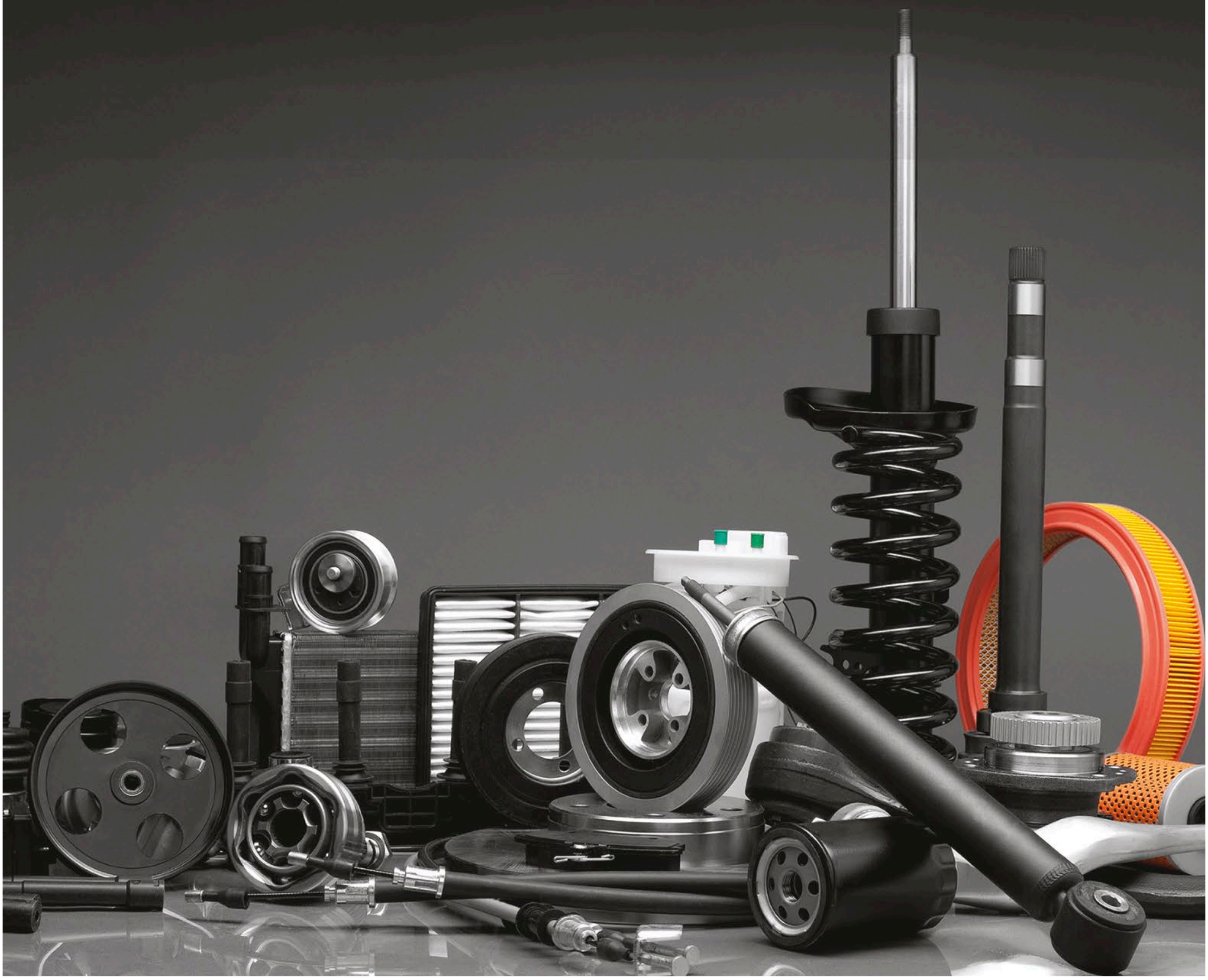
BURSON GROUP LTD

Annual Report 2015

Australia's leading provider of aftermarket parts, equipment, accessories and service.



This annual report does not include financial or business information relating to Aftermarket Network Australia ("ANA") apart from an overview of ANA on page 9. This is because of the acquisition of ANA took place on 31 July 2015, which was subsequent to the end of the 30 June 2015 financial year

Total stores

130 (+14)

Number of employees

1,350+

Revenue up

9.9%

Same store sales growth up

4.6%

Pro-forma NPAT up

19.1%

Pro-forma EPS up

19.1%

AGM

26th October 2015
11.30 am
Level 37, 101 Collins Street
Melbourne

Burson Group Limited ACN 153 199 912

Chairman's Report

On behalf of the Board I am very pleased to be presenting Burson Group Limited's second annual report and the first annual report reflecting a full year of operations as a public company since listing on the ASX in April 2014.

The year ending 30 June 2015 has delivered record sales and profit and the results were ahead of our pro-forma forecasts provided in Burson's IPO prospectus. Compared to FY2014, revenue has increased by 9.9% to $375.3 million and pro-forma net profit after tax was up 19.1% to $23.1 million. Further details on this excellent result are provided in the CEO and Directors' reports.

In addition to record sales and profit, a number of key milestones were achieved in FY2015. Notably Burson became a national business with operations commencing in Western Australia which will assist us in servicing our national chain customers. The year culminated with the announcement in June 2015 that Burson had entered into an agreement to purchase Metcash Automotive Holdings Pty Ltd effective 31 July 2015 (subsequently renamed as Aftermarket Network Australia Pty Ltd., "ANA").

The acquisition of ANA places Burson across the wholesale, distribution, trade, retail and service sectors of the automotive aftermarket supply chain and along with our existing Burson Auto Parts business provides many opportunities for future growth. To fund the acquisition, additional debt was provided by existing banks, and additional shares were issued under an Entitlement Offer which was well supported by all shareholders. I would like to thank both existing and new shareholders for their support in this transaction, and in particular welcome the ANA team to Burson.

The performance and strategies of Burson have been supported by the investment community with an approximate 60% increase in Burson's share price over the course of the financial year. The Burson Board has also declared a final fully franked dividend of 4.7 cents per share resulting in a full year fully franked dividend of 8.7 cents per share.

The focus of the board in the year ahead will be to oversee the successful addition of ANA to Burson, and to help drive strategy and future direction so that the Burson Group of companies will continue to grow and achieve positive results for our shareholders.

Burson has continued the strong growth demonstrated since its beginnings as a private company in the early 1970's. Burson's growth continues to be possible due to the strong foundations forged over many years, namely very knowledgeable and motivated people and sound processes that enable Team Burson to provide excellent service to its extensive customer base.

Mr Darryl Abotomey, his senior leadership team and all the dedicated employees of Burson have delivered another outstanding year and I would like to thank them for their continued efforts in helping make Burson the company it is today.

Finally, I would like to express my thanks to our shareholders and to our customers and suppliers who have contributed to the success of Burson to date and for their continued support.

Robert McEniry
Chairman

Board Of Directors

Robert McEniry
Independent, Non-Executive Chairman

Robert was appointed to the Burson Board in March 2014 as an Independent Non-Executive Chairman. Robert has extensive experience in the automotive industry both in Australia and overseas, holds a Master of Business Administration from the University of Melbourne and is a Member of the Australian Institute of Directors.

Darryl Abotomey
Managing Director and Chief Executive Officer

Darryl was appointed to the Board in October 2011 as Chief Executive Officer and Managing Director. Darryl has more than 8 years' experience in the automotive industry and extensive knowledge in business acquisitions, mergers and strategy and holds a Bachelor of Commerce (Hons) majoring in accounting and economics from the University of Melbourne.

Andrew Harrison
Independent, Non-Executive Director

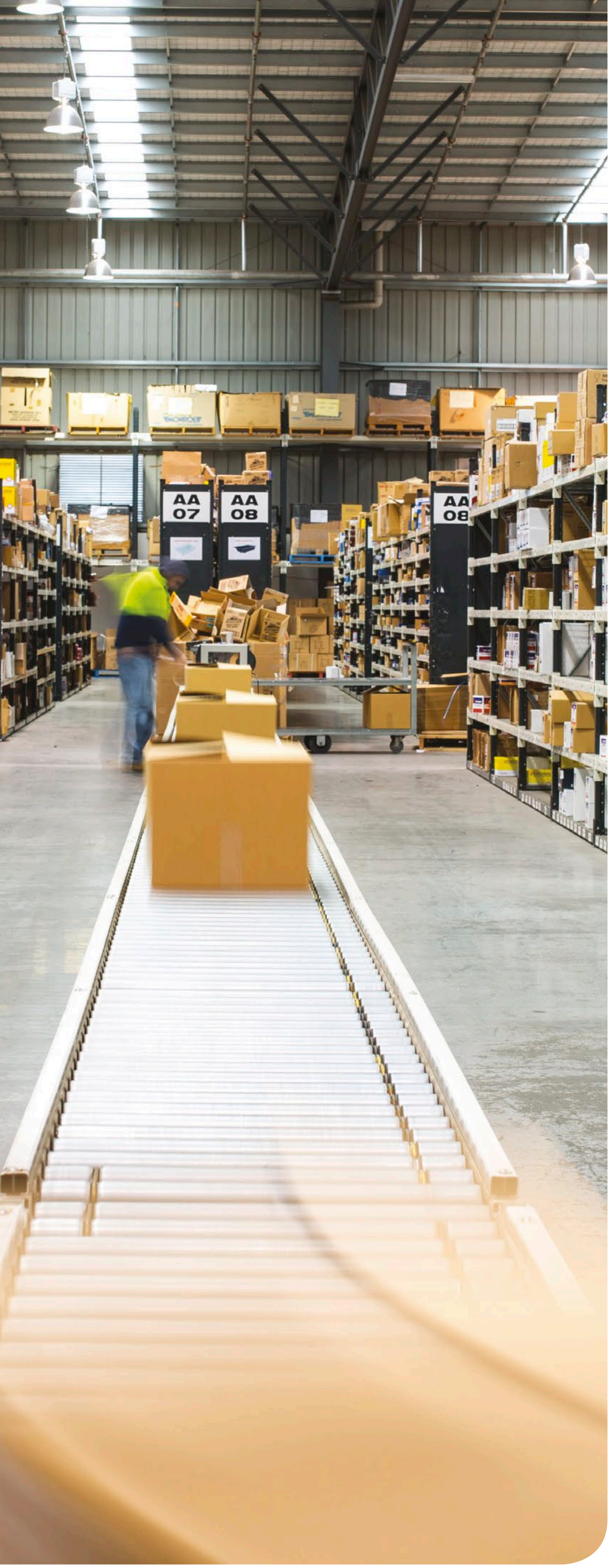
Andrew was appointed to the Board in March 2014 as an Independent Non-Executive Director. Andrew is an experienced company director and corporate advisor, holds a Bachelor of Economics from the University of Sydney and a Master of Business Administration from The Wharton School at the University of Pennsylvania, and is a Chartered Accountant

Therese Ryan
Independent, Non-Executive Director

Therese was appointed to the Board in March 2014 as an Independent, Non-Executive Director. Therese is a professional non-executive director with over 35 years' experience as a senior business executive and commercial lawyer, holds a Bachelor of Laws from the University of Melbourne and is a Graduate Member of the Australian Institute of Directors.

Left to right: Andrew Harrison, Robert McEniry, Darryl Abotomey and Therese Ryan.

Burson's people are the most important factor to the success of our company as it is what sets us apart from our competitors.



CEO's Report

Financial year 2015 has been another exciting year for Burson with some significant achievements. These achievements would not have been possible without the contribution of all the members of Team Burson. Our people is what makes Burson a success and I am very proud of what our team has been able to achieve together.

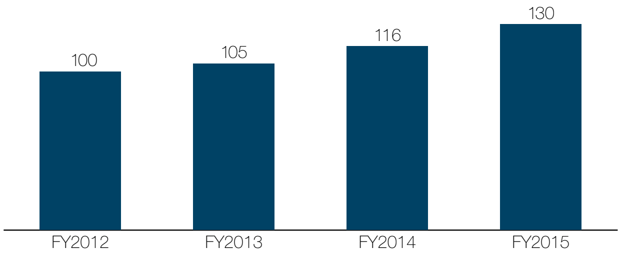
Compared to FY2014 proforma results, Burson delivered:

- 14 new stores bringing the total to 130 stores across Australia
- Revenue growth of 9.9% to $375 million
- Same store sales growth of 4.6%
- Gross margin up 0.7 to 43.7%
- Pro-forma EBITDA growth of 15.3% to $41.5 million
- Pro-forma NPAT growth of 19.1% to $23.1 million
- Pro-forma EPS growth of 19.1%
- Underlying net debt down $15 million

In addition to significant growth over the prior year, Burson also exceeded the FY2015 forecast outlined in its IPO prospectus published in March 2014.

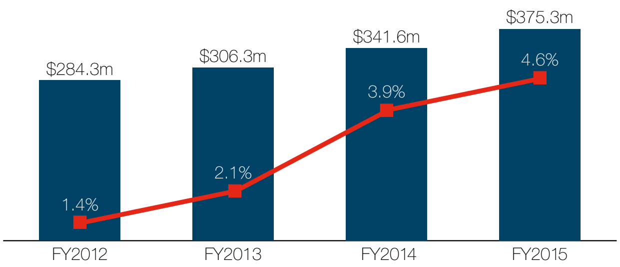
Below are some of the key indicators of the FY2015 financial performance of the business;

Store numbers



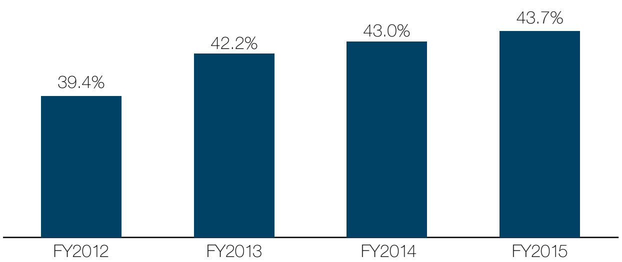
A key strategy of Burson is to grow its store network through both acquisitions and greenfield developments. In FY2015, store numbers increased by 14 to bring the current store network to 130. This was ahead of the prospectus forecast of 124. The increase in store numbers was achieved through 7 store acquisitions and 7 greenfield developments. Burson's target is to increase store numbers to approximately 140 by the end of FY2016 and is on track to achieve its target of 175 stores by 2019.

Revenue and same store growth



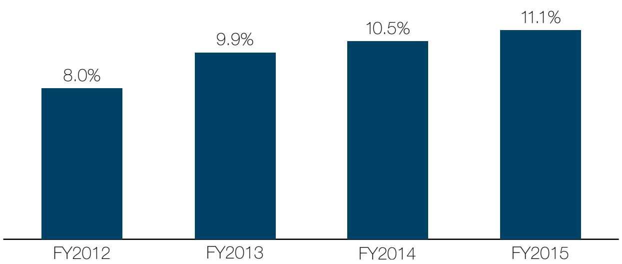
FY2015 revenue growth of 9.9% to $375.3 million was attributable to organic sales growth at existing stores as well as an increase in the number of stores. "Same store" revenue growth was 4.6% in FY2015 and continued the improvement trend over the previous 3 years. Approximately one third of the same store revenue growth was due to supplier price increases that were passed through in our selling prices. New stores to the network in FY2014 and FY2015 contributed 5.3% of the FY2015 revenue growth.

Gross profit margin



Gross profit margin in FY2015 improved by 0.7 mainly in the second half of FY2015. A devaluation of the Australian dollar led to supplier price increases which were passed through to the market, consistent with what has been able to be achieved historically. In addition Burson remains focussed on improving gross margin where possible through various business initiatives including staff training, increasing the proportion of "walk in" sales, cost of goods purchased negotiations and the development of its private label and direct sourcing program.

EBITDA Margin



Burson continued the trend of improving EBITDA margins. In FY2015 there was an increase in EBITDA margin by 0.6 to 11.1% which was a result of the 0.7 increase in gross margin percentage being partly offset by a 0.1 increase in the cost of doing business expressed as a percentage of sales. The increase in CODB % was a result of start-up costs of approximately $1 million incurred in respect of the new Brisbane distribution centre and new stores, predominantly in Western Australia.

Burson began operations in Western Australia in June 2015 and currently has 3 stores in this state which is consistent with Burson's strategy of expanding its national footprint to grow its business and to be able to service national chain customers. In addition Burson opened a store in the ACT in August 2015 taking Burson to every state and territory of Australia.

Burson also established an 8,000sqm distribution centre located in Brisbane. This warehouse will ensure we have warehouse capacity to support Burson's store growth target of 175 stores by 2019. The Brisbane distribution centre will initially service approximately 40 stores located in Queensland and northern NSW and will enable us to better serve customers in those areas by improving inventory replenishment lead times, particularly to stores in Northern Queensland. Increased operating costs as a result of the second distribution centre should be largely offset by freight savings, although there will be some duplication of costs in the first half of FY2016. The additional working capital investment in the Brisbane distribution centre will be gradually reduced as we are able to carry less inventory in the outlying stores due to the reduced delivery lead-times from the new distribution centre.

Consistent with the strategy of sales and margin growth, Burson performed 27 front of store enhancements during FY2015. The front of store enhancements are designed to increase walk in cash sales which also have the advantage of higher margins than trade sales. Depending on each individual store's requirements, the front of store enhancements may involve new shelving, layout changes, minor renovations and new signage. The objective of the front of store enhancements is not to become a dual retail/trade store, but to better display the current trade focused product mix to enhance its sale potential to walk in customers.

In June 2015, Burson announced it had entered into an agreement to purchase Metcash Automotive Holdings from Metcash Ltd and the transaction was completed on 31 July 2015 for $283 million. This business has been renamed "Aftermarket Network Australia" or "ANA". ANA is one of Australia's leading wholesalers and distributors of automotive aftermarket parts and accessories. ANA distributes parts and accessories to a predominantly franchised marketing network of 330 stores and outlets under the Autobarn, Autopro, Opposite Lock and Carparts brands as well as approximately 3,000 other aftermarket customers. ANA also has a franchised chain of 140 automotive service workshops through its ABS and Midas outlets. ANA's operations are complementary to Burson's existing operations and now places Burson across the wholesale, distribution, trade, retail and service segments of the supply chain and provides many additional growth opportunities for Burson. Further information on ANA and Burson's strategy in relation to ANA are contained later in this report.

Burson continues to invest in its people offering training programs to its store managers, assistant store managers, sales representatives and other store staff. The skill and knowledge of Burson's people is a competitive advantage, and strong store management and staff are essential to run a well performing store. Burson also develops a pipeline of talent to assist in resourcing the growing number of stores. In new areas where Burson is expanding such as in Western Australia, Burson's reputation in the industry has assisted in attracting new staff.

The Directors Report contains more detailed information on the statutory and pro-forma results.

CEO's Report cont.

Strategy

Burson's strategy can be split into three key areas:

- Burson Auto Parts
- Aftermarket Network Australia
- Optimisation

Burson Auto Parts

Burson Auto Parts' strategies remain unchanged since the acquisition of ANA. The key strategies are;

- Continue to strengthen its trade presence in a resilient market.
- Grow the national store network and customer service offering of extensive parts range and availability, delivery speed and knowledgeable staff.
- Target 175 stores by 2019
- Focus on growing sales from existing stores, electronic and online platforms, increasing "walk in" store sales, chain workshop sales and further enhancing the range of inventory available.
- Improve cost of sales through a range of initiatives including improved supplier terms as volumes continue to increase, further develop Burson's private label offering and increase the level of direct sourcing.

Aftermarket Network Australia

ANA's growth strategy can be summarised as follows;

- Grow the number of marketing network stores which currently have:
  - 330 "Retail focused" stores under Autobarn, AutoPro, Opposite Lock and Carparts
  - 140 service workshops under Midas and ABS
- Expand the wholesale and distribution inventory range offering
- Increase same store sales, sales penetration and store profitability
- Gain benefits of recent acquisitions and simplify processes and systems
- Continue support of franchise and independent businesses

ANA has expanded rapidly over the previous few years through acquisitions and during FY2016 a key focus will be to ensure the acquisitions are well bedded down and the opportunities of scale and integration between the businesses of ANA are achieved.

Optimisation

During the first half of FY2016, Burson will be reviewing and developing a detailed plan to optimise the opportunities between the Burson Auto Parts and ANA businesses. In general opportunities exist in;

- Obtaining procurement savings through higher spending power
- Accelerating the private label offering in both Burson Auto Parts and the ANA marketing network
- Promoting the advantages of vertical and horizontal integration
- Optimising the logistics network
- Supporting services integration
- Delivering customer service benefits through the expanded store network structure

The purpose of the optimisation review is to develop a plan for the way forward without jeopardizing the profitability of the Burson Auto Parts and ANA businesses which are both currently successful in their own right. The plan will also ensure that we are moving forward in a structured way, maximising the potential returns and prioritising where resources are allocated.

Outlook

The outlook for FY2016 is for Burson to continue to grow at a steady rate. The Burson Auto Parts business excluding ANA is expected to grow Net Profit After Tax at a low double digit percentage, assuming a consistent competitive environment. Burson expects a same store sales growth of between 3% and 4% with a margin reasonably consistent with full year FY2015. The store network will be expanded through acquisitions and greenfield developments as opportunities arise and will reach a target of approximately 140 by 30 June 2016 (currently there are 133 stores at the date of this report).

Burson acquired ANA at the end of July 2015 and as such FY2016 will include 11 months of ANA's results. It is expected that ANA will perform similarly to its annual results in FY2015 less its July 2015 result. It is worth noting that July is one of the largest sales and profit months in ANA's year.

I would like to take this opportunity to thank those who make Burson the company it is today including our Board members, all staff, customers and suppliers. Finally I would like to welcome the ANA team to the Burson Group and look forward to working together and growing this great business.

Darryl Abotomey
Chief Executive Officer

Our People

Burson's people are the most important factor to the success of our company as it is their deep product knowledge and expertise that sets us apart from our competitors. We continue to develop our people to help maintain a high level of customer service. Burson has established regular business and industry training, and team building initiatives for employees with the aim of improving the business skills, knowledge, culture and retention of personnel.

Burson continues to develop online training systems and processes along with technical training throughout the year when required. Most online training is currently targeted towards product knowledge.

Since May 2011, Burson has invested in its core organisational and operational structure to support ongoing growth. A highly experienced executive management team is in place to support Burson's growth strategy.

Burson's people are the most important factor to the success of our company as it is what sets us apart from our competitors.

Burson's Senior Leadership Team

Greg Fox
Chief Financial Officer and Company Secretary – Burson Group Ltd

Greg has more than 25 years' experience in the automotive, industrial and public accounting sectors. Greg joined Burson as Chief Financial Officer in 2012 with responsibility for finance, legal, company secretarial and plays a key role in strategic initiatives. Greg was previously Chief Financial Officer at Atlas steels and at Plexicor, which was a major supplier to the automotive industry. Greg also held various senior financial positions with Amcor after commencing his career as a chartered accountant.

Andrew Schram
General Manger Merchandising and Procurement – Burson Auto Parts

Andrew has over 40 years' experience in the automotive industry, including 35 years with Burson. Andrew commenced his career at Burson as a store manager at one of the Company's first stores. He progressed through the organisation to become the Chief Operating Officer having held various responsibilities including procurement, merchandising, supply chain, strategic development and he established the Preston distribution center. Andrew now leads Burson's procurement, merchandising and supply chain

Craig Magill
General Manager Store Operations – Burson Auto Parts

Craig has an extensive career in the automotive industry spanning more than 25 years. Before joining Burson, he was the General Manager of RAC'S (WA) automotive workshops, which was preceded by many years at Repco. Craig is responsible for all aspects of managing store operations.

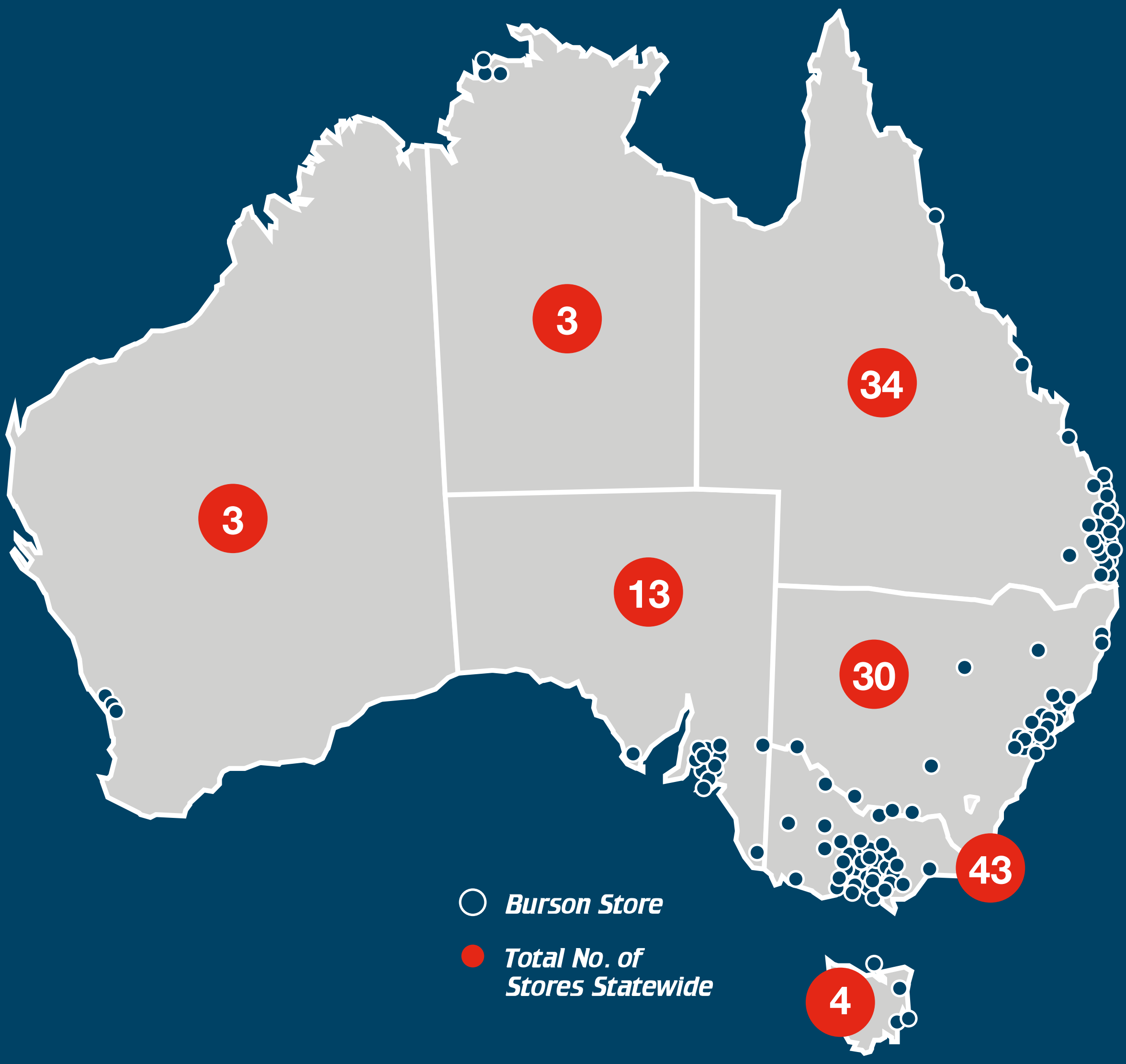
Damien Hill
General Manager Sales and Marketing – Burson Auto Parts

Damien has 18 years in the automotive industry and joined Burson in December 2014. Before joining Burson he has had experience in various senior roles in product and sales management with companies such as VDO, Hayman Reese and NGK. He obtained an MBA with La Trobe University in May 2010. His responsibilities include sales and marketing, major accounts, workshop equipment and e-commerce.

Peter Ruffy
Human Resources Manager – Burson Auto Parts

Peter joined Burson in late 2011 following 12 years heading up the human resources function at engineering, construction and maintenance services group, Silcar. Prior experience was with Qantas as Employee Relations Manager

Burson Auto Part's Store Network



At the end of June 2015 the store network consisted of 130 stores (up from 116 in the previous financial year) now across all Australian states and territories with a new store opening in ACT in July 2015.

The location and set up of stores is designed to enable Burson to deliver the highest quality of service to our customers. Approximately 80% of workshop customers are located within five kilometres of a Burson store. Such proximity to customers and density of customers around each store enables Burson to minimise time from receipt of order to delivery of parts and increase the frequency of deliveries as more customers are located on a delivery route.

Burson has a distribution centre in Melbourne and has recently established a new distribution centre in Brisbane. This will provide additional storage capacity and more efficient distribution. Benefits include faster replenishment to stores and consequently improved availability and service to our customers.

Aftermarket Network Australia Pty Ltd ("ANA") (formally Metcash Automotive Holdings Pty Ltd)

Burson Group acquired ANA effective 1 August 2015, comprising:

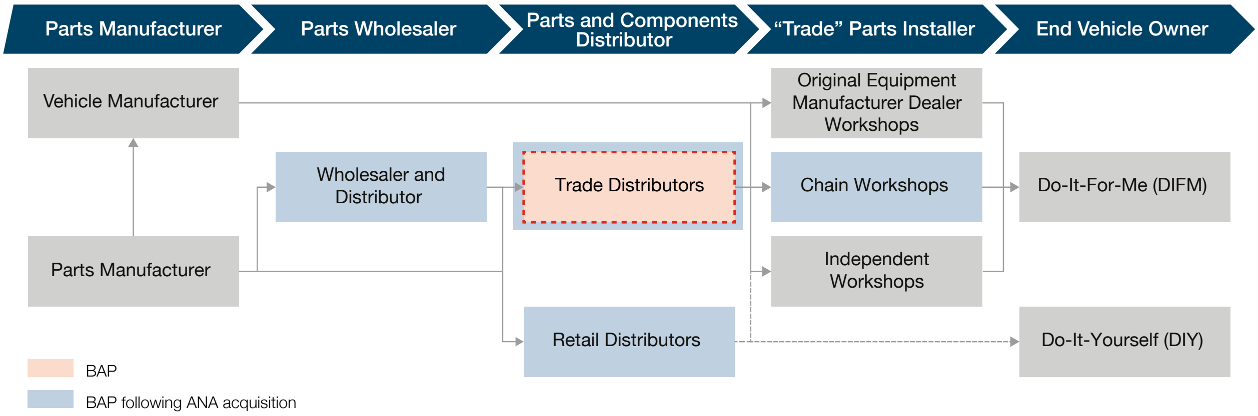
ANA is a leading wholesaler and distributor of automotive parts and accessories and service provider in Australia with FY2015 revenues of approximately $260 million. The business is comprised of two parts: wholesale and distribution through the Australian Automotive Distribution Group ("AAD"), and a marketing network through the Automotive Brands Group ("ABG").

Wholesale and distribution (69% of FY2015 revenue): ANA is one of Australia's largest automotive wholesaler and distributors, with 10 distribution centres distributing 130,000 stock keeping units ("SKUs") to stores and service workshops in ANA's marketing network and ~3,000 other aftermarket customers.

Marketing network (31% of FY2015 revenue): ANA is the franchisor to a network of approximately 330 retail-focused stores (Autobarn, Autopro, Opposite Lock and Carparts) and 140 service workshops (Midas, ABS) that purchase parts and accessories from ANA's wholesale and distribution business. These stores and workshops are estimated to have generated end-market sales of $550 million in FY2015 (the end market sales are not included in the ANA reported sales).

The acquisition complements Burson Auto Parts position in the supply chain and adds presence in wholesale, retail and service. The addition of ANA to the Burson Group provides new growth opportunities.

The following diagram represents the automotive aftermarket supply chain and demonstrates where Burson traditionally participated and the additional segments that Burson now participates in through the acquisition of ANA.



The senior leadership team of ANA are;

- Paul Dumbrell (CEO),
- Gordon Bennett (General Manager, Automotive Distribution),
- Mathew Cooper (General Manager Commercial),
- Grant Jarrett (Operations Director) and
- Peter Tilley (Retail Director).

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as "Burson" or "the Group") consisting of Burson Group Limited (the "Company") and the entities it controlled at the end of, or during, the financial year ending 30 June 2015 ("FY2015").

This report excludes the results of Aftermarket Network Australia Pty Ltd ("ANA") as this acquisition was completed on 31 July 2015 (subsequent to the end of the 30 June 2015 financial year). Refer note 10 of this report for more details.

1. DIRECTORS

The following persons were Directors of the Company at any time during FY2015, or since the end of FY2015 up to the date of this report:

Current Directors	
Robert McEniry	Independent, Non-Executive Chairman
Darryl Abotomey	Chief Executive Officer & Managing Director
Andrew Harrison	Independent, Non-Executive Director
Therese Ryan	Independent, Non-Executive Director

2. PRINCIPAL ACTIVITIES

During the year the principal activities of Burson were the sale and distribution of motor vehicle parts, automotive equipment and accessories.

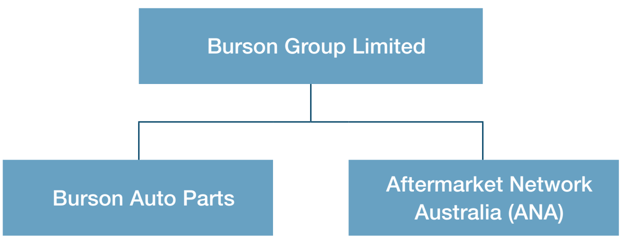
3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On the 15 June 2015, Burson entered into a binding agreement to purchase the entire issued capital of Metcash Automotive Holdings Pty Ltd ("MAH"). On 31 July 2015, Burson completed its acquisition of MAH and subsequently renamed the business to Aftermarket Network Australia Pty. Ltd. ("ANA"). ANA is a wholesaler, distributor and retailer of automotive aftermarket parts. ANA's retail network is predominantly a franchise operation and includes the brands Autobarn, Autopro, Opposite Lock and Carparts, and the service centres Midas and ABS. The wholesale business comprises ATAP, IBS, Partco and Garrmax. For further information about Burson's acquisition of ANA (formerly MAH), refer to Burson's announcements to the ASX on 15 June 2015.

To assist in the funding of the MAH acquisition, Burson conducted a pro-rata renounceable Entitlements Offer ("Entitlement Offer") to shareholders in June 2015 which has increased the number of shares on issue in the Company as detailed in Section 5.3.1 of this report.

On 31 July 2015, Burson's syndicated debt facility was amended as detailed Section 5.3.1 of this report.

The operational structure of Burson post the ANA acquisition is as follows:



4. DIVIDENDS

Fully franked dividends were paid to shareholders of Burson during the year as follows:

9 April 2015 $6,543,426 (4 cents per share)

The Board has declared a final dividend in respect of FY2015 of 4.7 cents per share, fully franked. The final dividend is consistent with the intended final dividend as announced with the acquisition of MAH on 15 June 2015 and will be paid on 30 September 2015 to shareholders registered on Burson's share register on 10 September 2015.

The final dividend takes the total dividends declared in relation to FY2015 to 8.7 cents per share (fully franked). The total dividends in relation to FY2015 represent 78.1% of pro-forma net profit after tax. The FY2015 full year dividend is above the Board's target ratio of 60% to 70% of net profit after tax as the Board considered this appropriate due to the Entitlement Offer during FY2015.

5. REVIEW OF OPERATIONS

The profit from ordinary activities after income tax in FY2015 amounted to $19.5 million (FY2014: $1.2 million). A key component of Burson's statutory profit after income tax in FY2015 was the non-recurring costs incurred by Burson associated with the acquisition of MAH which settled on 31 July 2015. Burson's statutory profit after income tax in FY2014 included non-recurring costs incurred by Burson associated with the IPO, debt refinancing and ASX listing of Burson in April 2014.

After adjusting for the impact of costs incurred in FY2015 related to the MAH acquisition, Entitlement Offer and debt raising and after adjusting the prior year comparison for costs incurred in relation to FY2014 IPO, the FY2015 pro-forma profit after income tax amounted to $23.1 million (FY2014:$19.4 million). The FY2015 pro-forma profit result of $23.1 million compares to the FY2015 IPO prospectus forecast of $21.9 million.

5.1. Operations – Overview

Burson through its Burson Auto Parts operations is an Australian distributor of:

- Automotive aftermarket parts and consumables to trade workshops for the service and repair of vehicles
- Automotive workshop equipment such as vehicle hoists and scanning equipment
- Automotive accessories and maintenance products to do-it-yourself vehicle owners.

Burson Auto Parts distributes over 500,000 stock keeping units to approximately 30,000 mechanical workshops and other customers across Australia. It distributes automotive parts using an extensive distribution network that comprised 130 stores at 30 June 2015 (up from 116 stores in FY2014), two purpose built distribution centers supported by hub stores, and an integrated IT and logistics system. Burson Auto Parts has a national footprint with stores in every state and territory of Australia.

Directors' Report cont.

Burson Auto Parts customers are primarily mechanical workshops. These workshops conduct general servicing and repair of vehicles, with the large majority of servicing conducted on a same day basis whereby an owner will drop off their vehicle to the workshop and collect it on the same day. As such, the mechanic needs to be able to order and have parts delivered within a very short period of time to complete the servicing. The mechanic needs a distributor that holds both a wide range of parts suitable for the range of vehicles they service, and offers a high level of customer service including, nearby availability of the right parts, short delivery time and knowledgeable staff. Delivery of automotive parts to trade customers (i.e. mechanics and other part installers) accounted for approximately 80% of Burson's revenue in FY2015. Burson received its remaining income from in-store sales of automotive parts to walk-in customers who typically comprise do-it-yourself vehicle owners and other customers.

Burson's key growth strategies for the Burson Auto Parts business are:

- to continue to grow its store network through new store acquisitions and new store developments (referred to as "greenfield" stores),
- maintain superior customer service through the development of its people and systems,
- grow its sales from its electronic and online platforms and increase in-store sales and national chain workshop sales,
- leverage supplier terms through increased scale, enhance the range of automotive parts it distributes and the proportion of parts distributed with Burson's own brands,
- develop relationships with international manufacturers to enable direct sourcing of parts, and
- review opportunities to expand its business through vertical integration and expansion into complementary businesses

These strategies will allow Burson to further capitalise on scale advantages, as well as position Burson to benefit from the growing demand for automotive parts and services.

5.1.1. Operations – FY2015

During FY2015, Burson continued to expand its store network with the number of stores increasing from 116 at 30 June 2014 to 130 at 30 June 2015. Most notably Burson now operates in all states of Australia having commenced operations in Western Australia in FY2015 with the initial development of three greenfield stores. As announced in October 2014, the acquisition of Covs in Western Australia did not proceed and instead Burson has adopted a greenfield start-up strategy in this market.

The total increase of 14 stores was achieved via 7 individual store acquisitions and 7 greenfield store developments. The new stores were located as follows:

- Acquisitions – Ipswich, Tweed Heads, Innisfail and Currumbin in Queensland, McGraths Hill and Orange in New South Wales, and Murray Bridge in South Australia.
- Greenfields – Broadmeadows and Wollongong in New South Wales, Malaga, Belmont and Osborne Park in Western Australia, and Beenleigh and Rockhampton in Queensland.
- Total expenditure on store acquisitions was $4.4 million (including inventory injections, motor vehicles and refurbishment post acquisition) and total expenditure on greenfields including inventory was $4.4 million.

In addition to store growth, Burson established an 8,000 square meter distribution centre in Brisbane that will service its Queensland and Northern NSW stores.

5.2. Financial Performance

The key highlights of Burson's statutory financial results for FY2015 compared to FY2014 were:

- Revenue increased by 9.9% to $375.3 million,
- Net profit before tax ("NPBT") increased from $1.6 million to $28.7 million,
- NPAT increased from $1.2 million to $19.5 million,
- Net debt decreased from $62.5 million to a positive cash position of $107.9 million.

Burson's financial results were impacted by one-off non-recurring costs associated with the acquisition of MAH and related professional advisory fees, capital raising fees and debt facility costs of $8.9 million*. During the financial year, in June 2015, the Company completed the institutional component of the Entitlements Offer†. The funds raised by the Company through the institutional component of the Entitlements Offer contributed $159.8 million in additional share capital that was used to pay transaction costs and temporarily reduce debt until the completion of the acquisition of the share capital of MAH at the end of July 2015.

Burson's statutory profit before tax in the FY2014 financial year included non-recurring costs incurred by Burson associated with the IPO in April 2014 and the refinancing of Burson's syndicated debt facility.

Statements of a pro-forma consolidated income statement and pro-forma adjustments to the statutory income statement are set out in tables 1 and 2 below.

5.2.1. Non-IFRS financial measures

The Directors' Report includes references to pro-forma results to exclude the impact of various costs and adjustments associated with the MAH acquisition, capital raising and debt renegotiation in FY2015, as well as costs associated with the IPO, debt refinancing and ASX listing in FY2014. These are explained below in table 1 and table 2. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the business and can be directly compared to the forecasts given in the IPO Prospectus. Non-IFRS financial measures contained within this report are not subject to audit or review.

* *For the acquisition of MAH $8.9 million of costs were incurred in FY2015 (of which $4.2 million was expensed and the balance capitalised as per the pro-forma adjustments note 6) and an additional $1.3 million was incurred subsequent to FY2015. Total costs relating to the acquisition of MAH (that include costs associated with the capital and debt raising) amount to $10.2 million.*

† *The Company completed the retail component of the Entitlements Offer in July 2015, subsequent to the end of FY2015, and raised $57.75 million as a result.*

5.2.2. Pro-forma adjustments to the statutory income statement

The table below reconciles the pro-forma result to the statutory result for FY2015 and FY2014 and shows the full year results excluding the non-recurring costs mentioned above.

Table 1:

	Note	Consolidated 2015 $'m	Consolidated 2014 $'m
Statutory Net Profit after Tax		19.5	1.2
Public company costs	1	–	(0.8)
IPO Remuneration adjustment	2	–	2.3
IPO and other transaction costs	3	–	7.2
Net interest adjustment	4	–	16.5
Other operating adjustments	5	–	0.8
Costs associated with the acquisition of MAH	6	4.2	–
Tax effect	7	(0.6)	(7.8)
Pro-forma Net Profit after Tax		23.1	19.4

Notes on pro-forma adjustments:

1. ***Public company costs FY2014*** *– an adjustment was made to include Burson's full year estimate of the incremental annual costs that it would incur as a public company. These incremental costs include share registry fees, Non-Executive Director remuneration, Directors' and officers' insurance premiums, additional audit and legal costs, additional staff costs, listing fees, investor relations costs, as well as annual general meeting and annual report costs.*
2. ***IPO related remuneration adjustment FY2014*** *– An adjustment was made to remove the impact of a one-off senior management cash payment of $2.5 million (inclusive of on-costs). In addition an adjustment was made to include a $0.2 million uplift in senior management fixed remuneration that commenced post IPO.*
3. ***IPO and other transaction costs FY2014*** *– includes expenses of the IPO relating to the sale of existing shares. In addition, $7.4 million ($5.2 million after tax) of IPO costs directly attributable to the issue of new shares was offset against equity raised.*
4. ***Net interest adjustment FY2014*** *– the net interest expense included in the statutory results was adjusted to reflect the actual margins applicable to Burson under the terms of the renegotiated banking facilities. The interest expense was based on the net debt drawn down at the time of the IPO including an allowance for the anticipated average net overdraft balance. In addition, an adjustment was made to remove the one-off costs of $1.0 million ($0.7 million net of tax) arising on close-out of interest rate hedge and to remove the impact of unamortised borrowing costs in the statutory results relating to the historical debt structure of Burson.*
5. ***Other operating adjustments FY2014*** *– Adjustments were made for one-off costs that were expensed in the statutory results in FY2014 associated with the initial recognition of a $0.3 million provision for credit notes and a one-off uplift of $0.4 million in the long service leave provision relating to the application of superannuation on-costs.*
6. ***MAH acquisition FY2015*** *– Total costs incurred in relation to the acquisition of MAH is $10.2 million of which $4.2 million was recorded in the profit and loss of the business in FY2015. These costs related to professional advisory fees and other costs directly related to the acquisition of MAH.*

   Impact of MAH acquisition costs:

	Gross $'m	Tax $'m	Net $'m
FY2015			
Profit & Loss impact	4.2*	(0.6)	3.6
Share Capital impact	4.6†	(1.4)	3.2
Capitalised borrowing costs impact	0.1	–	0.1
Total for FY2015	8.9	(2.0)	6.9
FY2016			
Share Capital impact	1.0	(0.3)	0.7
Capitalised borrowing costs impact	0.3	(0.1)	0.2
Total for FY2016	1.3	(0.4)	0.9
Total	10.2	(2.4)	7.8

7. ***Tax effect FY2015 and FY2014*** *– the effective income tax rate applicable to Burson is approximately 30%, which is equivalent to the Australian corporate tax rate of 30%. This tax rate as adjusted for permanent differences has been applied to each of the financial years.*

* *As at 30 June 2015 costs impacting the profit and loss, $0.7 million have been paid and an accrual exists for a further $3.5 million to be paid during FY2016.*

† *As at 30 June 2015 costs impacting share capital, $3.9 million have been paid and an accrual exists for a further $0.7 million to be paid during FY2016.*

5.2.3. Pro-forma consolidated income statement

Table 2, below, sets out the pro-forma consolidated income statement for FY2015 compared to the pro-forma consolidated income statement for FY2014. The pro-forma consolidated income statement adjusts the statutory results for FY2014 and FY2015 for the pro-forma adjustments as set out in Table 1 above.

Table 2:

	Consolidated Actual	
	2015 $'m	**2014 $'m**
Revenue from continuing operations	375.3	341.6
Costs of goods sold	(211.3)	(194.7)
Gross profit	**164.0**	**146.9**
Employee benefits expense	(75.4)	(68.5)
Occupancy expenses	(12.4)	(11.2)
Freight costs	(12.4)	(11.2)
Other expenses	(22.3)	(20.0)
EBITDA	**41.5**	**36.0**
Depreciation and amortisation expense	(5.2)	(4.4)
Finance costs	(3.4)	(3.8)
Profit/(loss) before income tax	**32.9**	**27.8**
Income tax expense	(9.8)	(8.4)
Profit/(loss) for the year	**23.1**	**19.4**
Key operating metrics		
Number of continuing stores (period end)	130	116
Number of trading days	251.5	250.7
Revenue growth on prior comparative period ("pcp")	9.9%	11.5%
Average daily sales ($'000s)	1,492	1,361
Average daily sales growth	9.6%	11.1%
Same-store average daily sales growth*	4.6%	3.9%
Gross profit margin	43.7%	43.0%
Total CODB (% of sales)	32.6%	32.5%
EBITDA growth	15.3%	19.2%
EBITDA margin	11.1%	10.5%
EBIT growth	14.9%	20.2%
EBIT margin	9.7%	9.3%
NPAT growth	19.1%	21.3%
NPAT margin	6.2%	5.7%
EPS† (Cents per share)	14.12	11.86
EPS Growth	19.1%	

Note: The pro-forma consolidated income statement for the financial year ended 30 June 2015 above has been prepared on the same basis as the prior year pro-forma consolidated income statement. This differs to the statutory financial income statement which includes freight expenses as part of cost of goods sold as required by the Accounting Standards.

* *Same store average daily sales growth is calculated based on all stores that were in operation at the commencement of the prior comparative period.*

† *FY2014 EPS is based on the pro-forma NPAT and the quantity of shares outstanding as at 30 June 2014. FY2015 EPS is based on the pro-forma NPAT and the weighted average number of shares on issue during the year.*

5.2.4. Pro-forma Results – Summary

Key highlights of the FY2015 pro-forma results compared to the FY2014 pro-forma results are:

- Revenue increased by 9.9% to $375.3 million,
- Same-store average sales growth of 4.6%,
- EBITDA increased by 15.3% to $41.5 million,
- Profit before income tax increased by 18.3% to $32.9 million,
- Profit after tax increased by 19.1% to $23.1 million,
- EPS increased by 19.1% to 14.12 cents per share.

In comparison to FY2014, Burson achieved revenue growth of 9.9% to $375.3 million. This reflects sales from new stores opened in both FY2014 and FY2015, as well as 4.6% comparable same store sales growth. On a same trading day basis, revenue increased by 9.6% compared to the prior financial year.

Gross profit in FY2015 increased by 11.6% compared to FY2014 to $164.0 million reflecting increased revenue and an improvement in the gross margin percentage of 0.7% in FY2015 to 43.7%. The GP% for FY2015 increased by 0.5% compared to the half year ended 31 December 2014, largely reflecting the impact of selling price increases Burson implemented in the first quarter of calendar year 2015.

Burson continues to encounter some market pricing pressures as a result of competitor activity. Burson react to pricing competition on a case by case basis, but generally promotes the business on service rather than on price.

The total cost of doing business ("CODB") excluding one-off adjustments was 32.6% in FY2015 compared to 32.5% in FY2014. The increase in CODB of 0.1% includes costs of approximately $1.0 million related to both the start-up of the new Brisbane distribution centre and overheads in relation to the start-up of Western Australian operations incurred pre-store openings.

Employee expense – Burson's largest component of CODB is employee expenses which consist of employment related costs of staff at Burson stores, head office and the distribution centres. Employee costs were consistent at 20.1% of sales in FY2015 compared to FY2014.

Occupancy expense – this includes lease costs for stores, the head office and distribution centres. Burson typically enter into store leases for 3 to 6 years with options to extend the lease. Leases are subject to fixed percentage or CPI increases each year and lease renewals are generally subject to a market review. Occupancy expenses were 3.3% of sales in FY2015 which is consistent with FY2014.

Freight expense – freight expenses include inventory delivery costs from Burson's distribution centres to stores, store to store, supplier to store and third party contractors to customers. Freight expense was 3.3% of sales in FY2015 which is the same ratio as FY2014. During FY2015, Burson established an 8,000 sqm distribution centre based in Brisbane and in July 2015 commenced servicing the Northern NSW and Queensland stores with the objective of reducing freight costs to these regions as well as improving inventory lead times.

Other expenses – this classification includes all other costs of doing business such as motor vehicle expenses, information technology and communications, advertising and promotion materials and insurances. Other expenses as a percentage of sales in FY2015 was 5.9% which is consistent with FY2014.

5.3. Financial Position

5.3.1. Capital Raising and Debt

In June 2015, Burson announced that it had entered into a binding agreement for the acquisition of the entire issued capital of MAH. To fund this acquisition, Burson conducted a pro-rata renounceable Entitlements Offer to shareholders on a 7-for-15 basis to raise approximately $218 million; undertook a placement of 4.7 million Burson shares at a deemed aggregate issue price of $15 million to certain vendors of MAH shares as partial consideration for the acquisition of those MAH shares (**Consideration Shares**); and increased its debt facilities to $200 million. As at 30 June 2015 Burson had raised gross proceeds of $159.8 million from the institutional component of the Entitlements Offer. These funds were used to pay costs related to the MAH acquisition and temporarily reduce debt with the balance held as cash.

Excluding funds raised and costs associated with the acquisition of MAH, Burson's net debt at 30 June 2015 would have been $47.1 million, down from $62.5 million at 30 June 2014.

In July 2015, Burson raised an additional $57.7 million from the retail component of the Entitlements Offer, and issued the Consideration Shares to entities associated with certain vendors of the MAH shares (being entities associated with the CEO of MAH) as the vendors elected to rollover a portion of their MAH shares into Burson shares as consideration.

As a result of the Entitlements Offer and issue of the Consideration Shares, ordinary shares on issue increased from 163,585,666 as at 30 June 2014, to 219,663,293 as at 30 June 2015 (taking into account the issue of shares under the institutional component of the Entitlements Offer), and further increased to 244,622,784 as at 31 July 2015 (taking into account the issue of shares under the retail component of the Entitlements Offer, and the issue of the Consideration Shares).

Burson's external debt facility has been renegotiated effective 31 July 2015 for 3 years. The renegotiated debt facility is $200 million in aggregate and comprises a $171 million revolving facility for working capital and general corporate purposes (including funding of acquisitions), and a $29 million facility for working capital and general corporate purposes, the issuance of letters of credit/ bank guarantees, and the provision of transactional and foreign exchange facilities.

5.4. Industry Trends

The automotive aftermarket parts market in Australia continues to experience growth based on:

i. population growth,

ii. increasing number of vehicles per person,

iii. change in the age mix of vehicles (i.e. more vehicles in the four years or older range),

iv. increasing percentage of vehicles serviced by workshops,

v. an increase in the value of parts sold.

Demand for automotive parts is resilient because parts are critical to vehicle servicing. Vehicle servicing is driven by the number of kilometres travelled, with the number of kilometres travelled by passenger and light commercial vehicles not significantly impacted by economic conditions. Volatility in new vehicle sales does not directly impact demand as parts distributed by Burson are predominantly used to service vehicles that are aged four years or older.

Directors' Report cont.

Ford, Holden and Toyota have announced they will be ceasing manufacturing operations in Australia. Burson does not expect demand for parts to be affected by the decline in the Australian vehicle manufacturing industry. Burson distributes parts for a wide range of vehicle makes and models irrespective of where the vehicle is manufactured. Demand for Burson's services is driven by the total number of registered vehicles on the road in Australia and not the location of vehicle manufacture.

5.5. Material Business Risks

There are a number of factors that could have an effect on the financial prospects of Burson. These include:

Competition risk – The Australian automotive aftermarket parts distribution industry is competitive and Burson may face increased competition from existing competitors (including through downward price pressure), new competitors that enter the industry, vehicle manufacturers, and new technologies or technical advances in vehicles or their parts. Increased competition could have an adverse effect on the financial performance, industry position and future prospects of Burson.

Increased bargaining power of customers – A significant majority of Burson's sales are derived from repeat orders from customers. Burson may experience increased bargaining power from customers due to consolidation of existing workshops forming larger chains, greater participation of existing workshops in purchasing and buying groups, and closure of independent workshops resulting in greater market share of larger chains. An increase in bargaining power of customers may result in a decrease in prices or loss of customer accounts, adversely affecting Burson's sales and profitability.

Supplier pressure or relationship damage – Burson's business model depends on having access to a wide range of automotive parts, in particular parts with established brands that drive customer orders. An increase in pricing pressure from suppliers or a damaged relationship with a supplier may increase the prices at which Burson procures parts or limit Burson's ability to procure parts from that supplier. If prices of parts increase, Burson will be forced to pass on or absorb the price increases, which may result in a decreased demand for Burson's products or a decrease in profitability. If Burson is no longer able to order parts from a key supplier, Burson may lose customer orders and accounts, resulting in lower sales. Any decline in demand, sales or profitability may have an adverse effect on Burson's business and financial performance.

Exchange rate risk – A large proportion of Burson's parts are sourced from overseas, either indirectly through local suppliers or directly by Burson. This exposes Burson to potential changes in the purchase price of products due to exchange rate movements. Historically Burson has been able to pass on the impact of foreign exchange movements through to the market. If the situation arises where Burson is not able to recoup foreign exchange driven cost increases, this will lead to a decrease in profitability.

Managing growth and integration risk – The integration of ANA and the continued strategy of growing the store network will require Burson to integrate these businesses and where appropriate upscale its operational and financial systems, procedures and controls and expand and retain, manage and train its employees. There is a risk of a material adverse impact on Burson if it is not able to manage its expansion and growth efficiently and effectively, or if the performance of new stores or acquisitions does not meet expectations.

Expansion – A key part of Burson Auto Parts growth strategy is to increase the size of its store network, which it intends to do through store acquisitions and greenfield developments. If suitable acquisition targets are not able to be identified, or acquisitions are not able to be made on acceptable terms, or suitable greenfield sites are not available, then this will limit Burson's ability to execute its growth strategy within its expected timeframe. Further, new stores may not prove to be as successful as Burson anticipates including due to issues arising from integrating new businesses. This could negatively impact Burson's financial performance and its capacity to pursue further acquisitions.

5.6. Outlook

Burson Auto Parts expects to continue to grow its store network through acquisitions and greenfield developments. Store network expansion, along with population growth and the number of vehicles on the road should continue to drive Burson's revenue growth. Since June 2015 Burson has opened a further 3 stores taking the amount of stores to 133, and will be targeting to reach approximately 140 stores by the end of the 2016 financial year. Trading trends in July and August 2016 have been positive.

The outlook for Burson for FY2016 excluding ANA is to grow NPAT by low double digit percentage.

Burson's results for FY2016 will also include the results of the ANA business for 11 months.

During the first half of FY2016 Burson will be conducting optimisation reviews of the ANA business and investigating opportunities that increased scale can bring to both Burson Auto Parts and ANA. Post this review Burson will provide an update.

6. INFORMATION ON DIRECTORS

Robert McEniry
Independent, Non-Executive Chairman

Robert was appointed to the Burson Board in March 2014 as an Independent Non-Executive Chairman. Robert holds a Master of Business Administration from the University of Melbourne and is a Member of the Australian Institute of Directors.

Experience and expertise

Robert has extensive experience in the automotive industry both in Australia and overseas. Robert's former roles include President and Chief Executive Officer (and Chairman) of Mitsubishi Motors Australia Ltd, Chief Executive Officer of Nucleus Network Ltd, Chief Executive Officer of South Pacific Tyres Ltd, Vehicle Line Executive General Motors International Operations, Vice President Saab Auto AB (Sweden), Director of Marketing General Motors Holden Ltd and board member of the Executive Committee for the Federal Chamber of Automotive Industries.

Other current directorships

Robert is currently on the boards of Multiple Sclerosis Ltd, Australian Home Care Services Ltd (Chairman), Automotive Holdings Group Ltd and Stillwell Motor Group Ltd (Chairman).

Special responsibilities

Chair of the Board

Relevant interest in Burson securities as at the date of this report

40,274 ordinary shares

Darryl Abotomey
Chief Executive Officer

Darryl was appointed to the Board in October 2011 as Chief Executive Officer and Managing Director. Darryl holds a Bachelor of Commerce (Hons) majoring in accounting and economics from the University of Melbourne.

Experience and expertise

Darryl has more than eight years' experience in the automotive aftermarket industry. Darryl has extensive experience in business acquisitions, strategy, finance, information technology and general management in distribution and other industrial businesses. Darryl was a former director and chief financial officer of Exego Group (Repco). He has also previously held directorships with The Signcraft Group, PaperlinX Limited, CPI Group Limited and Pinegro Products Pty Ltd.

Other current directorships

None.

Special responsibilities

Chief Executive Officer and Managing Director

Relevant interest in Burson securities as at the date of this report

2,287,306 ordinary shares

290,160 performance rights

Andrew Harrison
Independent, Non-Executive Director

Andrew was appointed to the Board in March 2014 as an Independent Non-Executive Director. Andrew holds a Bachelor of Economics from the University of Sydney and a Master of Business Administration from The Wharton school at the University of Pennsylvania, and is a Chartered Accountant.

Experience and expertise

Andrew is an experienced company director and corporate advisor. Andrew has previously held executive and non-executive directorships with public, private and private equity owned companies, including as Chief Financial Officer of Seven Group Holdings, Group Finance Director of Landis and Gyr, and Chief Financial Officer and a director of Alesco Limited. Andrew was previously a Senior Manager at Gresham Partners Limited, and an Associate at Chase Manhattan Bank (New York) and a Senior Manager at Ernst & Young (Sydney and London).

Other current directorships

Andrew is currently on the boards of Estia Health Limited and Ingogo Limited.

Special responsibilities

Chair of the Audit and Risk Management Committee

Relevant interest in Burson securities as at the date of this report

44,000 ordinary shares

Therese Ryan
Independent, Non-Executive Director

Therese was appointed to the Board in March 2014 as an Independent, Non-Executive Director. Therese holds a Bachelor of Laws from the University of Melbourne and is a Graduate Member of the Australian Institute of Directors.

Experience and expertise

Therese is a professional non-executive director and has over 35 years' experience as a senior business executive and commercial lawyer working in widely diversified businesses in Australia and internationally. Previously, she was Vice President and General Counsel of General Motors International Operations based in Shanghai, Assistant Secretary of General Motors Corporation and prior to that General Counsel and Company Secretary of GM Holden.

Other current directorships

Therese is currently a board member of the Victorian Managed Insurance Authority, VicForests, Metropolitan Fire Brigade, Yarra Valley Water and WA Super.

Special responsibilities

Chair of the Nomination and Remuneration Committee

Relevant interest in Burson securities as at the date of this report

32,976 ordinary shares

7. COMPANY SECRETARY AND OFFICERS

The following persons were officers of the Company at any time during FY2015, or since the end of FY2015 to the date of this report:

Current Chief Financial Officer and Company Secretary

Gregory Lennox Fox
(2 March 2012 – present)

Greg has more than 25 years' experience in the automotive, industrial and public accounting sectors. Greg joined Burson as Chief Financial Officer in 2012 with responsibility for finance, legal, company secretarial and plays a key role in strategic initiatives. Greg was previously Chief Financial Officer at Atlas Steels and at Plexicor, which was a major supplier to the automotive industry. Greg also held various senior financial positions with Amcor Ltd after commencing his career as a chartered accountant.

8. MEETINGS OF DIRECTORS

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

	Board		Audit and Risk Management Committee		Nomination and Remuneration Committee	
	Held*	Attended	Held*	Attended	Held*	Attended
Robert McEniry	11	11	4	3	2	1
Darryl Abotomey	11	11	n/a	n/a	n/a	n/a
Andrew Harrison	11	10	4	4	2	2
Therese Ryan	11	11	4	4	2	2

* *Meetings held while the Director was a member of that Board or committee of Burson Group Limited.*

Notes:

The members of the Audit and Risk Management Committee are Andrew Harrison (Chair), Therese Ryan and Robert McEniry. By invitation from the Audit and Risk Management Committee, Darryl Abotomey attended all Audit and Risk Management Committee meetings.

The members of the Nomination and Remuneration Management Committee are Therese Ryan (Chair), Robert McEniry and Andrew Harrison. By invitation from the Nomination and Remuneration Committee, Darryl Abotomey attended all Nomination and Remuneration Committee meetings.

9. REMUNERATION REPORT (AUDITED)

The Directors present the Remuneration Report, which outlines remuneration information for Burson's Non-Executive Directors, Executive Directors and key management personnel in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

- Principles used to determine the nature and amount of remuneration,
- Details of remuneration,
- Service agreements,
- Share-based compensation.

The information provided in this Remuneration Report, which forms part of the Directors' Report has been audited as required by section 308(3C) of the Corporations Act 2001.

9.1. Principles used to determine the nature and amount of remuneration

9.1.1. Non-Executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

Under the Company's Constitution, and as required by the listing rules of the ASX, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount agreed by the shareholders at the annual general meeting. This amount has been fixed at $700,000 with effect from 21 March 2014.

Annual Non-Executive Directors' fees currently agreed to be paid by the Company are:

- To the Chair, Robert McEniry, $170,000 plus superannuation at the superannuation guarantee rate. The fee includes membership of the Committees;
- The other Non-Executive Directors, $85,000 plus superannuation at the superannuation guarantee rate. In addition, the Chair of the Audit and Risk Committee, and the Chair of the Nomination and Remuneration Committee will each be paid an additional $9,100 plus superannuation at the superannuation guarantee rate. Committee members other than the Chair and the Chair of the Committee will be paid an annual fee of $3,700 plus superannuation at the superannuation guarantee rate.

Directors may also be reimbursed for expenses properly incurred by the Directors in connection with the affairs of Burson including travel and other expenses in attending to the Company's affairs.

9.1.2. Executive remuneration

Burson aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable. The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based performance incentives; and
- other remuneration such as superannuation and long service leave.

From time to time the remuneration committee may consider "one-off" payments to executives, as part of their remuneration, in relation to specific events.

The combination of these comprises the executive's total remuneration. Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee, based on individual and business unit performance, the overall performance of Burson and comparable market remunerations.

9.1.3. Short term incentive plan

The Chief Executive Officer and other Senior Management of Burson are eligible to participate in Burson's short term incentive plan (STI Plan).

Participants in the STI Plan have a target cash payment which is set as a percentage of their total fixed annual remuneration. Actual short term incentive payments in any given year may be below, at or above that target depending on the achievement of financial and non-financial criteria as set by the Board, in accordance with the terms of the STI Plan, which may be varied from time to time by the Board. No incentive payment is payable if the threshold performance target is not met.

At least 70% and up to 100% of the annual incentive payment will be assessed by financial measures and quantitative key performance indicators. The financial measures and indicators used under the STI Plan may reference Burson's revenue, EBITDA and NPAT performance, or a combination of these measures, as agreed by the Board. Up to 30% of the annual incentive payment will be assessed having regard to non-financial measures, being key performance indicators determined annually by the Board.

These measures are tested annually after the end of the relevant financial year.

Where available, payments under the STI Plan will be made immediately after the release of full year financial results to the ASX except in relation to any portion of an award above the target up to the maximum award, which will be deferred for a period of 12 months. Awards will also be subject to claw back for any material financial misstatements in relation to Burson's performance for the relevant period which are subsequently revealed.

9.1.4. Long term incentive plan

The Long Term Incentive Plan (LTIP) is intended to assist in the motivation, retention and reward of certain senior executives. The LTIP is designed to align the interests of senior executives more closely with the interests of Shareholders by providing an opportunity for senior executives to receive an equity interest in Burson through the granting of performance rights (Performance Rights). The vesting of the Performance Rights is subject to satisfaction of certain performance conditions.

The key terms of the LTIP are as follows:

Administration	The LTIP is administered by the Board.
Eligibility	Participation in the LTIP is by invitation to certain employees of Burson deemed eligible by the Board.
Award	A Performance Right will vest on satisfaction of the applicable performance, service or other vesting conditions specified at the time of the grant. The Board has the discretion to set the terms and conditions on which it will offer Performance Rights under the LTIP, including the vesting conditions.
Performance Rights	Upon satisfaction of any vesting conditions, each Performance Right will automatically convert into one Share. Performance Rights do not carry any voting rights or dividend entitlements.
Performance period	Performance will be assessed over a performance period specified at the time of the grant.
Shares	Shares allocated on conversion of Performance Rights rank equally with the other issued Shares and carry the same rights and entitlements, including dividend and voting rights. Shares may be issued by Burson or acquired on or off market by a nominee or trustee on behalf of Burson, then transferred to the Participant.
New issues	Performance Rights do not confer on a Participant the right to participate in new issues of Shares or other securities in Burson, including by way of bonus issues, rights issues or otherwise.
Limitations	The number of Shares to be received by a Participant on the conversion of the Performance Rights must not exceed 5% of the total number of issued Shares.
Trustee	Burson may appoint a trustee for the purpose of administering the LTIP, including to acquire and hold Shares, or other securities of the Company, on behalf of Participants or otherwise for the purposes of the LTIP.
Quotation	Performance Rights will not be quoted on the ASX. Burson will apply for official quotation of any Shares issued under the LTIP, in accordance with the ASX Listing Rules and having regard to any disposal restrictions in place under the LTIP.
Amendments	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the LTIP. This includes varying the number of Performance Rights or the number of Shares to which a Participant is entitled upon a reorganisation of the capital of Burson.
Other terms	The LTIP contains other terms relating to the administration, variation, suspension and termination of the LTIP.

There was no new LTIP plan issued in FY2015.

9.2. Details of remuneration

The statutory remuneration disclosures for the year ended 30 June 2015 are detailed below and are prepared in accordance with Australian Accounting Standards (AASBs).

Details of the remuneration of the key management personnel of Burson are set out in the following tables.

	Short term benefits			Post employment benefits	Long term benefits	Share based payments		Percentage of remuneration fixed and at risk		
2015	Cash salary and fees $	Bonus* $	Non-monetary $	Super-annuation $	Long service leave $	Equity settled $	Total $	Fixed %	At risk – STI %	At risk – LTI %
Non-Executive Director										
R McEniry	151,030	–	–	14,348	–	–	165,378	100%	–	–
A Harrison	86,956	–	–	8,261	–	–	95,217	100%	–	–
T Ryan	86,956	–	–	8,261	–	–	95,217	100%	–	–
Executive Director										
D Abotomey	605,000	856,813	–	25,000	9,583	116,892	1,613,288	40%	53%	7%
Other Key Management Personnel										
G Fox	381,217	437,080	–	18,783	6,354	53,012	896,446	45%	49%	6%
A Schram	265,446	127,075	50,188	24,554	4,424	34,458	506,145	68%	25%	7%
C Magill	265,000	128,250	–	20,000	4,416	30,217	447,883	65%	29%	7%
D Hill†	120,163	91,920	–	10,471	1,843	–	224,397	59%	41%	–
B Redmond‡	81,030	–	–	7,034	1,373	–	89,437	100%	–	–
	2,042,798	1,641,138	50,188	136,712	27,993	234,579	4,133,408			

2014	$	$	$	$	$	$	$	%	%	%
Non-Executive Director										
R McEniry	41,250	–	–	3,816	–	–	45,066	100%	–	–
A Harrison	23,750	–	–	2,197	–	–	25,947	100%	–	–
T Ryan	23,750	–	–	2,197	–	–	25,947	100%	–	–
J Ryan	–	–	–	–	–	–	–	n/a	n/a	n/a
C Hadley	–	–	–	–	–	–	–	n/a	n/a	n/a
A Eady	–	–	–	–	–	–	–	n/a	n/a	n/a
Executive Director										
D Abotomey	482,357	1,810,546	–	25,000	9,583	19,482	2,346,968	22%	77%	1%
Other Key Management Personnel										
G Fox	347,191	710,819	–	17,544	6,370	8,835	1,090,759	34%	65%	1%
A Schram	263,179	116,350	49,816	23,585	4,424	5,743	463,097	74%	25%	1%
C Magill	241,123	560,237	–	20,000	4,416	5,036	830,812	32%	67%	1%
B Redmond	235,624	–	–	17,453	4,119	4,771	261,967	98%	–	2%
	1,658,224	3,197,952	49,816	111,792	28,912	43,867	5,090,563			

* *In 2015, two executives received a one-off bonus linked to the successful acquisition of MAH and associated capital raising. These were D Abotomey $400,000 and G Fox $250,000. In 2014 three senior executives received a one-off bonus linked to the successful listing of Burson on the ASX. These were D Abotomey $1,377,736, G Fox $554,819, C Magill $453,647.*

† *D. Hill commenced employment with Burson on 8 December 2014.*

‡ *B. Redmond ceased employment with Burson on 15 October 2014.*

9.3. Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Darryl Abotomey**
Title:	Chief Executive Officer
Agreement commenced:	21 April 2014
Term of agreement:	5 years (to 30 April 2019)

Details:

From 1 July 2015, Darryl is entitled to receive annual fixed remuneration of $770,000 (inclusive of superannuation) and is entitled to participate in Burson's short term incentive plan. For the first three years of his contract, Darryl's target participation under the short term incentive plan will be 55% of his fixed annual remuneration and his maximum participation will be 100% of his fixed annual remuneration. Thereafter, Darryl's participation in the short term incentive plan will be on a basis to be agreed with the Board.

Burson or Darryl may terminate the employment contract by giving the other 12 months' written notice before the proposed date of termination, or in Burson's case, payment in lieu of notice. Burson may terminate Darryl's employment immediately and without payment in lieu of notice in certain circumstances including for any serious misconduct. Darryl's employment contract also includes a restraint of trade period of 12 months.

9.3.1. Other key managers

Each of the company's key personnel are employed under individual employment agreements. These establish:

- Total compensation including a base salary, superannuation contribution and incentive arrangements,
- Variable notice and termination provisions of up to three months, with the exception of one senior manager who is required to give six months notice,
- Confidentiality provisions,
- Leave entitlements, as a minimum, as per the National Employment Standard,
- Restraint of trade provisions of 12 months after termination of employment.

9.4. Share-based compensation

9.4.1. Performance rights outstanding for Key Management Personnel

The following table outlines the details of the LTI grants outstanding for each key management personnel participant and other movements in options and performance rights in the year.

No options will vest if the performance conditions are not satisfied, hence the minimum value of the option yet to vest is nil. Fair value is calculated in accordance with Burson's accounting policy as discussed in Note 1(r)(iii). There were no amounts paid and there were no amounts outstanding or due from KMP in relation to the grant of options during the year.

	Grant date	Quantity granted	Vest date	Exercise price $	Value at grant date $*	Vested%	Quantity vested	Forfeited/ lapsed %	Value expensed this year $†
D Abotomey	24/04/2014	70,071 220,089	30/6/2016; 30/6/2017	–	382,342	0%	–	–	116,892
G Fox	24/04/2014	31,778 99,814	30/6/2016; 30/6/2017	–	173,398	0%	–	–	53,012
A Schram	24/04/2014	20,656 64,879	30/6/2016; 30/6/2017	–	112,709	0%	–	–	34,458
C Magill	24/04/2014	18,114 56,894	30/6/2016; 30/6/2017	–	93,634	0%	–	–	30,217
B Redmond	24/04/2014	17,160 53,899	30/6/2016; 30/6/2017	–	98,838	0%	–	100%	–
Total					**860,921**				**234,579**

* *Value at grant date has been determined as the fair value of performance rights at grant.*

† *Value expensed this year is the current years expense calculated by allocating the fair value (determined at grant), of the performance rights, over the relevant vesting period as required by the Accounting Standards.*

9.5. Performance against key measures

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Burson's financial performance over the last two years (since listing on the Australian Securities Exchange in April 2014) as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining variable amount of remuneration awarded to KMP's. As a consequence, there may not always be a direct correlation between the key measures below and the variable remuneration awarded.

Key measures of the Group:	2015	2014
Pro-forma net profit after tax for the year ($'000)	23,067	19,444
Dividend declared – post IPO (cents per share)	8.7	n/a
Declared dividend payout ratio (since listing on pro-forma NPAT)	78.2%	n/a
Increase/(decrease) in share price (%)	61.9	n/a
Pro-forma NPAT growth (%)	19.1	21.3
Pro-forma EPS (cents)	14.12	11.86
Pro-forma EPS growth (%)	19.1	n/a*

* *A prior year comparative is not relevant since Burson had only been listed for 2 months.*

9.6. Equity instrument disclosures relating to Key Management Personnel

9.6.1. Share Holdings

The numbers of ordinary voting shares in the company held during the financial year by each Director of Burson Group Limited and other key management personnel of Burson, including their personally related parties, are set out below.

	Balance at start of the year	Received during the year†	Conversion to Ordinary Voting Shares‡	Purchase of shares	Sale of shares	Balance at the end of the year
Year 2015						
Directors						
R McEniry	27,473	–	–	–	–	27,473
A Harrison	30,000	–	–	–	–	30,000
T Ryan	16,483	–	–	6,000	–	22,483
D Abotomey	1,559,526	–	–	–	–	1,559,526
Other Key Management Personnel						
G Fox	656,193	–	–	–	–	656,193
A Schram	1,300,000	–	–	–	–	1,300,000
C Magill	1,078,714	–	–	–	–	1,078,714
B Redmond	140,000	–	–	–	(30,000)	110,000
	4,808,389	**–**	**–**	**6,000**	**(30,000)**	**4,784,389**

† *Shares received during the prior financial year were the result of a 2 for 1 share split*

‡ *In 2014, pre IPO, Restricted Management Shares converted into voting Ordinary shares.*

	Balance at start of the year	Received during the year†	Conversion to Ordinary Voting Shares‡	Purchase of shares	Sale of shares	Balance at the end of the year
Year 2014						
Directors						
R McEniry	–	–	–	27,473	–	27,473
A Harrison	–	–	–	30,000	–	30,000
T Ryan	–	–	–	16,483	–	16,483
D Abotomey	1,117,105	1,117,105	365,000	–	(1,039,684)	1,559,526
Other Key Management Personnel						
G Fox	446,828	446,828	200,000	–	(437,463)	656,193
A Schram	500,000	500,000	300,000	–	–	1,300,000
C Magill	439,357	439,357	200,000	–	–	1,078,714
B Redmond	–	–	140,000	–	–	140,000
	2,503,290	**2,503,290**	**1,205,000**	**73,956**	**(1,477,147)**	**4,808,389**

† *Shares received during the prior financial year were the result of a 2 for 1 share split.*

‡ *In 2014, pre IPO, Restricted Management Shares converted into voting Ordinary shares.*

9.7. Total shares under option or right

Date granted	Vest date	Expiry date	Exercise price of rights	Quantity
Performance rights plans				
24/04/2014	30/6/2016	n/a	$0.00	151,344
24/04/2014	30/6/2017	n/a	$0.00	475,363
Total shares under option of right				**626,707**

10. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Burson announced on 15 June 2015 that it had entered into a binding offer to acquire 100% of the share capital of Metcash Automotive Holdings Pty Ltd for $275 million from Metcash Trading Limited (a wholly-owned subsidiary of Metcash Limited). On 2 July 2015, Burson announced the acquisition of the Opposite Lock business by Metcash Automotive Holdings Pty Ltd. This acquisition will effectively increase the consideration due for the acquisition of Metcash Automotive Holdings Pty Ltd from $275 million to up to $283 million. On 31 July, Burson announced the completion of the acquisition of MAH. As at the date of this report, Burson has not yet completed a determination of the fair value of net assets acquired as required for accounting purposes. As a result the accounting contribution of this acquisition on revenue and net profit cannot yet be determined.

The acquisition of MAH was financed via an Entitlement Offer and a new share issue of 4.7 million ordinary shares along with an increase in the syndicated debt facility of $61 million to $200 million.

On 9 July 2015, Burson announced the successful completion of the retail portion of the rights offer (the institutional component was completed prior to the end of the financial year). As part of this offer an additional 20.3 million ordinary shares were issued raising $57.8 million to go towards the acquisition of MAH. The quantity of shares on issue after the retail and institutional offer and new shares issued is 244,622,784.

In July 2015, loans of $3.85 million were made to Key Management Personnel to assist in the purchase of shares under the retail Entitlement Offer. These loans are secured by the underlying shares acquired. The loans are interest bearing and are repayable on the earlier of sale of the underlying shares, termination of employment or 5 years from the date of the loan. For the most part, any remuneration in relation to over achievement of target STI's is to be paid off against the outstanding loan balance.

No other matters or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- Burson's operations in future financial years, or
- the results of those operations in future financial years, or
- Burson's state of affairs in future financial years.

Directors' Report cont.

11. ENVIRONMENTAL REGULATION

Burson is not affected by any significant environmental regulation in respect of its operations.

12. INSURANCE OF OFFICERS

During the financial period, Burson paid a premium of $70,000 (2014: $70,402) to insure the Directors and Secretary of Burson.

13. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

14. AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

15. REMUNERATION OF AUDITORS

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year by the auditor are outlined in Note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

16. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 25.

17. ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts. In accordance with that Class Order amounts in the Directors' Report and Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors,

Robert McEniry
Chairman

Darryl Abotomey
Chief Executive Officer

Melbourne
20 August 2015

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Burson 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.

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

Daniel Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
20 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

FY2015 Financial Statements

Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of Burson Group Limited and its subsidiaries. The financial statements are presented in the Australian currency.

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

Burson Group Limited
61–63 Gower Street
Preston VIC 3072

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on page 11, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors' on 20 August 2015. The Directors have the power to amend and reissue the financial statements.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2015

		Consolidated	
	Notes	2015 $'000	2014 $'000
Revenue from continuing operations	4	**375,317**	**341,649**
Costs of goods sold		(219,886)	(201,857)
Employee benefits expense		(75,408)	(68,364)
Occupancy expenses		(12,371)	(11,176)
Freight		(3,872)	(4,050)
Other expenses		(22,300)	(20,004)
Capital raising and other transaction costs	5	(4,211)	(9,770)
Depreciation and amortisation expense	5	(5,162)	(4,429)
Finance costs	5	(3,423)	(20,358)
Profit/(loss) before income tax		**28,684**	**1,641**
Income tax expense	6	(9,177)	(481)
Profit/(loss) for the year attributable to the Owners of Burson Group Limited		**19,507**	**1,160**
Other comprehensive income			
Item that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges	19(a)	–	1,094
Other comprehensive income/(loss) for the year, net of tax		–	1,094
Total comprehensive income/(loss) for the year attributable to the Owners of Burson Group Limited		**19,507**	**2,254**

Earnings per share for profit attributable to the ordinary equity holders of the Company:

		Cents	Cents
Basic earnings per share	30	11.92	1.18
Diluted earnings per share	30	11.88	1.17

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

Consolidated Statement of Financial Position as at 30 June 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Assets			
Current assets			
Cash and cash equivalents	7	107,896	10,863
Trade and other receivables	8	33,415	32,433
Inventories	9	77,206	69,125
Total current assets		**218,517**	**112,421**
Non-current assets			
Property, plant and equipment	10	23,057	19,401
Deferred tax assets	11	11,847	10,778
Intangible assets	12	99,854	97,417
Other non-current assets	13	935	311
Total non-current assets		**135,693**	**127,907**
Total assets		**354,210**	**240,328**
Liabilities			
Current liabilities			
Trade and other payables	14	68,488	57,426
Current tax liabilities		5,098	64
Provisions	15	11,414	10,368
Total current liabilities		**85,000**	**67,858**
Non-current liabilities			
Borrowings	16	–	73,342
Provisions	17	2,285	2,167
Total non-current liabilities		**2,285**	**75,509**
Total liabilities		**87,285**	**143,367**
Net assets		**266,925**	**96,961**
Equity			
Contributed equity	18	337,390	180,775
Other reserves	19(a)	441	56
Retained earnings/(accumulated losses)	19(b)	(70,906)	(83,870)
Total equity		**266,925**	**96,961**

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

Consolidated Statement of Changes in Equity *for the year ended 30 June 2015*

		Attributable to owners of Burson Group Limited			
Consolidated	**Notes**	**Contributed equity $'000**	**Reserves $'000**	**Retained earnings/ (accumulated losses) $'000**	**Total equity $'000**
Balance at 1 July 2013		40,085	(1,094)	9,283	48,274
Profit/(loss) for the year/period		–	–	1,160	1,160
Other comprehensive income/(loss)		–	1,094	–	1,094
Total comprehensive income for the year		–	1,094	1,160	2,254
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18(b)	140,690	–	–	140,690
Dividends and distributions provided for or paid	20	–	–	(94,313)	(94,313)
Share based payments	19(a)(i)	–	56	–	56
Balance at 30 June 2014		**180,775**	**56**	**(83,870)**	**96,961**
Balance at 1 July 2014		**180,775**	**56**	**(83,870)**	**96,961**
Profit/(loss) for the year/period		–	–	19,507	19,507
Other comprehensive income/(loss)		–	–	–	–
Total comprehensive income for the year		–	–	19,507	19,507
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18(b)	156,615	–	–	156,615
Dividends and distributions provided for or paid	20	–	–	(6,543)	(6,543)
Share based payments	19(a)(i)	–	385	–	385
Balance at 30 June 2015		**337,390**	**441**	**(70,906)**	**266,925**

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2015

	Notes	Consolidated 2015 $'000	Consolidated 2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		411,768	373,692
Payments to suppliers and employees (inclusive of GST)		(369,730)	(336,942)
		42,038	36,750
Borrowing costs		(3,225)	(12,758)
Transaction costs relating to acquisition of business	5	(747)	(6)
Income taxes paid		(3,642)	(2,476)
Net cash inflow from operating activities	29	**34,424**	**21,510**
Cash flows from investing activities			
Payments to acquire businesses (net of cash acquired)	25(b)	(3,701)	(6,101)
Payments for property, plant and equipment and software		(9,305)	(8,207)
Proceeds from sale of property, plant and equipment		411	388
Net cash (outflow) from investing activities		**(12,595)**	**(13,920)**
Cash flows from financing activities			
Proceeds from issues of ordinary shares		159,821	145,894
Payments for share buyback		–	(50)
Dividends paid	20	(6,543)	(94,313)
Proceeds/(repayment) of borrowings		(74,000)	(90,661)
Payment on termination of cash flow hedge	19	–	(1,045)
Transaction costs relating to Capital raising		(3,935)	(16,826)
Transaction costs relating to borrowings		(139)	(717)
Net cash inflow/(outflow) from financing activities		**75,204**	**(57,718)**
Net increase/(decrease) in cash and cash equivalents		**97,033**	**(50,128)**
Cash and cash equivalents at the beginning of the financial year		10,863	60,991
Cash and cash equivalents at end of year	7	**107,896**	**10,863**

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

Notes to the Consolidated Financial Statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Burson Group Limited and its subsidiaries.

(a) Basis of preparation

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

(i) Compliance with IFRS

The Financial Report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(ii) Changes in accounting policy, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial years.

(iii) Early adoption of standards

Burson has not elected to apply any pronouncements to the annual reporting period beginning 1 July 2014.

(iv) New and amended standards adopted by the Burson Group

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

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

There has been no significant impact on the Group in respect of adopting these new standards.

(v) New and amended standards not yet adopted by the Burson Group

Title of standard	Nature of change	Impact	Application date
AASB 9 *Financial Instruments*	These changes address the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting and also introduced a new impairment model.	While the Group has yet to undertake a detailed assessment of the changes in the standard it is currently anticipated that there will be no significant impact on the Group as a result of these changes. There will be no impact on the Groups accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit and loss and the Group does not have any such liabilities. The new hedging rules align hedge accounting more closely with the Group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles based approach. The new standard also introduces expanded disclosure requirements and changes in presentation.	Must be applied for financial years commencing on or after 1 January 2018. Based on transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

Title of standard	Nature of change	Impact	Application date
AASB 15 *Revenue from Contracts with Customers*	This new standard will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the transfer of control replaces the existing notion of the transfer of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	While the Group has yet to undertake a detailed assessment of the changes in the standard it is currently anticipated that there will be no significant impact on the Group as a result of these changes.	The effective date of IFRS 15 has been extended to financial periods beginning on or after 1 January 2018 by IASB, and we expect AASB 15 will have the same effective date.

(vi) Historical cost convention

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

(vii) Rounding of amounts

Burson is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off of amounts in the interim financial report. Amounts in the interim financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(viii) Critical accounting estimates

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

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Burson Group Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Burson Group Limited and its subsidiaries together are referred to in this Financial Report as Burson or the Group or the consolidated entity.

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

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(h)).

Burson applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Burson Group Limited.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management personnel. Burson has only one operating business segment. Refer to Note 33 for further information.

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other income or other expenses.

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

(e) Revenue recognition

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

Burson recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Burson's activities as described below. Burson bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable.

(ii) Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(f) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Burson's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

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

(i) Tax consolidation legislation

The Company and all its wholly-owned Australian entities are part of a tax-consolidated group under Australian taxation law. Burson Group Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised by the members of the tax consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(g) Leases

Leases of property, plant and equipment where Burson, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Burson will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Burson as lessee are classified as operating leases (Note 24).

(h) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Burson. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

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

(k) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(l) Inventories

Inventory is valued at lower of cost and net realisable value on an average cost basis.

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment 2 – 15 years
- Motor vehicles 3 – 7 years
- Leasehold improvements 5 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(n) Intangible assets

(i) Goodwill

Goodwill is measured as described in Note 1(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

(ii) Software

Costs incurred in acquiring, developing and implementing new software are recognised as intangible assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licenses and direct labour. Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives, which is two and a half to four years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to Burson prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the end of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

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

Preference shares, which are mandatorily redeemable on a specific date or specific event, are classified as liabilities.

Borrowings are classified as current liabilities unless Burson has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised on a straight-line basis over the term of the facility.

(q) Provisions

Provisions are recognised when Burson has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the Burson Long Term Incentive Plan ("BLTIP"). Information relating to these schemes is included in Note 34. The fair value of performance rights granted under the BLTIP is recognised as an employee benefit expense over the period during which the employees become unconditionally entitled to the rights and options with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in the consolidated income statement, with a corresponding adjustment to equity.

The fair value is measured at grant date and the expense recognised over the life of the plan. The fair value is independently determined using a Black-Scholes or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(s) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

(i) Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risk associated with a recognised asset or liability or a firm commitment which could affect income or expenses. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to profit or loss. When the hedged item is closed out, the cumulative gain or loss that was previously reported in equity is immediately reclassified to profit and loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(t) Contributed equity

Ordinary shares are classified as equity.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

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

(x) Parent entity financial information

The financial information for the parent entity, Burson Group Limited, disclosed in Note 32 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of Burson Group Limited. Dividends received from subsidiaries are recognised in the parent entity's profit or loss.

(ii) Financial guarantees

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

Note 2. Financial risk management

Burson's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance Burson's operations and to provide guarantees to support its operations. Burson's principal financial assets are trade and other receivables and cash and short-term deposits that derive directly from its operations.

Burson is exposed to *market risk*, *credit risk* and *liquidity risk*. Burson's senior management oversees the management of these risks. It is Burson's policy that no trading in derivatives for speculative purposes may be undertaken.

Burson holds the following financial instruments:

	Notes	2015 $'000	2014 $'000
Financial Assets			
Cash and cash equivalents	7	107,896	10,863
Trade and other receivables*	8	32,388	31,470
Financial Liabilities			
Trade and other payables	14	68,488	57,426
Borrowings (principal)	16	–	74,000

* *Trade and other receivables in the table excludes prepayments which are not classified as financial instruments.*

The carrying value of the assets and liabilities disclosed in the table above closely approximates or equals their fair value.

Borrowings are issued at variable interest rates (for details of the maturity of borrowings, refer to Note 16) and cash and cash equivalents (refer to Note 7) attract interest at variable interest rates. All other financial assets and liabilities are non-interest bearing.

(a) Market risk

(i) Foreign exchange risk

Burson is not exposed to significant foreign exchange risk. Whilst a significant proportion of Burson's suppliers source product from overseas, changes in purchase prices due to currency movements are generally passed through to the total market and subsequently reflected in selling prices to customers.

(ii) Price risk

Burson is not exposed to significant equities price risk.

(iii) Cash flow interest rate risk

Burson's main interest rate risk arises from long-term borrowings. The interest rate and term for bank borrowings is determined at the date of each drawdown. The weighted average interest rate for the year ended 30 June 2015 was 4.14% (2014: 6.31%).

Borrowings issued at variable rates expose Burson to cash flow interest rate risk. Burson, from time to time, enters into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates to manage the risk of adverse fluctuations in the floating interest rate on its Borrowings. As at the end of the financial year there were no interest rate swaps in place.

At the end of the reporting period, Burson had the following variable rate borrowings and interest rate swap contracts outstanding (refer to Note 16 for further details):

	2015		2014	
	Weighted average interest rate %	**$'000**	**Weighted average interest rate %**	**$'000**
Borrowings (Principal)	4.14%	–	6.31%	74,000
Less amount covered by interest rate swaps	–	–	–	–
		–		74,000

At 30 June 2015 if the weighted average interest rate of the facility had changed by a factor of +/- 10%, interest expense would increase/decrease by $273,000 (2014 $653,000).

(b) Credit risk

Burson's exposure to credit risk arises from the potential default of Burson's trade and other receivables as well as the institutions in which Burson's cash and cash equivalents are deposited, and derivative instruments are traded with, with a maximum exposure equal to the carrying amounts of these assets. Further details of Burson's trade receivables are included in note 8 and cash and cash equivalents are detailed in Note 7.

Credit risk is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers (e.g. appropriate credit history, credit limits, past experience);
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
- For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are currently used.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and ensuring that all term deposits can be converted to funds at call. Burson aims to maintain flexibility in funding by keeping accessible the cash reserves of the business.

A borrowing facility of $139,000,000 was in place as at 30 June 2015 that enabled Burson to borrow funds when necessary, repayable during April 2017 (refer to Note 16). The borrowing facility has been amended subsequent to 30 June 2015 (refer Note 16 for more details).

All other financial liabilities are current and anticipated to be repaid over the normal payment terms, usually 30 to 90 days.

(i) Financial arrangements

Burson had access to the following borrowing facilities at end of the reporting period:

	Drawn		Undrawn		Total	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Floating rate						
Expiring within 1 year	–	–	–	–	–	–
Expiring beyond 1 year	–	74,000	139,000	65,000	139,000	139,000
	–	74,000	139,000	65,000	139,000	139,000

Subject to the continuance of meeting certain financial covenants, the bank loan facilities may be drawn down at any time.

(ii) Maturities of financial liabilities

The tables below analyse Burson's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	5+ years $'000	Total contractual cash flows $'000	Carrying amount $'000
30 June 2015							
Trade payables	68,488	–	–	–	–	68,488	68,488
Borrowings	–	–	–	–	–	–	–
	68,488	–	–	–	–	68,488	68,488
30 June 2014							
Trade payables	57,426	–	–	–	–	57,426	57,426
Borrowings	–	–	–	74,000	–	74,000	74,000
	57,426	–	–	74,000	–	131,426	131,426

(iii) Fair value of financial instruments

The following table detail the consolidated Groups fair values of financial instruments categorised by the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the financial year.

There were no derivative financial assets or liabilities as at 30 June 2015 (2014: nil).

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

(d) Capital risk management

Burson's policy is to maintain a capital structure for the business which ensures sufficient liquidity and support for business operations, maintains shareholder and market confidence, provides strong stakeholder returns, and positions the business for future growth. In assessing capital management Burson considers both equity and debt instruments.

The ongoing maintenance of this policy is characterised by:

- Ongoing cash flow forecast analysis and detailed budgeting processes which, combined with continual development of banking relationships, is directed at providing a sound financial positioning for Burson's operations and financial management activities; and
- A capital structure that provides adequate funding for Burson's potential acquisition and investment strategies, building future growth in shareholder value. The syndicated loan facility can be partly used to fund significant investments as part of Burson's growth strategy

Burson is not subject to externally imposed capital requirements, other than contractual banking covenants and obligations. The Company has complied with all bank lending requirements during the year and at the date of this report.

Note 3. Critical accounting estimates and judgements

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

(a) Critical accounting estimates and judgements

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

(i) Estimated impairment of goodwill and other assets

Burson tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1(n). Information about this critical estimate is detailed in Note 12.

Note 4. Revenue

	Consolidated	
	2015 $'000	2014 $'000
From continuing operations		
Sales revenue		
Sale of goods	375,317	341,649

Note 5. Expenses

	2015 $'000	2014 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation and amortisation expense:		
Plant and equipment and software	2,888	2,382
Motor vehicles	2,126	1,904
Make good provision	148	143
Total depreciation and amortisation	5,162	4,429
Finance costs – interest and finance charges paid/payable	3,423	20,358
Net loss on disposal of property, plant and equipment	51	40
Rental expense relating to operating leases – minimum lease payments	11,326	10,245
Defined contribution superannuation expense	5,479	4,868
Capital raising and other transaction costs include:		
Professional consultants costs	3,514	6,927
Transaction related one-off management bonus	650	2,537
Other transaction costs	47	306
Total capital raising and other transaction costs	4,211	9,770
Other expenses include:		
Motor Vehicles	5,619	5,854
IT and Communication	5,672	5,466
Advertising	1,962	1,731
Administration	9,047	6,953
	22,300	20,004

Note 6. Income tax

(a) Income tax expense

	Consolidated 2015 $'000	Consolidated 2014 $'000
Current tax	8,617	2,570
Deferred tax	560	(2,063)
Under/(over) provision in prior years	–	(26)
	9,177	481
The entire income tax expense relates to profit from continuing operations.		
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	573	(1,937)
Increase/(decrease) in deferred tax liabilities	(13)	(126)
	560	(2,063)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2015 $'000	2014 $'000
Profit from ordinary activities before income tax expense	28,684	1,641
Income tax calculated at 30% (2014: 30%)	8,605	492
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Entertainment	5	4
Acquisition costs	552	7
Other	15	4
	572	15
Income tax adjusted for permanent differences:		
Under/(over) provision in prior year	–	(26)
Income tax expense attributable to profit from ordinary activities	9,177	481

(c) Amounts recognised directly in equity

	2015 $'000	2014 $'000
Deferred tax credited/(debited) directly to hedge reserve	–	(360)
Deferred tax credited directly to share capital	1,325	2,089
Deferred tax credited directly to share based payment reserve	137	9
	1,462	1,738

Note 7. Current assets – Cash and cash equivalents

	2015 $'000	2014 $'000
Cash at bank and in hand	107,896	10,863
	107,896	10,863

Burson has issued guarantees totalling $1,872,000 (2014: $1,457,000). These guarantees have a range of expiry dates.

Note 8. Current assets – Trade and other receivables

	Consolidated 2015 $'000	2014 $'000
Trade receivables	27,790	26,376
Provision for impairment of receivables	(532)	(526)
	27,258	25,850
Other receivables	5,130	5,620
Prepayments	1,027	963
	33,415	32,433

(a) Provisions for impaired trade receivables

As at 30 June the amount of the provision for the current trade receivables was $532,000 (2014: $526,000) represented by;

- Provision for doubtful debts $232,000 (2014: $226,000)
- Provision for credit notes $300,000 (2014: 300,000)

Burson recognised a loss of $205,000 (2014: $483,000) in respect of impaired trade receivables during the financial year.

Movements in the provision for impairment of receivables are as follows:

Opening balance	(526)	(264)
Additional provision recognised during the year	(205)	(483)
Utilisation of provision for credit notes and receivables	199	221
Closing balance	(532)	(526)

The creation or release of the doubtful debts provision has been included in 'Other expenses' expense in the consolidated income statement. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

(b) Ageing of net trade receivables from due date

Current and not due	18,333	16,148
31 – 60 days	8,095	8,536
61 – 90 days	830	1,166
91 – 120 days	–	–
121+ days	–	–
Closing balance	27,258	25,850

Burson does not hold any collateral in relation to these receivables.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the risk management policy of Burson and the credit quality of the entity's trade receivables.

Notes to the Consolidated Financial Statements cont.

Note 9. Current assets – Inventories

	Consolidated	
	2015 $'000	2014 $'000
Finished goods – at cost	78,698	73,280
Provision for obsolete inventory	(3,793)	(5,520)
	74,905	67,760
Goods in transit	2,301	1,365
	77,206	69,125

During the course of FY2015, Burson completed a detailed review of its slow moving and obsolete stock items. This review included the disposal and write-off of obsolete items already fully provided for. This has resulted in a relative decrease in the cost of inventory held of these items and the related inventory provision.

Note 10. Non-current assets – Property, plant and equipment

Consolidated	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Cost or fair value			
At 1 July 2013	**18,394**	**10,747**	**29,141**
Additions	4,063	3,428	7,491
Acquisition of business	389	–	389
Disposals	(478)	(1,096)	(1,574)
At 30 June 2014	**22,368**	**13,079**	**35,447**
Additions	4,853	3,695	8,548
Acquisition of business	118	–	118
Disposals	(342)	(1,590)	(1,932)
At 30 June 2015	**26,997**	**15,184**	**42,181**
Depreciation and impairment			
At 1 July 2013	**(9,252)**	**(4,014)**	**(13,266)**
Depreciation charge for the year	(2,022)	(1,904)	(3,926)
Impairment	–	–	–
Disposals	433	713	1,146
At 30 June 2014	**(10,841)**	**(5,205)**	**(16,046)**
Depreciation charge for the year	(2,422)	(2,126)	(4,548)
Impairment	–	–	–
Disposals	312	1,158	1,470
At 30 June 2015	**(12,951)**	**(6,173)**	**(19,124)**
Net Book value			
At 30 June 2014	11,527	7,874	19,401
At 30 June 2015	14,046	9,011	23,057

Note 11. Non-current assets – Deferred tax assets

	Consolidated	
	2015 $'000	2014 $'000
Deferred tax assets comprise temporary differences attributable to:		
Amounts recognised in Statement of comprehensive income:		
Trade and other receivables	160	68
Employee benefits	5,184	4,284
Inventory	1,138	1,656
Property, plant and equipment	983	1,018
Other	2,910	1,654
	10,375	8,680
Amounts recognised in Equity:		
Cash flow hedge	–	–
Costs of raising share capital	1,325	2,089
Share based payment	147	9
Total deferred tax assets	11,847	10,778
Deferred tax assets expected to be recovered within 12 months	4,450	3,591
Deferred tax assets expected to be recovered after more than 12 months	7,397	7,187
	11,847	10,778
Movements:		
Opening balance	10,778	6,835
Credited to the consolidated income statement	(488)	2,189
Credited to equity	1,462	1,738
Acquisition of business	59	218
Under/(over) provision in prior year	36	(202)
Closing balance	11,847	10,778

Note 12. Non-current assets – Intangible assets

Consolidated	Notes	Computer software $'000	Goodwill $'000	Total $'000
Cost or fair value				
At 1 July 2013		**2,090**	**92,525**	**94,615**
Additions		716	–	716
Acquisition of business		–	3,646	3,646
Disposals		–	–	–
At 30 June 2014		**2,806**	**96,171**	**98,977**
Additions		757	–	757
Acquisition of business	28	–	2,146	2,146
Disposals		–	–	–
At 30 June 2015		**3,563**	**98,317**	**101,880**
Amortisation and impairment				
At 1 July 2013		**(1,200)**	**–**	**(1,200)**
Amortisation charge for the year		(360)	–	(360)
Impairment		–	–	–
Disposals		–	–	–
At 30 June 2014		**(1,560)**	**–**	**(1,560)**
Amortisation charge for the year		(466)	–	(466)
Impairment		–	–	–
Disposals		–	–	–
At 30 June 2015		**(2,026)**	**–**	**(2,026)**
Net Book value				
At 30 June 2014		1,246	96,171	97,417
At 30 June 2015		1,537	98,317	99,854

(a) Impairment testing and key assumptions

Burson tests whether goodwill and other intangible assets have suffered any impairment in accordance with the accounting policy stated in Note 1(i).

Goodwill is allocated to Burson's cash generating units ("CGU's") identified according to operating segment:

	Consolidated	
	2015 $'000	2014 $'000
Australia	98,317	96,171

The recoverable amounts of assets and CGUs have been determined based on the higher of value-in-use and fair value less costs to sell. These calculations require the use of key assumptions on which management has based its cash flow projections, as well as pre-tax discount rates.

Key assumptions used for value in use calculations:

Cash flow projections

The recoverable amounts have been determined based on cash flow projections using a value in use methodology. The cash flow projections were derived from management forecasts based on next year's budgeted result, with the remaining years based on management forecasts.

Management's cash flow forecasts have been compiled based on past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

The following key assumptions were used in testing for impairment of goodwill;

Pre tax discount rate	9.55%
Terminal value growth rate beyond 5 years (set at current CPI)	1.5%

A reasonable possible change in assumptions would not cause the carrying value of the CGU to exceed its recoverable amount.

Note 13. Non-current assets – Other non-current assets

	Consolidated	
	2015 $'000	**2014 $'000**
Make good asset	378	311
Unamortised transaction costs capitalised	557	–
	935	311

Note 14. Current liabilities – Trade and other payables

Trade payables	55,767	50,659
Accrued expenses	12,721	6,767
	68,488	57,426

Note 15. Current liabilities – Provisions

Employee benefits	11,414	10,368

(a) Amounts not expected to be settled within 12 months

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro rata payments in certain circumstances. The entire amount of the provision of $11,414,000 (2014: $10,368,000) is presented as current, since Burson does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, Burson does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

Leave obligations expected to be settled after 12 months	784	712

Note 16. Non-current liabilities – Borrowings

Secured		
Bank loans – Westpac	–	37,000
Bank loans – ANZ	–	37,000
Total secured non-current borrowings	–	74,000
Less: unamortised transaction costs capitalised	–	(658)
Total non-current borrowings	**–**	**73,342**

Subsequent to the financial year end, on 31 July 2015 Burson entered into amended terms of its syndicated debt facility. The structure is a secured senior debt facility. Key features of the facility include:

- Tranche A: $171,000,000 for funding the Metcash Automotive acquisition and general corporate purposes (including funding of acquisitions) and capital expenditure,
- Tranche B: $29,000,000 for working capital and general corporate purposes.

The facility is provided by a syndicate comprising Westpac Banking Corporation and ANZ and secured by way of a fixed and floating charge over Burson's assets. This facility is repayable in 3 years. There are no changes to the debt covenants.

In FY2015, costs of $139,000 were incurred associated with amending the current facility, and are being amortised over the life of the facility and charged to 'finance costs' in the consolidated income statement. As at 30 June 2015, total borrowing costs of $557,000 (2014: $658,000) have not yet been amortised through the consolidated income statement. Subsequent to the end of FY2015 an additional $268,000 of costs associated with the amended facility will be capitalised as borrowing costs and amortised over the life of the facility.

Note 17. Non-current liabilities – provisions

	Consolidated	
	2015 $'000	**2014 $'000**
Make good provision	1,100	897
	1,100	897
Employee benefits	1,185	1,270
	2,285	2,167

(a) Movements in provisions

The movement in provisions other than employee benefits during the financial year is set out below:

Opening balance	897	817
Additional provision recognised	203	85
Amounts used	–	(152)
Change in provision from re-measurement	–	147
Closing balance	1,100	897

Note 18. Contributed equity

(a) Share capital

	2015 Shares	**2014 Shares**	**2015 $'000**	**2014 $'000**
Fully paid				
Ordinary Shares	219,663,293	163,585,666	337,390	180,775
	219,663,293	163,585,666	337,390	180,775

(b) Movements in ordinary share capital

Date	Details	Number of shares	$'000
1 July 2013	Opening balance	42,300,000	40,085
1 July 2013	Instalment for Partly Paid Ordinary Shares	–	1,047
26 July 2013	Buy back of Restricted Management Shares	(50,000)	(50)
26 September 2013	New Restricted Management Shares issue	50,000	65
4 February 2014	2 for 1 share split Restricted Management Shares	1,058,000	–
4 February 2014	2 for 1 share split Ordinary Shares	41,242,000	–
23 April 2014	Conversion of Restricted Management Shares to non-voting ordinary shares	(2,115,000)	–
23 April 2014	Non-voting ordinary shares converted	2,115,000	–
23 April 2014	Conversion of Non Voting Ordinary Shares to Voting Ordinary Shares	(2,115,000)	–
23 April 2014	Ordinary Shares converted	2,115,000	–
23 April 2014	Instalment for Partly Paid Ordinary Shares	–	1,168
24 April 2014	Issue new shares as part of IPO	78,985,666	143,615
24 April 2014	Capitalise costs directly related to IPO (net of tax)	–	(5,155)
30 June 2014	**Closing balance**	**163,585,666**	**180,775**
30 June 2015	Issue new shares as part of Institution capital raising	56,077,627	159,821
30 June 2015	Capitalise costs directly related to share issue (net of tax)	–	(3,206)
30 June 2015	**Closing balance**	**219,663,293**	**337,390**

(c) Ordinary shares

Ordinary shares entitles the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 19. Other reserves and retained earnings/(accumulated losses)

(a) Other reserves

	Consolidated	
	2015 $'000	2014 $'000
Share based payment reserve	441	56
Cash flow hedge reserve	–	–
	441	56

(i) Movements:

	Consolidated 2015 $'000	Consolidated 2014 $'000
Cash flow hedge reserve		
Opening balance	–	(1,094)
Revaluation	–	70
Tax associates with cash flow hedges	–	(21)
Cancellation of hedge release to profit and loss	–	1,045
Closing balance	**–**	**–**
Share based payments reserve		
Opening balance	56	–
Share based payment expense	248	47
Tax associated with share schemes	137	9
Tax effect	–	–
Closing balance	**441**	**56**

(ii) Nature and purpose of reserves

Cash flow hedges reserve: is used to record gains/losses on the revaluation of the hedging instrument that are recognised directly in equity as described in Note 1(s)(i).

Share based payments reserve: is used to hold the amortised fair value of unexercised performance rights as described in Note 1(r)(iii).

(b) Retained earnings/(accumulated losses)

Movements in retained earnings/(accumulated losses) were as follows:

Opening balance	(83,870)	9,283
Net profit/(loss) for the year	19,507	1,160
Dividends paid	(6,543)	(94,313)
Closing balance	**(70,906)**	**(83,870)**

Note 20. Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend $'000
Year 2014				
2013 Final dividend	1 July 2013	$1.350	$1.350	57,089
2014 Interim dividend	23 April 2014	$0.440	$0.440	37,224
				94,313
Year 2015				
2015 Interim dividend	9 April 2015	$0.040	$0.040	6,543
Dividends paid or declared by the Company after the year end:				
2015 Final dividend	30 September 2015	$0.047	$0.047	11,497

(a) Franked dividends

	Consolidated	
	2015 $'000	2014 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2014: 30%)	6,007	135

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

a. franking credits that will arise from the payment of the amount of the provision for income tax,

b. franking debits that will arise from the payment of dividends recognised as a liability at the end of the reporting period, and

c. franking credits that will arise from the receipt of dividends recognised as receivables at the end of the reporting period.

Note 21. Related party disclosures

(a) Interests in controlled entities

Interests in controlled entities are set out in Note 26.

(b) Key Management Personnel compensation

Short term employee benefits	3,734	4,906
Long term benefits	28	29
Post employment benefits	137	112
Share based payment	235	44
	4,134	5,091

Detailed remuneration disclosures are provided in pages 18 to 23 of the Remuneration Report.

(c) Loans to Key Management Personnel

There have been no loans to Directors or executives during the financial year (2014: nil).

Notes to the Consolidated Financial Statements cont.

Note 22. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non related audit firms:

(a) PwC Australia

	Consolidated	
	2015 $	2014 $
Audit and other assurance services		
Audit and review of financial statements	180,000	305,280
Other assurance services	–	175,646
Total remuneration for audit and other assurance services	180,000	480,926
Other services		
Advisory and tax fees for Initial Public Offering, refinancing and trade sale considerations	–	1,176,874
Tax compliance services	18,000	52,100
Consulting services	5,000	40,144
Total remuneration for other services	23,000	1,269,118
Total remuneration of PwC Australia	**203,000**	**1,750,044**

Note 23. Contingencies

(a) Guarantees

As part of the syndicated debt facility Burson has guarantees to the value of $1,872,000 (2014: $1,457,000).

(b) Contingent liabilities

Burson had no contingent liabilities at 30 June 2015 (2014: nil).

Note 24. Commitments

(a) Capital commitments

There are no further capital commitments outstanding as at the 30 June 2015.

(b) Lease commitments – operating

	Consolidated	
	2015 $'000	2014 $'000
Non-cancellable operating leases contracted for but not capitalised in the financial statements payable:		
Within one year	12,147	9,433
Later than one year but not later than five years	19,808	16,320
Later than five years	1,387	292
	33,342	26,045

Burson leases various buildings under non-cancellable operating leases expiring within one to 12 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are negotiated.

Note 25. Business combination

(a) Summary of acquisitions

During the current financial year the parent entity acquired the assets of the following entities:

2015
Cheapa Auto Spares
Walkers Auto One
Powerhouse Auto Spares
Mick & Marks Auto Spares
River City Auto & Marine Wholesale Autoparts
Mid State Spares

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Fair value 2015 $'000
Purchase consideration (refer to note (b) below):	
Cash paid	3,705
Total purchase consideration	3,705
The assets and liabilities recognised as a result of the acquisitions are as follows:	
Cash	4
Trade and other receivables	–
Inventories	1,576
Plant and equipment	118
Deferred tax asset	59
Provision for employee benefits	(198)
Other payables	–
Net identifiable assets acquired	1,559
Add: goodwill	2,146
Net assets acquired	3,705

Goodwill in relation to these acquisitions is related to the anticipated future profitability of their contribution to Burson's total business. Each of the business acquisitions took place on different dates and as such it is impractical to disclose the amount of revenue and profit since acquisition date.

(b) Purchase consideration – cash outflow

	Consolidated 2015 $'000
Outflow of cash to acquire businesses, net of cash acquired	
Cash consideration	3,705
Less: balances acquired	
Cash	(4)
Outflow of cash – investing activities	3,701

(c) Acquisition-related costs

Acquisition-related costs of $96,000 (2014: $306,311) are included in other expenses in profit and loss and in operating cash flows in the consolidated statement of cash flows.

Note 26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in Note 1(b):

			Equity holding**	
Name of entity	**Place of business/country of incorporation**	**Class of shares**	**2015 %**	**2014 %**
Burson Finance Pty Limited	Australia	Ordinary	100	100
Burson Automotive Pty Limited	Australia	Ordinary	100	100
Car Bitz & Accessories Pty Limited	Australia	Ordinary	100	100

** *The proportion of ownership interest is equal to the proportion of voting power held.*

Note 27. Deed of Cross Guarantee

The following controlled entities have entered into a Deed of Cross Guarantee:

Burson Group Limited

Burson Finance Pty Limited

Burson Automotive Pty Limited

The companies that are party to this deed guarantee the debts of the others and represent the 'Closed Group' from the date of entering into the agreement.

These wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Income statement, other comprehensive income and a summary of movements in consolidated retained profits

There are no other material parties to the Deed of Cross Guarantee that are controlled by Burson Group Limited. As such the results of the Closed Group are materially the same as those presented for Burson Group Limited in the Consolidated statement of comprehensive Income, Consolidated statement of financial position and Consolidated statement of changes in equity.

Note 28. Events occurring after the reporting period

Burson announced on 15 June 2015 that it had entered into a binding offer to acquire 100% of the share capital of Metcash Automotive Holdings Pty Ltd for $275 million from Metcash Trading Limited (a wholly-owned subsidiary of Metcash Limited). On 2 July 2015, Burson announced the acquisition of the Opposite Lock business by Metcash Automotive Holdings Pty Ltd. This acquisition will effectively increase the consideration due for the acquisition of Metcash Automotive Holdings Pty Ltd from $275 million to up to $283 million. On 31 July, Burson announced the completion of the acquisition of MAH. As at the date of this report, Burson has not yet completed a determination of the fair value of net assets acquired as required for accounting purposes. As a result the accounting contribution of this acquisition on revenue and net profit cannot yet be determined.

The acquisition of MAH was financed via an Entitlement Offer and a new share issue of 4.7 million ordinary shares along with an increase in the syndicated debt facility of $61 million to $200 million.

On 9 July, Burson announced the successful completion of the retail portion of the rights offer (the institutional component was completed prior to the end of the financial year). As part of this offer an additional 20.3 million ordinary shares were issued raising $57.8 million to go towards the acquisition of MAH. The quantity of shares on issue after the retail and institutional offer and new shares issued is 244,622,784.

In July 2015, loans of $3.85 million were made to Key Management Personnel to assist in the purchase of shares under the retail Entitlement Offer. These loans are secured by the underlying shares acquired. The loans are interest bearing and are repayable on the earlier of sale of the underlying shares, termination of employment or 5 years from the date of the loan. For the most part, any remuneration in relation to over achievement of target STI's is to be paid off against the outstanding loan balance.

No other matters or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- Burson's operations in future financial years, or
- the results of those operations in future financial years, or
- Burson's state of affairs in future financial years.

Note 29. Reconciliation of profit/(loss) after income tax to net cash inflow (outflow) from operating activities

	Consolidated	
	2015 $'000	2014 $'000
Profit/(loss) for the year	19,507	1,160
Depreciation and amortisation (including borrowing costs)	5,014	5,130
Accelerated amortisation of capitalised borrowing costs	377	4,767
Amortisation of share based payment	248	47
Interest accrued	–	–
Net loss on sale of non-current assets	51	40
Transaction costs relating to the IPO	–	9,464
Other non-cash movement	–	–
Change in operating assets and liabilities:		
(Increase) in trade receivables	(982)	(1,862)
(Increase) in inventories	(6,505)	(8,965)
(Increase)/decrease in deferred tax assets	501	(826)
(Increase)/decrease in other operating assets	–	(66)
Increase/(decrease) in trade and other payables	10,219	12,159
Increase/(decrease) in provision for income taxes payable	5,034	(1,169)
Increase/(decrease) in other operating liabilities	1,046	1,631
Increase in other provisions	(86)	–
Net cash inflow (outflow) from operating activities	34,424	21,510

Note 30. Earnings per share (EPS)

All shares are fully paid and have been included in both the Basic EPS and the Diluted EPS.

	2015 cents per share	2014 cents per share
Basic EPS	11.92	1.18
Diluted EPS	11.88	1.17

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(a) Weighted average number of shares used as the denominator

	2015 Number	2014 number*
Weighted average number of shares used as the denominator in calculating basic EPS	163,585,666	98,732,828
Weighted average number of Options	647,537	128,083
Weighted average number of shares used as the denominator in calculating diluted EPS	164,233,203	98,860,911

* *The weighted average number of shares for 30 June 2014 has been adjusted for a 2 for 1 share split performed during the 2014 financial period.*

(b) Reconciliation of earnings used in calculating EPS

	2015 $'000	2014 $'000
Earnings used in calculating basic EPS	19,507	1,160
Earnings used in calculating diluted EPS	19,507	1,160

Note 31. Net tangible asset backing

	2015 cents per share	2014 cents per share
Net tangible asset backing per share	0.761	(0.003)

A large proportion of the Group's assets are intangible in nature, consisting of goodwill relating to businesses acquired, and software. These assets are excluded from the calculation of net tangible assets per security, which results in the negative outcome.

Net assets per share at 30 June 2015 was $1.215 (30 June 2014 $0.593) cents per share.

Refer to Note 16 for further information on the Group's borrowings and debt facilities.

Note 32. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2015 $'000	2014 $'000
Statement of financial position		
Current assets	–	–
Non-current assets	374,789	179,579
Total assets	374,789	179,579
Current liabilities	–	–
Non-current liabilities	–	–
Total liabilities	–	–
Net assets	374,789	179,579
Equity		
Contributed equity	337,390	180,775
Other reserves	441	56
Current year profits/(losses)	44,753	103,655
Dividends paid out of current year profits	(6,543)	(94,313)
Prior years retained earnings/(accumulated losses)	(1,252)	(10,594)
Total equity	374,789	179,579
Profit/(loss) for the year/period	44,753	103,655
Total comprehensive profit/(loss)	44,753	103,655

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

Note 33. Segment information

Burson operates within one reportable segment (was the sale and distribution of motor vehicle parts, automotive equipment and accessories). Total revenues of $375,317,000 (2014: $341,649,000) all relate to the sale and distribution of motor vehicle parts and accessories in the Company's country of domicile (Australia), in this single reportable segment. The Company is not reliant on any single customer.

For financial statements in respect of the reporting segment refer to the Consolidated Statement of Financial Position (page 28) and the Consolidated Statement of Comprehensive Income (page 27).

Note 34. Share based payments

(a) Executive share option plan

The Long Term Incentive Plan (LTIP) is intended to assist in the motivation, retention and reward of certain senior executives. The LTIP is designed to align the interests of senior executives more closely with the interests of Shareholders by providing an opportunity for senior executives to receive an equity interest in Burson through the granting of performance rights (Performance Rights). The vesting of the Performance Rights is subject to satisfaction of certain performance conditions.

The 2014 offer to participate in the LTIP was made to six of Burson's senior executives on 24 April 2014. The plan has two tranches whereby;

- 25% of the allocated Performance Rights vest on satisfaction of the performance hurdles as tested on 30 June 2016
- 75% of the allocated Performance Rights vest on satisfaction of the performance hurdles as tested on 30 June 2017

Of the total number of Performance Rights granted under each tranche, 50% are subject to the satisfaction of total shareholder return (TSR) performance hurdles for the relevant performance period (TSR Rights), and 50% are subject to satisfaction of earnings per share (EPS) performance hurdles for the relevant performance period (EPS Rights).

Total shareholder return (TSR) growth

50% of the Performance Rights granted to a participant will vest subject to a TSR performance hurdle which assesses performance by measuring capital growth in the share price together with income returned to shareholders, measured over the performance period against a comparator group of companies. Depending on how Burson is ranked against this comparator group of companies, Performance Rights subject to a TSR hurdle will vest as follows:

Company's TSR relative to the TSR of the Comparator Group over the period	Percentage of TSR Rights Vesting
Less than the 50th percentile	0% of the relevant tranche of TSR rights will vest
50th percentile	50% of the relevant tranche of TSR Rights will vest
Greater than the 50th percentile but less than the 75th percentile	50% to 100% of the relevant tranche of TSR Rights will vest on a pro-rata straight-line basis
Greater than or equal to the 75th percentile	100% of the relevant tranche of TSR Rights will vest

Earnings per share (EPS) growth

50% of the Performance Rights granted to a participant will vest subject to an earnings per Share (**EPS**) performance hurdle which measures the basic earnings per share on a normalised basis over the performance period. Each tranche of Performance Rights subject to an EPS hurdle will vest as follows:

Company's compound annual EPS growth over the performance period	Percentage of EPS Rights Vesting
Less than 7.5%	0% of the relevant tranche of EPS Rights will vest
7.5%	20% of the relevant tranche of EPS Rights will vest
Greater than 7.5% but less than 15%	20% to 100% of the relevant tranche of EPS Rights will vest on a pro-rata straight-line basis
Equal to or greater than 15%	100% of the relevant tranche of EPS Rights will vest

If vesting conditions are met, Performance Rights will automatically convert into fully paid ordinary shares of the company. Shares that are allocated in respect of each tranche will be subject to a 12 month holding period after vesting of the Performance Rights.

A summary of the plan details are as follows;

	Tranche 1	Tranche 2
Grant date	24 April 2014	24 April 2014
Effective date	1 May 2014	1 May 2014
Vest date	30 June 2016	30 June 2017
Expiry date	n/a	n/a
Quantity granted during the year	168,504	529,262
Performance hurdles	50% TSR; 50% EPS	50% TSR; 50% EPS
Exercise price	Nil	Nil
Fair value at grant date	$0.92 TSR; $1.77 EPS	$0.91 TSR; $1.71 EPS
Other conditions	Holding period 12 months from vest date	Holding period 12 months from vest date

There were no new share plans issued during the financial year.

Movements of Performance Rights are as follows:

	2015 number	2014 number
Opening quantity outstanding	697,766	–
Quantity of Performance Rights granted during the year	–	697,766
Quantity of Performance Rights forfeited during the year	(71,060)	–
Quantity of Performance Rights exercised during the year	–	–
Closing quantity outstanding	626,706	697,766

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	2015 $'000	2014 $'000
Performance Rights under executive LTIP	248	47

Directors' Declaration

This declaration is made in accordance with a resolution of Directors.

In the Directors' opinion:

a. the financial statements, comprising; the consolidated statement of comprehensive income; consolidated statement of financial position; consolidated statement of changes in equity; consolidated statement of cash flows; and accompanying notes, are in accordance with the Corporations Act 2001, including:

   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

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

b. there are reasonable grounds to believe that Burson Group Limited will be able to pay its debts as and when they become due and payable; and

c. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 27.

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

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

On behalf of the Board of Burson Group Limited,

Robert McEniry
Chairman

Melbourne
20 August 2015

Independent Auditor's Report

Independent auditor's report to the members of Burson Group Limited

Report on the financial report

We have audited the accompanying financial report of Burson Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Burson Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Independent Auditor's Report

Independent auditor's report to the members of Burson Group Limited (Continued)

Report on the financial report (Continued)

Auditor's opinion

In our opinion:

(a) the financial report of Burson 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 (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 18 to 23 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

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

PricewaterhouseCoopers

Daniel Rosenberg
Partner

Melbourne
20 August 2015

Shareholder Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 7 September 2015 (**Reporting Date**).

1. Corporate Governance Statement

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company. In accordance with ASX Listing Rule 4.10.3, the Corporate Governance Statement will be available for review on Burson's website www.burson.com.au, and will be lodged with ASX at the same time that this Annual Report is lodged with ASX.

2. Distribution and number of shareholders of equity securities

The distribution and number of holders of equity securities on issue in the Company as at the Reporting Date, and the number of holders holding less than a marketable parcel of the Company's ordinary shares, based on the closing market price as at the Reporting Date, is as follows:

2.1 Distribution of ordinary shareholders

Range	Total holders	Shares	% of Issued Capital
1 – 1,000	928	576,080	0.24
1,001 – 5,000	1,711	4,898,769	2.00
5,001 – 10 000	802	5,829,937	2.38
10,001 – 100,000	831	18,135,653	7.41
100,001 +	74	215,182,345	87.96
Total	**4,346**	**244,622,784**	**100.00**
Holders of less than a marketable parcel of $500 included in above total	25	644	

2.2 Distribution of holders of performance rights

Range	Total holders	Performance Rights	%
1 – 1,000	–	–	–
1,001 – 5,000	–	–	–
5,001 – 10 000	–	–	–
10,001 – 100,000	3	204,954	32.70
100,001 +	2	421,752	67.30
Total	**5**	**626,706**	**100.00**

Shareholder Information

3. Twenty largest quoted equity security holders

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, the number of ordinary shares and the percentage of capital held by each holder is as follows:

	Ordinary Shares	
Name	**Number Held**	**% of Issued Capital**
RBC Investor Services	37,235,355	15.22
J P Morgan Nominees Australia	30,588,855	12.50
National Nominees Limited	26,653,016	10.90
Citicorp Nominees Pty Limited	22,550,945	9.22
HSBC Custody Nominees	23,978,299	9.80
BNP Paribas Noms Pty Ltd	18,378,336	7.51
UBS Nominees Pty Ltd	9,808,806	4.01
Garrmar Investments Pty Ltd	8,073,854	3.30
Brispot Nominees Pty Ltd	5,683,877	2.32
Glendale Investment Group Pty	4,410,684	1.80
GB Vantage Pty Ltd	3,872,000	1.58
D Abotomey	2,287,306	0.94
Schram Investments Pty Ltd	1,906,667	0.78
Netwealth Investments Limited	1,584,102	0.65
AMP Life Limited	1,579,623	0.65
GBSFT Pty Ltd	1,466,667	0.60
C Magill	1,385,731	0.57
Morgan Stanley Australia	1,335,526	0.55
CS Fourth Nominees Pty Ltd	853,800	0.35
UBS Wealth Management	700,232	0.29
	204,333,681	**83.53**
Other Shareholders	40,289,103	16.47
Total Shareholders	**244,622,784**	**100.00**

4. Substantial holders

As at the Reporting Date, the names of the substantial holders of Burson and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to Burson, are as follows:

Name	Number Held	% of Issued Capital
Perpetual Limited and subsidiaries	33,352,747	13.63
Commonwealth Bank of Australia	12,864,824	5.26

Shareholder Information

5. Voting rights

The voting rights attaching to each class of equity securities are set out below:

5.1 Ordinary shares

At a general meeting of Burson, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each ordinary share held.

5.2 Performance rights

Performance rights do not carry any voting rights.

6. Unquoted equity securities

626,706 unlisted performance rights have been granted to 5 persons. There are no persons who hold 20% or more of performance rights that were not issued or acquired under an employee incentive scheme.

7. Voluntary escrow

The number and class of restricted securities or securities subject to voluntary escrow that are on issue, and the date that the escrow period ends, are as follows:

Class of restricted securities	Type of restriction	Number of securities	Escrow period
Ordinary shares	Voluntary escrow	1,878,210	From 31 July 2015 until the release of Burson's half year results for the 6 months ending 31 December 2015
Ordinary shares	Voluntary escrow	2,817,313	From 31 July 2015 until the release of Burson's full year results for the 12 months ending 30 June 2016

8. On-Market buy-back

The Company is not currently conducting an on-market buy-back.

Corporate Information

Directors

Robert McEniry (Independent, Non-Executive Chairman)
Darryl Abotomey (Chief Executive Officer, Managing Director)
Andrew Harrison (Independent, Non-Executive Director)
Therese Ryan (Independent, Non-Executive Director)

Company Secretary

Gregory Fox

Registered office

61 Gower Street
Preston VIC 3072
AUSTRALIA

Share registry

Computershare Investor Services Pty Ltd
452 Johnston Street
ABBOTSFORD VIC 3067
Ph: +61 3 9415 4000

Auditor

PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006

Stock exchange listing

Burson Group Limited shares are listed
on the Australian Securities Exchange
(ASX: BAP)

Website

www.burson.com.au

BURSON
AUTO PARTS
THE PARTS PROFESSIONALS