676

	MONEx	Exlec	Firefly	Total
	$000s	$000s	$000s	$000s
Less: Cash consideration paid or payable	2,470	300	557	3,327
Gain on bargain purchase	620	-	1,016	1,636
Goodwill	-	287	-	287

Gain on bargain purchase

The MONEx and Firefly business combinations 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 is recognised separately in profit or loss.

Goodwill

The goodwill arising in the Exlec acquisition is from the excess of consideration paid over fair value of net assets acquired. This goodwill can be attributed to the synergies expected to be derived from the combination and value of the workforce of Exlec which cannot be recognised as a separately identifiable intangible asset.

Revenue and Profit Contribution

The acquired businesses contributed $2,115,000 of revenue and $1,352,000 of net loss before tax and impairment charges to the Group from the date of acquisition to 30 June 2015.

The net loss is inclusive of PPK's investment in costs relating to relocation, integration, restructuring and additional resources above historical levels deemed necessary to deliver on business objectives and acquisition synergies over the medium term. Accordingly, it is impracticable to disclose the profit or loss that the business would have contributed if the acquisition had occurred on 1 July 2014.

Impairment Charges

As at 30 June and in accordance with the Accounting Standards, PPK assessed certain non-current assets for impairment. As a result intangibles of $7,696,000 and property, plant and equipment of $489,000 were written down (refer Note 3). Included in these impairments were acquired intangibles above of $2,480,000 and acquired property, plant and equipment of $489,000.

Acquisition Costs

Costs arising directly from the acquisitions have been expensed directly in profit or loss and have been separately identified.
The total amount of acquisition costs is $323,000.

Contingent Liabilities

There are no contingent liabilities arising from the business combinations as at 30 June 2015.

Contingent Consideration

No contingent consideration exists in relation to the business combinations as at 30 June 2015, however refer note 25 in relation to the separate share based payment agreement with the Exlec vendor employee.

NOTE 31 RELATED PARTIES

For details on transactions between related parties refer to the Audited Remuneration Report contained in the Directors' Report of this annual report.

	Notes	Consolidated Entity 2015 $000s	2014 $000s

NOTE 32 CASH FLOW INFORMATION

(a) Reconciliation of profit / (loss) after income tax to the cash provided by operating activities

	Notes	2015 $000s	2014 $000s
Profit / (Loss) after income tax attributed to owners of PPK Group Limited		(12,122)	2,519
Cash flows in operating activities but not attributable to operating result:			
Non-controlling interest equity distribution		300	(432)
Non-cash flows in operating profit:			
Amortisation		353	199
Depreciation		1,541	977
Impairment of land & buildings		-	240
Interest accrued		105	(884)
Impairment of available-for-sale-assets		556	828
Impairment of intangibles		7,696	-
Impairment of plant and equipment		489	-
Transfers to provisions		-	(110)
Other Income		-	(44)
Share of (profit) / loss from associates		85	-
Loss/(Profits) on sale of available-for-sale financial assets		(605)	(1,206)
Share based payment expense		397	1,330
Gain on bargain purchase		(1,636)	(2,828)
Gain on sale of subsidiaries		(1,893)	-
(Profits) on sale of plant & equipment		-	(8)
(Profits) on sale of property		(4,478)	-
Decrease (increase) in tax recoverable		(178)	-
Increase/(decrease) in tax payable		(200)	206
Decrease/(increase) in deferred tax assets	17	2,234	(270)
Increase/(decrease) in deferred tax liabilities	17	(2,159)	35
Changes in assets and liabilities:			
Decrease/(increase) in financial assets at fair value through profit and loss		12	822
Decrease/(increase) in trade and other receivables		2,687	(2,855)
Increase/(decrease) in intangible asset investment		-	(647)
Decrease/(increase) in prepayments		439	(540)
(Increase)/decrease in inventories		803	87
(Decrease)/increase in provisions		1,430	-
(decrease)/increase in trade creditors and accruals		2,574	1,124
Net cash/(used in) provided by operating activities		(1,570)	(1,457)

(b) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes:

	Notes	2015 $000s	2014 $000s
Cash on hand		1	1
Call deposits with financial institutions		2,475	4,903
Bank overdrafts - secured		-	-
	10	2,476	4,904

(c) Non-cash Financing and Investing Activities

During the financial year, the consolidated entity had the following non cash adjustments, expense/(income);

	Notes	2015 $000s	2014 $000s
Gain on bargain purchase		(1,636)	(2,828)
Impairment of intangibles		7,696	-
Impairment of plant and equipment		489	-
Impairment of available-for-sale financial assets (listed company investments)		556	828
		7,105	(2,000)

NOTE 33 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Winding up and deconsolidation of SLOT Loan Trust
In September 2015, Supported Living on Tweed Pty Ltd (borrower) repaid $3.235m in loans payable to the SLOT Loan Trust. In turn the SLOT Loan Trust repaid $1.684m to external lenders. These comprised the primary assets and liabilities of the trust, accordingly, the SLOT loan trust has been wound up during the year and accordingly been deconsolidated from the Group.

Debt Restructure
In October 2015, PPK borrowed $2.550m from Neruj Pty Ltd ATF Wemole Funding Trust. The loan attracts interest at 15% per annum, has an initial 12 month term and is secured by second mortgage over the property located at 13A Stanton Road, Seven Hill. PPK Directors Glenn Molloy, Graeme Webb and Robin Levison share beneficial ownership and control of the trust. Proceeds from this loan were used to fully repay the existing National Australia Bank commercial bill facility of $2.21m. In January 2017, upon sale of the Seven Hills Industrial property, the Neruj loan was repaid in full.

In October 2015, the Commonwealth Bank market rate loan of $2.729m owed by PPK Mining Equipment Pty Ltd (wholly owned PPK subsidiary) was assigned to Seven Hills Property Holdings Pty Ltd (wholly owned PPK subsidiary) along with all the associated security interests. The assignment was funded by Seven Hills Property Holdings Pty Ltd borrowing an equivalent amount from the Commonwealth Bank under market rate loan facilities secured by first registered mortgage of the property located at 13A Stanton Road, Seven Hills. The term of the Commonwealth Bank loan is 3 years, maturing on the 19th October 2018. In January 2017, upon sale of the Seven Hills Industrial property, the CBA loan was repaid in full.

Other loans receivable and payable
In October 2015, PPK (CC) Pty Ltd (wholly owned subsidiary) acquired loans receivable totalling $2.647m owed by Couran Cove Holdings Pty Ltd ATF CCH trust and secured by real property located at Couran Cove Resort, South Stradbroke Island. There are multiple loan agreements comprising the loans receivable with interest of 14 per cent per annum. These loans were repaid in full in September 2016, with principal and interest proceeds totalling $2.905M.

As funding for the transaction above, PPK borrowed $2m and $1m from Atkone Pty Ltd and Contemplator Pty Ltd, respectively, at 10% interest per annum on 2 year terms expiring September 2017. During the year, a further $0.45m was borrowed and $2.225m was repaid leaving outstanding borrowings of $1.225m at 30 June 2016. The loans are secured by General Security Agreements over the assets of PPK (CC) Pty Ltd and PPK Investment Holdings Pty Ltd, together with a Guarantee & Indemnity from PPK Group Limited and PPK Investment Holdings Pty Ltd. In September 2016, these loans were repaid in full and related securities, guarantees and indemnities released.

In May 2017, secured loans of $1.25M were received from entities associated with PPK Director Glenn Molloy. Loan proceeds were used to repay the Mt Thorley premises vendor loan of $1.037M and the balance for capital expenditure and net working capital purposes. These loans were provided under a one year term and attract interest of 10% per annum. The loans are secured by a first ranking mortgage over the property located at 25 Thrift Close Mt Thorley and General Security Agreements and Specific Security Agreements for entities related to these premises or the Firefly business operating from these premises.

Nowra facility closure
In December 2014, PPK completed the acquisition of the Firefly business. Operating from a base at Mt Thorley, Firefly sells, services and hires a range of mobile pneumatic (air) powered products for the mining industry. The Firefly business compliments PPK's existing Rambor pneumatic products business. Post-acquisition, PPK consolidated Rambor's operations at Nowra into both the Firefly Mt Thorley facility and PPK's Port Kembla centre. This process was completed in early FY 2016 and accordingly the Nowra facility was closed, generating considerable cost savings across the combined businesses.

Onerous lease
In June 2015, an onerous lease provision of $2,000,000 was recognised in relation to the operating lease of 7 x CoalTrams (Rental CoalTrams) from a 3rd party finance provider. During the 2016 financial year lease payments were suspended whilst negotiations took place. At 30 June 2016, total liabilities recognised in relation to the lease were $2.84m comprising $1.21m unpaid lease payments (rental arrears) and $1.63m onerous lease provision. On 27 June 2016, Glegra Pty Ltd ATF The Coaltram Trust (TCT) being a PPK director related entity (refer related party disclosures) acquired the rights and obligations of the lessor on arms-length commercial terms. Following this, PPK has paid TCT the rental arrears up to 31 August 2016. The rental arrears from September 2016 to date remain outstanding by mutual agreement between PPK and TCT.

Sale of Industrial Property
In January 2017, the Seven Hills (NSW) Investment property was sold for $7.875m resulting in a profit on sale of $4,433m. Proceeds on sale were used to repay the Commonwealth Bank market rate loan of $2.729M and Neruj Pty Ltd ATF Wemole Funding Trust loan of $3.195M (inclusive of interest and further advances from initial loan of $2.550M).

Share Portfolio
PPK's share portfolio is materially comprised of one key ASX listed stock, being Eureka Group Holdings (EGH). As at 30 June 2015, the EGH share price was $0.51 and PPK held 6,450,000 shares at a value of $3,289,500. During the FY16 year 4,032,000 EGH shares were sold at an average price of $0.646 per share, resulting in gross proceeds of $2,603,489. Furthermore, to date in FY17, 2,038,000 shares have been sold at an average price of $0.379 per share, for proceeds of $771,687. The total EGH shareholding remaining as at the 12th June 2017 was 400,000 shares at $0.36.

Shares based payment and new share issue
Further to share based payment comments in note 25, In accordance with the terms of a business combination in October 2014 the vendor employee may receive $1,000,000 in PPK Group Limited ordinary share capital in two $500,000 tranches over two years. As per this agreement and having met the vesting conditions the vendor was issued 666,667 shares on 16 October 2015 being the first $500,000 tranche). Further, the vesting conditions for the second tranche of $500,000 shares due on 16 October 2016 were not met and accordingly no shares issued.

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.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015

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
   (i) Giving a true and fair view of is financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
   (ii) Complying with Australia 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 2015.

3. Note 2 confirms that the consolidation 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 13th day of June 2017

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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 2015, 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.

Grant Thornton

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 2015 and of its performance for the year ended on that date; and

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

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

Emphasis of matter

Without qualification to our opinion, we draw attention to Note 2(ab) to the financial report, which indicates that the group incurred a loss after tax of $11,822,000 for the year ended 30 June 2015, and net operating cash outflows of $1,570,000 for the year then ended. These conditions, along with other matters as set forth in Note 2(ab), indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 20 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of PPK Group Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 13 June 2017

SHAREHOLDER INFORMATION

AS AT 9TH JUNE 2017

(a) Number of PPK shareholders: 915

(b) Total shares issued: 73,314,570

(c) Percentage of total holdings by or on behalf of the 20 largest shareholders: 73.81%

(d) Distribution schedule of holdings

Holdings Ranges	Holders	Total Units
1-1,000	107	59,853
1,001-5,000	270	882,853
5,001-10,000	200	1,633,565
10,001-100,000	269	8,591,554
100,001-9,999,999,999	69	62,146,745
Less than a marketable parcel	190	205,486

(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

Wavet Fund No 2 Pty Ltd	12,919,519	17.622
Ignition Capital Pty Ltd <The Ignition A/C>	11,766,667	16.050
Equipment Company Of Australia Pty Limited	9,460,000	12.903
McNamara Investment Group Pty Ltd <McNamara Investment A/C>	4,000,000	5.456
Zhang Family Investment Group Pty Ltd <Zhang Investment A/C>	4,000,000	5.456
Contemplator Pty Ltd <ARG Pension Fund A/C>	2,651,695	3.617
John E Gill Operations Pty Limited	1,568,985	2.140
Mr Dennis Joseph McGillicuddy & Mrs Graciela McGillicuddy	1,200,000	1.637
Luton Pty Ltd	800,000	1.091
Mr Guy Lance Jones <BoQ Loan A/C>	750,000	1.023
Flynfam Pty Ltd <Flynn Family A/C>	666,667	0.909
Mr Leslie John Field & Mrs Eve Field	639,453	0.872
Ruminator Pty Ltd	543,883	0.742
Mr Barry Silverstein	512,660	0.699
Dealcity Pty Limited <Wowk Superannuation Fund A/C>	500,000	0.682
Ryan Consultancy Group Pty Ltd <Estateways P/L Exec S/F A/C>	500,000	0.682
Mr Robert Joseph Faulks & Mrs Patricia Baynton Faulks <Tharwa Super Fund A/C>	459,535	0.627
Mr Ian Macdonald	425,000	0.580
Miss Samantha Molloy	408,570	0.557
Ms Alison Irving	341,960	0.466
	54,114,594	73.812

Substantial Shareholders	Shares to Which Entitled	% of Issued Capital
Wavet Holdings Pty Ltd	12,969,519	17.69
Ignition Capital Pty Ltd and Associates	11,766,667	16.05
Equipment Company of Australia Pty Ltd	9,460,000	12.90

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) *resigned 5 May 2017*
Glenn R. Molloy (Executive Director)
Raymond M. Beath (Non-Executive Director) *resigned 8 March 2017*
Graeme D. Webb (Non-Executive Director)
Dale McNamara (Executive Director)

Company Secretary
Andrew J. Cooke

Head and Registered Office
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