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CMA CORPORATION LTD

31 August 2006

Company Announcements
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs,

ANNOUNCEMENT – CMA 30 June 2006 Appendix 4E

We attach an announcement for immediate release to the Market.

The announcement includes the Appendix 4E and the Financial Report for the financial year ended 30 June 2006.

Yours faithfully,

Patrick Raper
Company Secretary
CMA Corporation Limited

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ABN 40 113 329 016

CMA CORPORATION LIMITED - ABN 40 113 329 016

and Controlled Entities

APPENDIX 4E – PRELIMINARY FINAL REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Reporting Period

- The current reporting period is the financial year from 1 July 2005 to 30 June 2006.
- The prior comparative reporting period is the period from the date of incorporation, 10 March 2005 to 30 June 2005.
- The financial report for the period from 10 March 2005 to 30 June 2006 was prepared in accordance with AIFRS.
- The financial reports are prepared in Australian dollars.

2. Results for the Period

		2006	2005	Movement	Movement
		$000	$000	$000	%
2.1	Revenue from ordinary activities	116,748	21,195	95,553	451%
2.2	Profit from ordinary activities after tax	1,696	3,006	(1,310)	(44%)
2.3	Net profit attributable to members	1,696	3,006	(1,310)	(44%)
		$	$		
2.4	Dividends				
	Franked amount per security				
	- Interim dividend	-	-		
	- Final dividend	-	0.01		

It is not proposed that a dividend be paid in relation to the financial year ended 30 June 2006

2.5 The record date for determining entitlements to the final dividend paid in relation to the financial period ended 30 June 2005 was 30 September 2005.

2.6 Comments on the Report

Demolition and Remediation Contract Services

The demolition and remediation contract services that are provided by the Company include demolition of large industrial facilities on behalf of some of Australia's leading companies. The facilities are remediated by the deconstruction and subsequent disposal of materials from the contract sites and, where necessary, treatment of contaminated conditions at the site.

The results of the division have not met expectations primarily because a number of major tenders that the division was expecting to win, were not awarded at 30 June 2006. In addition there have been difficulties completing two major jobs on time and on budget because of a number of factors including difficult weather conditions.

The nature of this division is such that the contracts are usually for periods from between one and three years. The lead times in submitting tenders and securing new contracts can sometimes be in excess of twelve months, and significant effort and cost is required to prepare professional tender proposals.

The division has a growing book of tenders for the next twelve months and is looking to consolidate its market position by securing a number of contracts that are currently under tender.

The division has also invested in upgrades to personnel, project scheduling and cost control systems that will assist the profitability of the division.

Scrap Metal Trading

The scrap metal trading division sources materials from the demolition and remediation contract services division as well as from other suppliers. A significant portion of the sales are exports to Asia.

During the year the division invested in the development of facilities towards an Australasian infrastructure of scrap trading yards through the acquisition of businesses in Darwin, Sydney, Melbourne, Auckland and Hamilton with plans to continue the growth in Adelaide, Brisbane and Port Hedland. The division has now successfully integrated these businesses into its core business.

New equipment has been acquired in each of these areas and in August 2006 the Company took possession of three LeFort baler shears to enhance processing capabilities and profit margins.

The New Zealand businesses in Hamilton and Auckland are well established with mature facilities and operations and are well positioned to continue their significant contributions to the Economic Entity's profitability.

3. Balance Sheet and Accompanying Notes

The Balance Sheet for the Economic Entity and the Company is included on page 20 of the financial report, followed by accompanying notes to the statement.

4. Income Statement

The Income Statement for the Economic Entity and the Company is included on page 19 of the financial report, followed by accompanying notes to the statement.

5. Cash Flow Statement

The Cash Flow Statement for the Economic Entity and the Company is included on page 22 of the financial report, followed by accompanying notes to the statement (Notes 8 and 27).

6. Dividends

Details of the dividend payments made by the Company are set out in Note 6 to the financial report.

7. Dividend or Distribution Reinvestment Plans

The Company does not have a dividend or distribution reinvestment plan in place at the date of this report.

8. Statement of Retained Earnings

The Statement of Changes in Equity for the Economic Entity and the Company is included on page 21 of the financial report, and includes details of the movements in retained earnings.

9. Net Tangible Assets per Security

	2006	2005
	$	$
Net tangible assets per share	0.108	0.087

10. Gain or Loss of Control over Entities

Note 26 to the financial report sets out the details of the entities over which control has been gained or lost during the financial year ended 30 June 2006 and the prior comparative period.

11. Details of Associates and Joint Venture Entities

The Company did not hold any direct or indirect interests in associates or joint venture entities at 30 June 2006 or the prior comparative reporting date.

12. Other Significant Information

This Appendix should be read in conjunction with the accompanying financial report, and the annual report for the prior comparative period ended 30 June 2005 in order to obtain all information required to form an informed assessment of the Economic Entity's and the Company's financial performance and position.

13. Foreign Entities

The accounting standards used in compiling the financial report are Australian Equivalents to International Financial Reporting Standards (AIFRS). The Economic Entity includes entities in New Zealand, as detailed in Note 13; the financial information of the New Zealand subsidiaries included in the consolidated financial report reflects application of AIFRS and thus accounting treatment is consistent across the Economic Entity.

14. Commentary on Results

Commentary on the results achieved in the financial year ended 30 June 2006 and significant features of operating performance are included in the Review of Operations within the Directors' Report at page 7. The Directors' Report also provides information on Future Developments, Prospects & Business Strategies at page 8.

The distributions made to shareholders during the financial year are included in Note 6 to the financial report. There were no buy-backs from shareholders during the financial year or the prior comparative period.

The results of segments are included in Note 23 to the financial report.

15. Status of Audit

The financial report is based on audited accounts.

16. Accounts Not Yet Subjected to Audit

Not applicable, as per Item 15 above.

17. Dispute or Qualification arising from Audit

No dispute or qualification has arisen from the audit of the financial report.

CMA CORPORATION LIMITED

ABN 40 113 329 016

And Controlled Entities

Financial Statements

For the Financial Year

Ended 30 June 2006

CORPORATE GOVERNANCE STATEMENT

Corporate Governance

The Board confirms its commitment to the adoption of the ten Principles of Good Corporate Governance and Best Practice Recommendations of the ASX Corporate Governance Council. During the first year of operations following listing on the ASX it has not yet been practical to fully adopt all of these principles and practices. The following paragraphs set out the extent of compliance against each Principle.

Structure of the Board

Board Members

During the year there have been several changes to the Board of Directors. At the date of this report, the Board consists of five members. The names, status and date of appointment or resignation of all the directors of the Company during the year are:

Alan Good	Non-Executive Independent Chairman	Appointed 25 July 2005
Peter Hatfull	Managing Director	Appointed 11 March 2005
Joseph Tong Hong Chung	Non-Executive Director	Appointed 11 March 2005
John Crabb	Non-Executive Independent Director	Appointed 3 January 2006
Rob Moltoni	Non-Executive Director	Appointed 11 March 2005
Johnny Tung Hui Chung		Appointed 11 March 2005 Resigned 27 March 2006
Paul Adams		Appointed 11 March 2005 Resigned 21 March 2006
Kevin Adams		Appointed 11 March 2005 Resigned 3 January 2006

This structure does not yet provide a majority of independent directors. Throughout the year the Nomination Committee has considered a number of candidates to fill the role of a third independent director and it is anticipated that this position will be filled once a suitable candidate is identified.

When determining whether a non-executive director is independent, the director must not fail any of the following materiality thresholds:

- less than 10% of Company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the director's income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the Economic Entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice at the Company's expense in the furtherance of their duties as directors. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

Board Expertise

The Board collectively has the appropriate range of expertise to properly fulfil its responsibilities, including:

- accounting;
- finance;
- business;
- demolition, scrap metal and metal trading industries;
- risk management;

- o public company experience;
- o legal skills; and
- o Managing Director – level of experience.

The Board periodically reviews the range of expertise of its members to ensure that it has operational and technical expertise relevant to the operation of the Company.

Nomination Committee

The Board has established a Nomination Committee. The role and responsibilities, composition, structure and membership requirements of the Nomination Committee are documented in a separate Nomination Committee Charter approved by the Board.

The Nomination Committee consists of a minimum of three members, the majority of whom should be independent. An independent director is chair of the Nomination Committee.

Currently the Board contains two independent directors and two non-executive directors. The Nomination Committee therefore consists of

- o Mr Alan Good (Chairman)
- o Mr John Crabb
- o Mr Peter Hatfull

The responsibilities of the Nomination Committee include:

- o assessment of the necessary and desirable competencies of Board members;
- o review of Board succession plans;
- o evaluation of the Board's performance; and
- o recommendations for the appointment and removal of directors.

Audit Committee

The Board has established an Audit Committee. The role and responsibilities, composition, structure and membership requirements of the Audit Committee are documented in a separate Audit Committee Charter.

The Audit Committee will consist of:

- only non-executive directors;
- a majority of independent directors;
- an independent chair, who is not the Chair of the Board; and
- at least three members.

At the date of this report, the members of the Audit Committee are:

- o Mr Rob Moltoni (Chairman)
- o Mr Alan Good
- o Mr John Crabb

The Audit Committee reviews the integrity of the Company's financial reporting and oversees the independence of the external auditors.

The qualifications of those appointed to the Audit Committee and their attendance at meetings of the committee are included in the Directors' Report.

Remuneration Committee

The Board has established a Remuneration Committee. The role and responsibilities, composition, structure and membership requirements of the Remuneration Committee are set out in detail in a Remuneration Committee Charter approved by the Board.

The Remuneration Committee must consist of a minimum of three members, the majority of whom should be independent and should be chaired by an independent director.

Currently the Board contains two independent directors and two non-executive directors. The Remuneration Committee consists of:

- o Mr Alan Good (Chairman)
- o Mr John Crabb

- Mr Peter Hatfull

Mr Patrick Raper is Secretary of the Committee.

The responsibilities of the Remuneration Committee include:

- executive remuneration and incentive policies;
- the remuneration packages of senior management;
- the Company's recruitment, retention and termination policies and procedures for senior management;
- incentive schemes;
- superannuation arrangements; and
- the remuneration framework for directors.

Delegation of Authority

The Company's statement of delegated authority sets out the Company's policy relevant to the delegation off authority to management to conduct the day-to-day management of the Company.

Directors have no individual authority to make representations or enter agreements on behalf of the Company unless such authority is expressly delegated by the Board.

Responsibilities of the Board

The Board Charter has been adopted by the Board and governs various aspects of the Board including:

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals and responsibilities and levels of authority for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:

- oversight of the Company, including its control and accountability systems;
- appointing and removing the Managing Director, including approving remuneration of the Managing Director and the remuneration policy and succession plans for the Managing Director;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer/ Company Secretary;
- input into the final approval of management's corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

To assist with the execution of its responsibilities, the Board has established an Audit Committee, Remuneration Committee and Nomination Committee. Each Board committee has in place a charter, approved by the Board, setting out its responsibilities.

Code of Conduct for Directors and Officers

To promote ethical and responsible decision-making, the Board has approved a Code of Conduct for Directors and Officers (the Managing Director, the Chief Financial Officer/Company Secretary and other key executives) as to the practices necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Conduct for Directors and Officers deals with the following main areas:

- conflicts of interest;
- confidentiality;

- fair dealing;
- compliance with laws and regulations;
- corporate opportunities;
- protection and proper use of the Company's assets; and
- encouraging the reporting of unlawful, unethical behaviour**.**

Directors and the senior management team must comply with the Code of Conduct and demonstrate commitment to the Code and consistency in its execution. Adherence to the Code of Conduct is periodically evaluated and action taken where necessary**.**

Share Trading

The Company's share trading policies (**Share Trading Policies**) document the Company's policy relevant to trading in company securities by directors, officers and employees.

Each of the Share Trading Policies clearly identifies those individuals who are restricted from trading, the relevant laws relating to trading, and includes a coherent strategy for trading.

Financial Reporting Integrity

Managing Director and Chief Financial Officer/Company Secretary Assurances

It is the responsibility of both the Managing Director and the Chief Financial Officer/Company Secretary to provide written assurances to the Board that in all material respects:

- the financial reports submitted to the Board present a true and fair view of the Company's financial condition and operational results; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively.

Audit Committee

The Board has established an Audit Committee. The role and responsibilities, composition, structure and membership requirements are set out in detail in the previous Structure of the Board paragraph.

Continuous Disclosure

The Board has adopted a Disclosure Policy that is designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.

The Company Secretary is the Disclosure Officer appointed in accordance with the policy. The Disclosure Officer is responsible for the lodgement of all announcements with the ASX during the year after receiving appropriate approvals for the content of each announcement.

Under the policy the Board conducts regular reviews to ensure that all relevant information that should have been provided to the ASX, including the company accounts:

- has been prepared in a timely manner;
- is factual;
- does not omit material information; and
- is expressed in a clear and objective manner that allows the input of the information when making investment decisions.

Shareholders

Communications Strategy with Shareholders

The Company's shareholder communications strategy (**Communications Strategy**) is designed to promote effective communication with shareholders and encourage participation at general meetings.

The Communications Strategy includes regular and continuous disclosure to the ASX and policies and procedures relating to use of the ASX and the Company's websites as a means of communicating with shareholders.

CORPORATE GOVERNANCE STATEMENT

Risk Management

The Company's risk management policy (**Risk Management Policy**) describes the roles and respective accountabilities of the Board, the Audit Committee (or other appropriate committee) and management.

The Risk Management Policy also covers a risk profile, which includes an assessment of the risks facing the Company, compliance and control and an assessment of effectiveness of the above policies.

In its first year of operations the Board has not established a specific Risk Management Committee but a Charter for a Risk Management Committee has been adopted for future use. In lieu of the establishment of a specific Risk Management Committee the full Board, on a monthly basis reviews the report of the National Health and Safety Manager and in June 2006 conducted a complete review of insurances held as part of a tender for the provision of Insurance Broker services. The Audit Committee is in the process of assessing the appointment of an internal auditor that will report directly to the Chairman and Managing Director.

Performance and Remuneration Policy

The Board has established a Remuneration Committee. The role and responsibilities, composition, structure and membership requirements are set out in detail in the previous Structure of the Board paragraph.

This committee met for the first time on 23 August 2005 to review the processes in place for the Economic Entity in the remuneration year commencing on 1 October 2005. The committee determined that it was appropriate to put the implementation of an employee share option plan to provide an employee incentive scheme for performance enhancement to the Annual General Meeting of shareholders held on 18 November 2005.

The shareholders approved the implementation of four Employee Remuneration Schemes as follows:

- Tax Exempt Plan
- Tax Deferred Plan
- Performance Share Plan
- Share Option Plan

At the date of this report, no shares have been issued under any of these plans.

Further details regarding remuneration are contained in the Remuneration Report on page 11, which forms part of the Directors' Report.

Code of Conduct covering Obligations to Stakeholders

The Board has established a code of conduct (**Code**) to guide compliance with legal and other obligations to legitimate stakeholders including shareholders.

The Code includes:

- responsibilities to shareholders and the financial community generally;
- responsibilities to clients, customers and consumers;
- employment practices;
- obligations relative to fair trading and dealing;
- responsibilities to the individual;
- responsibilities to the community;
- how the Company complies with legislation affecting its operations; and
- how the Company monitors and ensures compliance with the Code of Conduct towards stakeholders.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's web site at www.cmacorp.com.au.

DIRECTORS' REPORT

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2006.

Directors and Company Secretary

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

Alan Good	Non-Executive Independent Chairman	Appointed 25 July 2005
Peter Hatfull	Managing Director	Appointed 11 March 2005
Joseph Tong Hong Chung	Non-Executive Director	Appointed 11 March 2005
John Crabb	Non-Executive Independent Director	Appointed 3 January 2006
Rob Moltoni	Non-Executive Director	Appointed 11 March 2005
Johnny Tung Hui Chung		Appointed 11 March 2005 Resigned 27 March 2006
Paul Adams		Appointed 11 March 2005 Resigned 21 March 2006
Kevin Adams		Appointed 11 March 2005 Resigned 3 January 2006
Patrick Raper	Company Secretary	Appointed 31 March 2005
Peter Hatfull	Company Secretary	Appointed 11 March 2005 Resigned 23 August 2005

Principal Activities

The principal activities of the Economic Entity during the financial year were:

- Demolition and Remediation Contract Services.
- Scrap Metal Trading.

The following significant changes in the nature of the principal activities occurred during the financial year:

- The Company was admitted to the ASX on 12 July 2005.
- CMA Metals Pty Limited (formerly T & T Metal Trading Pty Limited), a wholly owned subsidiary of CMA Corporation Limited, acquired the business of NT Metal Recyclers in October 2005.
- CMA Metals Pty Limited acquired the business of Riverside Metal Industries in November 2005.
- CMA Corporation Limited acquired all the shares in Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited on 1 January 2006.
- CMA Metals Pty Limited acquired the business of Australian Metal Recyclers in April 2006.
- CMA Metals Pty Limited acquired the business of National Australian Scrap in June 2006.

Operating Results

The consolidated profit of the Economic Entity after providing for income tax amounted to $1,696,000 ($3,006,000 for the period from 10 March 2005 to 30 June 2005) as measured under the Australian equivalents to International Financial Reporting Standards (AIFRS).

Dividends Paid or Recommended

In October 2005, the Company paid dividends of $1,285,000 to its members, representing a final ordinary dividend of 1 cent per share for the financial period from 10 March 2005 to 30 June 2005.

The directors have recommended that an ordinary dividend based on the results for the financial year ended 30 June 2006 should not be paid.

Review of Operations

Demolition and Remediation Contract Services

The demolition and remediation contract services that are provided by the Company include demolition of large industrial facilities on behalf of some of Australia's leading companies. The facilities are remediated by the deconstruction and subsequent disposal of materials from the contract sites and, where necessary, treatment of contaminated conditions at the site.

The results of the division have not met expectations primarily because a number of major tenders that the division was expecting to win, were not awarded at 30 June 2006. In addition there have been difficulties completing two major jobs on time and on budget because of a number of factors including difficult weather conditions.

The nature of this division is such that the contracts are usually for periods from between one and three years. The lead times in submitting tenders and securing new contracts can sometimes be in excess of twelve months, and significant effort and cost is required to prepare professional tender proposals.

The division has a growing book of tenders for the next twelve months and is looking to consolidate its market position by securing a number of contracts that are currently under tender.

The division has also invested in upgrades to personnel, project scheduling and cost control systems that will assist the profitability of the division.

Scrap Metal Trading

The scrap metal trading division sources materials from the demolition and remediation contract services division as well as from other suppliers. A significant portion of the sales are exports to Asia.

During the year the division invested in the development of facilities towards an Australasian infrastructure of scrap trading yards through the acquisition of businesses in Darwin, Sydney, Melbourne, Auckland and Hamilton with plans to continue the growth in Adelaide, Brisbane and Port Hedland. The division has now successfully integrated these businesses into its core business.

New equipment has been acquired in each of these areas and in August 2006 the Company took possession of three LeFort baler shears to enhance processing capabilities and profit margins.

The New Zealand businesses in Hamilton and Auckland are well established with mature facilities and operations and are well positioned to continue their significant contributions to the Economic Entity's profitability.

Financial Position

The net assets of the Economic Entity at 30 June 2006 were $45.1 million (2005: $27.7 million) and are made up of the assets acquired from its wholly owned subsidiaries on 31 March 2005 plus the profits after tax derived from these subsidiaries during the period from incorporation on 10 March 2005 to the end of the current financial year on 30 June 2006, plus the assets of businesses and subsidiaries acquired during the current financial year and the profits that those businesses and subsidiaries have generated.

The directors believe the Economic Entity has sufficient financial resources to steadily expand and grow its current operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

1. On 8 July 2005, the Company issued 22,500,000 shares under the Prospectus dated 3 June 2005. The shares were issued at 40 cents each, thereby raising an amount, before capital raising costs, of $9.0 million.
2. On 12 September 2005, CMA Metals Pty Limited (formerly T & T Metal Trading Pty Limited), a wholly owned subsidiary of CMA Corporation Limited, acquired certain of the assets of GWR Contracting Pty Limited, a private metal trading company located in the Northern Territory.

   CMA Metals Pty Limited made a cash payment of $2,100,000 for the business.
3. On 21 November 2005, CMA Metals Pty Limited (formerly T & T Metal Trading Pty Limited), a wholly owned subsidiary of CMA Corporation Limited, acquired certain of the assets of Riverside Metal Industries Pty Limited. Riverside Metal Industries is a metal trading business located in Sydney, and also manufactures metal ingots.

CMA Metals Pty Limited paid $4,752,000, comprising 3,875,969 issued ordinary shares in CMA Corporation Limited with a fair value of 71 cents each, and a cash payment of $2,000,000. A further cash payment of $500,000 was paid on 28 June 2006. The fair value of shares issued reflects the share price on the date of the acquisition.

4. On 1 January 2006, CMA Corporation Limited acquired 100% of the voting shares of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited. Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited are metal trading businesses located in New Zealand.

   CMA Corporation Limited has paid $10.96 million, comprising 10,078,676 issued ordinary shares in CMA Corporation Limited with a fair value of 68 cents each, and a cash payment of $4.11 million.

   In addition, the vendors of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited will receive additional consideration up to NZ$3 million if the financial performance of the New Zealand business in the twelve month period ended June 2007 exceeds a trigger of NZ$3 million net profit after tax.

   The fair value of shares issued reflects the share price on the date of the acquisition.

   At the same time, CMA Corporation Limited established 4 additional New Zealand companies which are non trading.

5. On 10 April 2006, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets of Australian Metal Recyclers Pty Limited. Australian Metal Recyclers is a metal trading business located in Pakenham, Victoria.

   CMA Metals Pty Limited made a cash payment of $855,000 for the assets and the business.

6. On 23 June 2006, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets of National Australian Scrap Pty Limited. National Australian Scrap is a metal trading business located in Sydney, and also trades under the name of Rex Metals.

   CMA Metals Pty Limited has paid $600,000, comprising 343,520 issued ordinary shares in CMA Corporation Limited with a fair value of 29.11 cents each, and a cash payment of $500,000. The 343,520 shares were issued on 7 July 2006.

Adoption of Australian Equivalents to IFRS

The Company adopted Australian equivalents to International Financial Reporting Standards (AIFRS) effective from its incorporation on 10 March 2005. The Company's financial reports for the financial period from 10 March 2005 to 30 June 2005 and the financial year ended 30 June 2006 have been prepared in accordance with those Standards.

After Balance Date Events

On 3 July 2006, CMA Corporation Limited registered a new company CMA Engineering Pty Limited. CMA Corporation Limited holds 51% of the voting shares of CMA Engineering Pty Limited, which is a company established to hold the distribution rights for Australasia of hydroxy based steel cutting equipment.

On 14 July 2006, CMA Corporation Limited secured an extension of facilities from the Commonwealth Bank of Australia and CBFC Limited and CBFC Leasing Pty Limited to 31 July 2007. The total facilities approved under the Multi Option Facility Agreement are $40 million including an equipment finance facility, a trade finance facility (including a contingent liability facility), a bills facility and a corporate credit card facility.

On 25 July 2006, Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited secured an extension of facilities from the Bank of New Zealand. The total facilities approved are NZ$8.5 million including an overdraft facility, a fixed rate term loan, asset finance facilities and a letter of indemnity facility.

On 11 August 2006, CMA Corporation Limited and Moltoni Adams Group Pty Limited and CMA Metals Pty Limited secured fixed rate bills in the amount of $15.7 million (part of the CBA $40 million facility) for a term of 2 years at a fixed rate of 8.23%.

Future Developments, Prospects and Business Strategies

The Economic Entity will continue to develop the following strategies and opportunities to deliver long term goals and grow shareholder wealth.

1. Expand the Economic Entity's network of metal trading scrap yard facilities in key areas in Australia and New Zealand.
2. Expand the Economic Entity's metal processing and transportation facilities to ensure the maximisation of profit margins from tonnages handled.
3. Continue to develop and implement first class systems and procedures in the areas of planning, financial reporting and control, occupational health and safety, and employee development and remuneration.
4. Leverage expertise from the Economic Entity's demolition projects around Australia to establish long-term, profitable relationships with key customers in Australia and overseas.
5. Establish and develop marine and remediation business units within the contracting division.
6. Continue to appraise and pursue strategic acquisitions that create value for shareholders and are earnings accretive.

Environmental Issues

The Economic Entity's operations are subject to significant environmental regulation under the laws of the Commonwealth and States and New Zealand. Details of the Economic Entity's performance in relation to environmental regulation are as follows:

- The Economic Entity is currently in the process of acquiring all the necessary permits and approvals to operate a scrap metal yard at Villawood.
- The Economic Entity is subject to environmental regulations in relation to its scrap metal trading business locations and its demolition and remediation contract services sites, which require certain standards be met and adhered to in relation to matters such as drainage and the storage and disposal of hazardous materials. Where necessary, actions have been taken in relation to businesses and subsidiaries acquired during the financial year to ensure that they comply with such regulations.
- The Economic Entity's New Zealand subsidiaries are advanced in addressing environmental issues and have received an award recognising these standards.

Information on Directors

Alan Good	—	Chairman (Non-Executive Independent)
Qualifications and Experience	—	Alan Good is a qualified Chartered Accountant and was a Partner at PricewaterhouseCoopers (PwC) for 23 years until his retirement from the practice in 2003. From 1995 to 2002, he was Managing Partner of PwC in Perth. His main areas of practice were corporate finance and assurance.
Interest in Shares and Options	—	40,000 Ordinary Shares in CMA Corporation Limited
Special Responsibilities	—	Alan Good is Chairman of the Nomination and Remuneration Committees and a member of the Audit Committee.
Directorships held in other listed entities	—	Alan Good is a Director of Straits Resources Limited (appointed July 2005) and Westralia Airports Corporation Pty Limited (appointed July 2006). He is also Chairman of Perth Diocesan Trustees and Treasurer of the Malcolm Sergeant Cancer Fund for Children and the Women and Infant Research Foundation.
Peter Hatfull	—	Managing Director
Qualifications and Experience	—	Peter qualified as a Chartered Accountant in England and has over 27 years experience in finance and commerce. After gaining several years post qualification experience at Coopers & Lybrand (now PricewaterhouseCoopers) Peter moved to Malawi in central Africa. Whilst in Malawi, Peter moved into commerce and became the senior financial officer for the country's largest importer and exporter.

		Peter came to Australia in 1988 and has held a number of financial directorships and senior financial positions in a variety of industries. Peter has managed the listing of several companies and is experienced in corporate governance and stock exchange regulations. Prior to his appointment as Managing Director of CMA Corporation Limited in December 2005, Peter was employed by Moltoni Corporation Pty Limited, a major shareholder of CMA Corporation Limited.
Interest in Shares and Options	—	1,071,000 Ordinary Shares in CMA Corporation Limited.
Special Responsibilities	—	Peter Hatfull is a member of the Nomination and Remuneration Committees.
Joseph Tong Hong Chung	—	Director (Non-Executive)
Qualifications and Experience	—	Joseph Chung was a founding shareholder of the T & T Metal Group, has over 20 years experience in the demolition and recycling industry and holds a Bachelor of Arts degree. Joseph is an expert in project management and has managed a number of high value contracts with Australia's leading companies. Joseph also has a number of years' experience in exporting scrap metal from major ports in Australia to clients in South East and North East Asia.
Interest in Shares and Options	—	25,515,001 Ordinary Shares of CMA Corporation Limited.
John Crabb	—	Director (Non-Executive Independent)
Qualifications and Experience	—	John Crabb was the Managing Director and CEO of Simsmetal Limited from 1988 until 2002, and has also served on the Boards of M.I.M. Holdings Limited and Bluescope Steel Limited. He has over 30 years experience in the international metals industry, and has held a number of senior industry organisation positions, including Director and President of the Ferrous Division of the world-wide Bureau International de la Recuperation (the European based international recycling organization) and Deputy President of the New South Wales Division and member of the National Executive Committee of the Australian Industry Group.
Interest in Shares and Options	—	None.
Special Responsibilities	—	John Crabb is a member of the Nomination, Audit and Remuneration Committees.
Rob Moltoni	—	Director (Non-Executive)
Qualifications and Experience	—	Rob was a previous Managing Director of Moltoni Adams Pty Limited. Since 1975, Rob has established and managed a substantial group of companies involved in demolition, construction, waste management, land remediation and farming. Rob is a past winner of the WA Ernst & Young Entrepreneur of the Year award. Rob is a Director of Moltoni Corporation Pty Limited, a major shareholder in CMA Corporation Limited.
Interest in Shares and Options	—	25,500,001 Ordinary Shares of CMA Corporation Limited
Special Responsibilities	—	Rob Moltoni is the Chairman of the Audit Committee.
Johnny Tung Hui Chung	—	Director (Executive) *resigned 27 March 2006*
Interest in Shares and Options	—	25,415,001 Ordinary Shares of CMA Corporation Limited.

Paul Adams	—	Director (Executive) *resigned 21 March 2006*
Interest in Shares and Options	—	25,580,001 Ordinary Shares of CMA Corporation Limited.
Kevin Adams	—	Director (Executive) *resigned 3 January 2006*
Interest in Shares and Options	—	25,570,000 Ordinary Shares of CMA Corporation Limited.
Patrick Raper	—	Company Secretary
Qualifications and Experience	—	Patrick Raper has worked for CMA Corporation Limited since March 2005. Prior to that, he held financial management and company secretarial roles in the tourism, hospitality and property and funds management industries. Patrick is a Fellow Certified Practicing Accountant and a Fellow of the Australian Institute of Company Directors.
Interest in Shares and Options	—	20,000 Ordinary Shares of CMA Corporation Limited
Special Responsibilities	—	Chief Financial Officer

Remuneration Report

This report details the nature and amount of remuneration for each director of CMA Corporation Limited and for key specified executives having the most influence over the direction and management of the Economic Entity.

Remuneration Policy

CMA Corporation Limited has just completed its first full year of operations. During the year the Company developed and formalised remuneration policies, and is in the process of implementing those policies throughout all business units within the Economic Entity.

The policies adopted are summarised as follows:

- The remuneration for key specified executives of the Economic Entity was set by the Board prior to the acquisition of the initial controlled entities in March 2005. Specified key executives include the CFO and Company Secretary and the General Managers of each of the Demolition and Remediation Contract Services Division and the Scrap Metal Trading Division.
- The Board has appointed a Remuneration Committee consisting of Alan Good (Chairman), Peter Hatfull and Rob Moltoni. Mr Patrick Raper is Secretary of the Committee.
- The committee sponsored the implementation of employee share and option arrangements to provide an employee incentive scheme for performance enhancement at the Annual General Meeting held on 18 November 2005. The plans were agreed by shareholders at the meeting.

The Board's current policy for determining the nature and amount of remuneration for senior executives of the Economic Entity is as follows:

- The initial remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board after seeking professional advice from independent external consultants.
- All executives receive a base salary (which is based on factors such as qualifications and experience relating to their specific roles) and superannuation. The Remuneration Committee will review the current policy and executive packages annually by reference to the Economic Entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Economic Entity's profits and shareholders' value. All bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

- Executives will also be entitled to participate in the employee share and option arrangements that were approved by members at the Annual General Meeting held on 18 November 2005.
- The executive director and executives receive a superannuation guarantee contribution required by law, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration on 1 October annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In the Prospectus dated 3 June 2005, this amount was advised to be $400,000. It is not proposed to seek an increase in this maximum aggregate amount at the Annual General Meeting 2006.

Fees for non-executive directors are not linked to the performance of the Economic Entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance Based Remuneration

A part of each executive director's and executive's remuneration package will be performance-based, and will be measured against key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between directors/executives and that of the business and shareholders. The KPIs will be set on 1 October 2006 and annually thereafter, with a significant level of consultation with directors/executives to ensure agreement. The measures will be specifically tailored to the areas that each director/executive is involved in and has a level of control over. The KPIs will target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI will be based on budgeted figures for the Economic Entity and respective industry standards.

Performance in relation to the financial KPIs is to be assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs will be reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency assessed in relation to the Economic Entity's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a financial KPI has been achieved, the Remuneration Committee of CMA Corporation Limited will base the assessment on audited figures.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Remuneration Policy was developed to increase goal congruence between shareholders and directors and executives. The methodology applied in achieving this objective is to provide performance bonuses based on key performance indicators, and payable by the issue of shares and/or options. This policy is to apply to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth in the coming years.

Details of Remuneration

Details of the remuneration for each director and each of the key management personnel of the Economic Entity are set out in the tables below.

The key management personnel of the Economic Entity include, in addition to the directors, the specified executives. The specified executives are the members of senior management who report directly to the Managing Director and are responsible for directing, planning and controlling the Economic Entity's operations.

	Short-term Benefits			Post-employment Benefits		Share-based Payments	
	Salaries	Cash Bonus	Non-Cash Benefits	Super-annuation	Termination Benefits	Shares	Total
2006	$	$	$	$		$	$
Directors							
Alan Good	61,458	-	-	5,531	-	-	66,989
Peter Hatfull	190,068	-	-	66,156	-	-	256,224
Joseph Tong Hong Chung	61,361	-	-	19,147	-	-	80,508
John Crabb	25,000	-	-	2,250	-	-	27,250
Rob Moltoni	50,000	-	-	4,500	-	-	54,500
Former Directors							
Johnny Tung Hui Chung	71,672	-	-	29,159	-	-	100,831
Paul Adams	230,564	-	-	18,234	-	-	248,798
Kevin Adams	78,198	-	-	68,512	-	-	146,710
	768,321	-	-	213,489	-	-	981,810
Specified Executives							
Mike Keenan	166,664	-	-	20,119	-	-	186,783
Shaun Clarke	136,493	-	-	12,284	-	-	148,777
Patrick Raper	179,989	-	-	81,600	-	-	261,589
Former Specified Executive							
Larry Mitchell	138,747	-	-	17,500	87,197	-	243,444
	621,893	-	-	131,503	87,197	-	840,593
2005	$	$	$	$		$	$
Directors							
Peter Hatfull	-	-	-	-	-	105,750	105,750
Paul Adams	36,298	-	-	32,552	-	-	68,850
Kevin Adams	30,750	-	-	36,450	-	-	67,200
Johnny Tung Hui Chung	63,730	-	-	18,750	-	-	82,480
Joseph Tong Hong Chung	66,386	-	-	18,594	-	-	84,980
Alan Good	-	-	-	-	-	-	-
Rob Moltoni	-	-	-	-	-	-	-
	197,164	-	-	106,346	-	105,750	409,260
Specified Executives							
Patrick Raper	42,230	-	-	19,701	-	-	61,931
Larry Mitchell	56,650	-	-	8,751	-	44,063	109,464
	98,880	-	-	28,452	-	44,063	171,395

Former directors Phillip A Hourigan, Paul Paxton-Hall and Mark Dillman were directors for one day only and did not receive any remuneration for that period.

Performance Income as a Proportion of Total Remuneration

Executive directors and executives were not paid any performance based bonuses by the Economic Entity during the financial year (2005: none).

Options Issued as Part of Remuneration for the Period Ended 30 June 2005

No options were issued to directors and executives as part of their remuneration by the Economic Entity during the financial year (2005: none).

Employment Contracts of Directors and Senior Executives

The employment conditions of the Managing Director, the executive directors and specified executives are formalised in contracts of employment.

CMA Corporation Limited has the following key employees:

- Peter Hatfull, Managing Director;
- Patrick Raper, Chief Financial Officer and Company Secretary;
- Shaun Clarke, General Manager Demolition and Remediation Contract Services Division; and
- Mike Keenan, General Manager Scrap Metal Trading Division.

Mr Larry Mitchell who was previously a key employee ceased employment with the Company in January 2006.

The key employees (except the Managing Director):

- have no contracted entitlement to annual bonus payments but are included in the Performance Based Remuneration Policy of the Economic Entity;
- have standard leave entitlements;
- may terminate their employment or have their employment terminated by CMA Corporation Limited, by giving appropriate notice;
- receive total remuneration as follows:
    - Patrick Raper, $261,600 per annum;
    - Shaun Clarke, $261,600 per annum;
    - Mike Keenan, $272,500 per annum;
- are entitled to participate in any employee share or option arrangements; and
- are not subject to restrictive covenants during their employment or following termination of their employment.

The Managing Director:

- has no contracted entitlement to annual bonus payments but is included in the Performance Based Remuneration Policy of the Economic Entity;
- has standard leave entitlements;
- may terminate his employment or have his employment terminated by CMA Corporation Limited, by giving appropriate notice;
- receives total remuneration of $392,400;
- is entitled to participate in the employee share and option arrangements; and
- is not subject to restrictive covenants during his employment, or following termination of his employment.

For all these key employees, either party may terminate the employment by giving one month's notice, and CMA Corporation Limited may also terminate by paying one month's pay in lieu of notice. Rights of summary dismissal are preserved.

Meetings of Directors

During the financial year ended 30 June 2006, 12 meetings of the Board of Directors were held. Attendances by each director during the financial year were as follows:

Director	Directors' Meetings Eligible to Attend	Directors' Meetings Attended	Audit Committee Meetings Eligible to Attend	Audit Committee Meetings Attended
Alan Good	12	11	4	4
Peter Hatfull	12	12	2	2
Joseph Tong Hong Chung	12	11		
John Crabb	6	6	2	2
Rob Moltoni	12	10	4	4
Johnny Tung Hui Chung	9	7		
Paul Adams	8	7		
Kevin Adams	6	5		

Director	Remuneration Committee Meetings Eligible to Attend	Remuneration Committee Meetings Attended	Nomination Committee Meetings Eligible to Attend	Nomination Committee Meetings Attended
Alan Good	1	1	1	1
Peter Hatfull	1	1	1	1
Joseph Tong Hong Chung				
John Crabb				
Rob Moltoni	1	1		
Johnny Tung Hui Chung				
Paul Adams			1	1
Kevin Adams				

Shareholdings of Directors and Specified Executives

Number of Shares Held by Parent Entity Directors and Specified Executives as at 30 June 2006:

	Balance at 30 June 2005	Received as Remuneration	Net Change Other	Balance at 30 June 2006
Parent Entity Directors				
Alan Good	-	-	40,000	40,000
Peter Hatfull	600,000	-	461,000	1,071,000
Joseph Tong Hong Chung	25,500,001	-	-	25,500,001
John Crabb	-	-	-	-
Rob Moltoni	25,500,001	-	-	25,500,001
Johnny Tung Hui Chung	25,500,001	-	(100,000)	25,400,001
Paul Adams	1	-	10,000	10,001
Kevin Adams	-	-	-	-
JTH Chung and JTH Chung Superannuation Fund	-	-	15,000	15,000
Paul Adams and Kevin Adams (i)	25,500,000	-	70,000	25,570,000

Specified Executives				
Mike Keenan	-	-	-	-
Shaun Clarke	-	-	-	-
Patrick Raper	20,000	-	-	20,000
Larry Mitchell (ii)	250,000	-	-	250,000
Total	102,870,004	-	496,000	103,376,004

(i) Held in the name of Asia Pacific Shipping Pty Limited.

(ii) Ceased employment in January 2006.

Number of Shares Held by Parent Entity Directors and Specified Executives as at 30 June 2005

	Balance at 10 March 2005	Received as Remuneration	Net Change Other	Balance at 30 June 2005
Parent Entity Directors				
Alan Good	-	-	-	-
Peter Hatfull	-	600,000	-	600,000
Joseph Tong Hong Chung (i)	-	-	25,500,001	25,500,001
Rob Moltoni (i)	-	-	25,500,001	25,500,001
Johnny Tung Hui Chung (i)	-	-	25,500,001	25,500,001
Paul Adams (i)	-	-	1	1
Kevin Adams	-	-	-	-
Paul Adams and Kevin Adams (i)(iii)	-	-	25,500,000	25,500,000
Specified Executives				
Patrick Raper (ii)	-	-	20,000	20,000
Larry Mitchell (iv)	-	250,000	-	250,000
Total	-	850,000	102,020,004	102,870,004

(i) Refers to the initial shares of the Company and shares issued as consideration for the issued equity in CMA Corporation Limited subsidiaries.

(ii) Refers to shares purchased in the Initial Public Offering (IPO). These shares were issued on 8 July 2005, and were not part of the shares on issue at 30 June, 2005.

(iii) Held in the name of Asia Pacific Shipping Pty Limited.

(iv) Ceased employment in January 2006.

Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has paid or agreed to pay insurance premiums in relation to its directors and officers. The terms of the insurance policy prevent disclosure of the amount of the premium paid, or the specific coverage that it provides.

Shares Issued

The following table lists all the shares issued since incorporation of the Company on 10 March 2005:

Issue Date	Issue Price	Number of Shares Issued
10 March 2005	$1.00	4
31 March 2005	$0.235	102,000,000
1 June 2005	$0.176	4,000,000
8 July 2005	$0.40	22,500,000
21 November 2005	$0.71	3,875,969
1 January 2006	$0.68	10,078,676
7 July 2006	$0.29	343,520

No person to whom shares were issued has any right by virtue of the issue to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

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

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

Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- PKF NSW Partnership did not provide non-audit services during the period.

  PKF WA Partnership provided Tax Advisory services.

  There is no legal relationship between PKF's NSW and WA Partnerships.
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

Auditor's Independence Declaration

The lead auditor's independence declaration for the financial year ended 30 June 2006 has been received and is located immediately following the Directors' Report.

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the Directors' Report and the financial report have been rounded to the nearest thousand dollars, where rounding is applicable.

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

Peter Hatfull

Managing Director **Dated this 31 August 2006**

LEAD AUDITOR'S INDEPENDENCE DECLARATION

PKF

Chartered Accountants
& Business Advisers

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF CMA CORPORATION LIMITED:

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

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

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

PKF

PKF

Arthur Milner
Partner

Sydney, 31st August 2006

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
New South Wales Partnership | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

INCOME STATEMENT
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

		Economic Entity		Parent Entity	
	Note	**2006**	**2005**	**2006**	**2005**
		$000	**$000**	**$000**	**$000**
Revenue	**2**	117,081	21,121	4,572	816
Other income	**2**	(333)	74	2,337	-
Changes in inventories of finished goods and work in progress		4,401	929	-	-
Inventories used		(57,830)	(6,683)	-	-
Employee benefits expense		(17,216)	(3,948)	(1,907)	(361)
Contractors, consultants & professional fees expense		(10,928)	(1,245)	(1,031)	(199)
Equipment expense		(11,171)	(2,197)	(26)	(38)
Transport expense		(9,073)	(1,589)	-	-
Office and yard rent expense		(2,273)	(357)	(319)	-
Travel expense		(1,603)	(263)	(236)	(10)
Communications and IT expense		(567)	(78)	(150)	(9)
Insurance expense		(1,552)	(76)	(156)	(58)
Other general and administration expense		(1,379)	(277)	(265)	(81)
Depreciation and amortisation expense		(3,213)	(629)	(132)	(32)
Finance costs	**3**	(1,868)	(203)	(404)	(36)
Profit before income tax		2,476	4,579	2,283	(8)
Income tax expense	**4**	(780)	(1,573)	87	8
Profit for the period		1,696	3,006	2,370	-
Profit attributable to members of the parent entity		1,696	3,006	2,370	-
Basic earnings per share (cents per share)	**7**	1.3	3.6		
Diluted earnings per share (cents per share)	**7**	1.3	3.6		

The accompanying Notes form part of these Financial Statements

BALANCE SHEET
AS AT 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$000	$000	$000	$000
ASSETS					
Current Assets					
Cash and cash equivalents	**8**	2,936	2,188	9	1,508
Trade and other receivables	**9**	22,164	11,112	13,770	3,860
Inventories	**10**	14,513	10,152	-	-
Other assets	**11**	2,481	225	21	12
Total Current Assets		42,094	23,677	13,800	5,380
Non-Current Assets					
Financial Assets	**12**	-	-	37,942	24,321
Property plant and equipment	**14**	25,270	13,827	2,375	2,496
Deferred tax assets	**4**	787	151	364	15
Intangible assets	**15**	29,660	16,469	-	-
Total Non-Current Assets		55,717	30,447	40,681	26,832
TOTAL ASSETS		97,811	54,124	54,481	32,212
LIABILITIES					
Current Liabilities					
Trade and other payables	**16**	15,255	8,394	2,665	2,986
Short-term borrowings	**17**	7,487	6,668	180	229
Current tax liabilities		35	1,917	-	-
Short-term provisions	**18**	757	349	27	19
Other		44	-	-	-
Total Current Liabilities		23,578	17,328	2,872	3,234
Non-Current Liabilities					
Payables		-	-	-	-
Long-term borrowings	**17**	28,133	8,299	8,177	4,266
Deferred tax liabilities	**4**	748	768	65	7
Other long-term provisions	**18**	216	18	-	-
Total Non-Current Liabilities		29,097	9,085	8,242	4,273
TOTAL LIABILITIES		52,675	26,413	11,114	7,507
NET ASSETS		45,136	27,711	43,367	24,705
EQUITY					
Issued capital		42,282	24,705	42,282	24,705
Retained earnings		3,417	3,006	1,085	-
Other reserves	**20**	(563)	-	-	-
Parent Interest		45,136	27,711	43,367	24,705
TOTAL EQUITY		45,136	27,711	43,367	24,705

The accompanying Notes form part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

Economic Entity	**Note**	**Ordinary Share Capital**	**Retained Earnings**	**Other Reserves**	**Total**
		$000	**$000**	**$000**	**$000**
At 10 March 2005					
Shares issued during the period		24,705	-	-	24,705
Profit attributable to members of parent entity		-	3,006	-	3,006
At 1 July 2005		24,705	3,006	-	27,711
Shares issued during the period		18,605	-	-	18,605
Cost associated with shares issued during the period		(1,028)	-	-	(1,028)
Dividends paid during the period		-	(1,285)	-	(1,285)
Profit attributable to members of parent entity		-	1,696	-	1,696
Exchange differences on translation of foreign operations	**20**	-	-	(563)	(563)
At 30 June 2006		42,282	3,417	(563)	45,136

Parent	**Ordinary Share Capital**	**Retained Earnings**	**Other Reserves**	**Total**
	$000	**$000**	**$000**	**$000**
At 10 March 2005				
Shares issued during the period	24,705	-	-	24,705
Profit attributable to members of parent entity	-	-	-	-
At 1 July 2005	24,705	-	-	24,705
Shares issued during the period	18,605	-	-	18,605
Cost associated with shares issued during the period	(1,028)	-	-	(1,028)
Dividends paid during the period	-	(1,285)	-	(1,285)
Profit attributable to members of parent entity	-	2,370	-	2,370
At 30 June 2006	42,282	1,085	-	43,367

The accompanying Notes form part of these Financial Statements

CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$000	$000	$000	$000
Cash Flows from Operating Activities					
Receipts from customers		118,284	26,318	-	-
Payments to suppliers and employees		(117,192)	(26,164)	(9,751)	(1,234)
Interest received	2	120	19	12	-
Finance costs	3	(1,868)	(203)	(404)	(36)
Income tax paid		(3,229)	(374)	-	-
Net cash (used in) operating activities		(3,885)	(404)	(10,143)	(1,270)
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment		(214)	183	255	-
Purchase of property, plant and equipment		(5,419)	(974)	4,880	(28)
Outlays in respect of acquisition of subsidiaries		(22,963)	(321)	(18,762)	(321)
Dividends received	2	-	-	2,321	-
Net cash (used in) investing activities		(28,596)	(1,112)	(11,306)	(349)
Cash Flows from Financing Activities					
Proceeds from issue of shares		18,605	-	18,605	-
Outlays in respect of share issue		(1,232)	(376)	(1,232)	(376)
Proceeds from borrowings		28,291	2,392	4,279	3,508
Repayment of borrowings		(12,760)	(1,622)	(368)	(54)
Dividends paid	6	(1,285)	-	(1,285)	-
Net cash provided by financing activities		31,619	394	19,999	3,078
Net increase/ (decrease) in cash held		(862)	(1,122)	(1,450)	1,459
Cash at beginning of financial period		1,551	-	1,459	-
Cash acquired with subsidiary purchases		172	2,673	-	-
Cash at end of financial period	8	861	1,551	9	1,459

The accompanying Notes form part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report includes separate financial statements for CMA Corporation Limited as an individual entity, and the Economic Entity consisting of CMA Corporation Limited and its controlled entities.

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

CMA Corporation Limited is a company limited by shares, which is incorporated and domiciled in Australia. The shares of CMA Corporation Limited are publicly traded on the Australian Stock Exchange following its listing on 8 July 2005.

The financial report has been prepared on an accruals basis and is based on historical costs, modified when applicable by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

The financial report is presented in Australian dollars.

b. Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS).

c. Changes in Accounting Policy

The accounting policies applied by the Company and the Economic Entity during the financial year ended 30 June 2006 are consistent with those applied in the previous financial period.

Since the end of the financial year, certain new Accounting Standards have been published and certain existing Accounting Standards have been amended. These new standards and amendments will be applicable for periods commencing 1 July 2006 and 1 January 2007. The Economic Entity's assessment is that there will be no material impact of these new standards and amendments on the accounting policies currently applied.

d. Comparative Figures

The comparative figures for the previous financial year are for the period from 10 March 2005 to 30 June 2005. This is because the Economic Entity came into existence on 10 March 2005, less than 12 months before the prior period's reporting date.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

e. Rounding of Amounts

The amounts contained in the Directors' Report and the financial report have been rounded to the neared $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

f. Principles of Consolidation

The consolidated financial statements comprise the financial statements of CMA Corporation Limited (the Company) and its subsidiaries as at 30 June each year (the Economic Entity).

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intercompany balances and transactions within the Economic Entity, including any unrealised profits or losses, have been eliminated in full upon consolidation.

Subsidiaries are consolidated from the date on which control is acquired by the Economic Entity. Control exists where the acquiring company within the Economic Entity has the capacity to dominate the decision-making in relation to the financial and operating policies of the acquired entity so that the acquired entity operates with, and assists in achieving the objectives of, the Economic Entity.

A list of the controlled entities is included in Note 13 to the financial statements.

g. Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or assets are acquired. Cost is measured as the fair value of the assets give, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Economic Entity's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 1q). If the cost of acquisition is less than the Economic Entity's share of the fair value of the identifiable net assets of the business acquired, the difference is recognised directly in the Income Statement, but only after a reassessment of the identification and measurement of the net assets acquired.

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.

Where any part of the consideration is dependent on the acquired business achieving certain future performance targets, this part of the consideration is recognised only when it is probable that the targets will be achieved.

h. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Economic Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Demolition and Remediation Contracts and Work in Progress

Revenue from demolition and remediation contract services is recognised by reference to the stage of completion.

Stage of completion is measured by reference to actual work completed to date as a percentage of total work to be completed for each contract.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Consideration received for the performance of certain demolition, remediation or other contract services may consist of cash, scrap metal and other intact items, and acquisition of the land where the services are being performed. The value of the land component recognised as revenue is determined by independent valuation. The value of the scrap metal component recognised as revenue is determined by reference to the wholesale price for scrap metal less a discount. Total consideration is not recognised until the services are complete and all other conditions of the agreement have been satisfied.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably.

Interest

Revenue is recognised as the interest accrues.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

i. Expenditure

Expenditure is brought to account on an accruals basis. The following specific recognition criteria must also be met before expenses are recognised:

Demolition and Remediation Contracts and Work in Progress

Expenses from demolition and remediation contract services are recognised by reference to the stage of completion.

Stage of completion is measured by reference to actual work completed to date as a percentage of total work to be completed for each contract.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

j. Income Tax

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable and deductible temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes, except where the temporary difference relates to the initial recognition of an asset or a liability in a transaction other than a business combination, where neither accounting profit nor taxable profit or loss is affected at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax is credited in the Income Statement except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Economic Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CMA Corporation Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under the Tax Consolidation System.

k. Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- Where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables are stated with the amount of GST payable or recoverable included.

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

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

l. Cash and Cash Equivalents

Cash in the Balance Sheet comprises cash on hand and at banks, and in short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents per the Balance Sheet, net of outstanding bank overdrafts.

m. Trade and Other Receivables

Trade debtors are recognised and carried at original invoice amount less any provision for doubtful debts.

A provision for doubtful debts is recognised when collection of the full invoiced amount is no longer probable.

n. Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Scrap Metal

Purchase cost on a weighted average basis.

Ingots

Cost of direct materials and labour, plus a proportion of attributable manufacturing overheads based on normal operating levels, but not including borrowing costs. Direct materials include the portion of stock lost through the manufacturing process.

Work In Progress

Demolition and remediation contracting work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

o. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment in value.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses except as noted below.

The value of plant and equipment purchased as a result of the acquisition of subsidiaries on 31 March 2005 is recorded at valuation. The value was assessed by an independent valuer at the time of the transaction.

Depreciation

Depreciation is calculated on a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life to the Economic Entity.

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. Leasehold improvements are depreciated on a straight-line basis over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5%-20%
Plant and equipment	10%-33%
Leased plant	5%

p. Leases

Finance Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal title, are transferred to entities in the Economic Entity, are classified as finance leases.

Finance leases are capitalised at the inception of the lease, recording an asset and a liability equal to the value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated over their estimated useful lives where it is likely that the Economic Entity will obtain ownership of the asset, or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease expense for the period.

Operating Leases

Leases where substantially all the risks and benefits remain with the lessor are classified as operating leases.

Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

q. Goodwill

Goodwill is initially recognised at cost, being the excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be fully recoverable. As at the acquisition date, any goodwill arising is allocated to each of the cash-generating units expected to benefit from the business combination. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

r. Recoverable Amount of Assets

At each reporting date, the Economic Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If such an indication exists, a formal assessment of recoverable amount is made. The recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered to be impaired and the excess is written off to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Economic Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

s. Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Economic Entity.

t. Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the Income Statement when the liabilities are derecognised and as well through the amortisation process.

u. Provisions

Provisions are recognised when the Economic Entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of a past transaction or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted to their present values.

v. Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the parent entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

w. Foreign Currency Translation

Both the functional and presentation currencies of CMA Corporation Limited and its Australian subsidiaries are Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the end of the reporting period using the rate of exchange at the reporting date. All exchange differences arising are taken to the Income Statement.

The functional currency of the overseas subsidiaries (refer to Note 13 to the financial statements for a list of subsidiaries incorporated outside Australia) is New Zealand dollars.

At the end of the reporting period, the assets and liabilities of overseas subsidiaries are translated into the presentation currency of CMA Corporation Limited at the rate of exchange ruling at the reporting date, and the Income Statements are translated using the weighted average exchange rates for the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The exchange differences arising on the re-translation of overseas subsidiaries are taken directly to a separate component of equity.

x. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Income Statement in the period in which they arise.

Loans and Receivables

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

Held-to-maturity Investments

These investments have fixed maturities, and it is the Economic Entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the Economic Entity are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative Instruments

Derivative instruments are measured at fair value. Derivatives do not qualify for hedge accounting, and thus changes in the value of derivative financial instruments are recognised immediately in the Income Statement.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Economic Entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Note 2: Revenues					
Operating Activities					
Sale of goods and services		93,413	8,390	4,572	816
Contract revenue		23,668	12,731	-	-
Total revenues from operating activities		117,081	21,121	4,572	816
Non-operating Activities					
Interest received from other persons		120	19	12	-
Dividends received from wholly owned subsidiaries	6	-	-	2,321	-
Other revenue		11	17	-	-
Loss/(gain) on disposal of property, plant and equipment		(464)	38	4	-
Total revenues from non-operating activities		(333)	74	2,337	-
Total revenues from ordinary activities		116,748	21,195	6,909	816
Note 3: Expenses					
Cost of sales		53,429	5,754	-	-
Finance costs					
- External		1,843	165	404	17
- Related Parties		25	38	-	19
Total finance costs		1,868	203	404	36

The only significant revenue and expense items relevant in explaining the financial performance are project revenues and expenses in the normal course of business already detailed above.

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Note 4: Income Tax Expense					
a. Major components of income tax expense comprise:					
Current income tax expense /(income)		1,142	1,629	-	-
Deferred tax relating to the origination and reversal of temporary differences		(362)	(56)	(87)	(8)
Income tax expense		780	1,573	(87)	(8)

		Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$000	$000	$000	$000
b.	**Reconciliation between income tax expense and prima facie tax on accounting profit/(loss):**				
	Accounting profit/(loss)	2,476	4,579	2,283	(8)
	Tax at 30%	743	1,374	685	(2)
	Tax effect of non-deductible expenses:				
	Other non-deductible expenses	12	238	-	32
	Non-taxable income:				
	Exempt non-portfolio dividends	(171)	-	(171)	-
	Other	(61)	(38)	(67)	(38)
	International tax rate differential	91	-	-	-
	Unrealised foreign exchange translation reserve	(26)	-	-	-
	Intercompany dividends	697	-	-	-
	Deferred tax asset not previously recognised	(108)	-	(137)	-
	Tax effect of Imputation credits received	225	-	225	-
	Imputation credit rebate	(622)	-	(622)	-
	Overprovision of income tax in subsidiary before acquisition	-	(1)	-	-
	Income tax expense	780	1,573	(87)	(8)
	The applicable weighted average effective tax rates are as follows:	32%	34%	0%	0%
c.	**Analysis of Deferred Tax Assets:**				
	Provisions				
	Opening balance	116	-	6	-
	Charged to income	129	6	3	6
	Charged to equity	-	-	-	-
	Acquisitions/disposals	54	110	-	-
	Closing balance	299	116	9	6

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Accruals				
Opening balance	22	-	-	-
Charged to income	52	-	13	-
Charged to equity	-	-	-	-
Acquisitions/disposals	16	22	-	-
Closing balance	90	22	13	-
Foreign exchange fluctuations				
Opening balance	11	-	-	-
Charged to income	30	-	-	-
Charged to equity	-	-	-	-
Acquisitions/disposals	-	11	-	-
Closing balance	41	11	-	-
Losses				
Opening balance	10	-	9	-
Charged to income	143	10	129	9
Charged to equity	-	-	-	-
Acquisitions/disposals	-	-	-	-
Closing balance	153	10	138	9
IPO costs				
Opening balance	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	204	-	204	-
Acquisitions/disposals	-	-	-	-
Closing balance	204	-	204	-
Prepayments				
Opening balance	(8)	-	-	-
Charged to income	8	-	-	-
Charged to equity	-	-	-	-
Acquisitions/disposals	-	(8)	-	-
Closing balance	-	(8)	-	-
Total deferred tax assets	787	151	364	15

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
d. Analysis of Deferred Tax Liabilities:				
Plant				
Opening balance	(761)	-	-	-
Charged to income	78	-	-	-
Charged to equity	-	-	-	-
Acquisitions/disposals	-	(761)	-	-
Closing balance	(683)	(761)	-	-
Leased assets				
Opening balance	(7)	-	(7)	-
Charged to income	(58)	(7)	(58)	(7)
Charged to equity	-	-	-	-
Acquisitions/disposals	-	-	-	-
Closing balance	(65)	(7)	(65)	(7)
Total deferred tax liabilities	(748)	(768)	(65)	(7)

Note 5: Directors' and Executives' Remuneration

Details of directors' and executives' remuneration are included in the Directors' Report.

Note 6: Dividends

	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Declared and paid during the year				
Dividends on ordinary shares:				
- Final dividend: 1 cent per share	1,285	-	1,285	-

Franking credit balance

The amount of franking credits available for the subsequent financial year are:

	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
- The amount of franking credits available for the subsequent financial year are:				
- Franking account balance as at the end of the financial year at 30%	2,904	643	481	-
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year	-	1,880	-	-
- Franking debits that will arise from income tax refunds receivable as at the end of the financial year	(623)	-	-	-

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	-	-	-
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	-	-	-	-
- Franking credits that the entity may be prevented from distributing in the subsequent financial year	-	-	-	-
The amount of franking credits available for future reporting periods:				
- Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	-	(551)	-	(551)

The tax rate at which dividends have been franked is 30%.

Dividends proposed will be franked at the rate of 30%

Note 7: Earnings Per Share

a. Reconciliation of earnings to net profit

	Economic Entity 2006 $000	Economic Entity 2005 $000
Earnings used in the calculation of basic and diluted EPS		
- Net profit after tax	1,696	3,006

	2006	2005
b. Weighted average number of ordinary shares	135,330,397	83,203,544

c. Classification of shares

All shares included in the calculation of basic and diluted EPS are classified as ordinary shares.

There are no instruments excluded from the calculation of basic and diluted EPS due to their being anti-dilutive.

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
d. Ordinary share transactions after the reporting date					
The following shares were issued after the reporting date that would have changed the number of ordinary shares outstanding at the end of the period had the transaction occurred before the end of the reporting period:					
Shares issued on 8 July 2005 on listing on the Australian Stock Exchange		-	22,500,000	-	-
Shares issued on 7 July 2006 as partial consideration for acquisition of business from National Australian Scrap Pty Limited		343,520	-	-	-

Note 8: Cash and Cash Equivalents

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Cash at bank and on hand		2,936	2,188	9	1,508

Reconciliation of Cash

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to items in the Balance Sheet as follows:

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Cash and cash equivalents	**17**	2,936	2,188	9	1,508
Bank overdrafts		(2,075)	(637)	-	(49)
		861	1,551	9	1,459

Note 9: Trade and Other Receivables

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Trade debtors		21,647	9,791	-	-
Provision for doubtful debts		(139)	(60)	-	-
		21,508	9,731	-	-
Other debtors		656	1,381	44	1,144
Amounts receivable from:					
- Wholly owned subsidiaries		-	-	13,726	2,716
		22,164	11,112	13,770	3,860

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Note 10: Inventories				
At cost				
Work in progress - demolition and remediation contract services	6,922	7,983	-	-
Finished goods:				
Scrap metal	6,064	2,169	-	-
Manufactured ingots	1,527	-	-	-
	14,513	10,152	-	-
Demolition and Remediation Contracts Work in Progress				
Contract costs incurred	35,626	8,776	-	-
Recognised profits	13,188	3,955	-	-
	48,814	12,731	-	-
Less: Progress billings	(41,892)	(4,748)	-	-
	6,922	7,983	-	-
Amount due from customers for contract work	6,922	7,983	-	-
Amounts due to customers for contract work	-	-	-	-
	6,922	7,983	-	-
Retentions on construction contracts in progress	136	289	-	-
Progress billings and advances received and receivable on construction contracts in progress	52	750	-	-
Note 11: Other Assets (Current)				
Prepayments	2,481	225	21	12
Note 12: Other Financial Assets (Non-Current)				
Unlisted investments, at cost				
- Shares in controlled entities	-	-	37,942	24,321

Note 13: Controlled Entities

Controlled Entities	**Country of Incorporation**	**Percentage Owned 2006**	**Percentage Owned 2005**
CMA Corporation Limited	Australia		
Subsidiaries of CMA Corporation Limited are:			
Moltoni Adams Group Pty Limited	Australia	100%	100%
CMA Metals Pty Limited (formerly T & T Metal Trading Pty Limited)	Australia	100%	100%
T & T Metal & Asbestos Services Pty Limited	Australia	100%	100%
Asia Pacific Metals Pty Limited	Australia	100%	100%
Asia Pacific Metals Unit Trust	Australia	100%	100%
Scrap Metal Recyclers Limited	New Zealand	100%	0%
Scrap Metal Recyclers (Waikato) Limited	New Zealand	100%	0%
CMA Metals Limited	New Zealand	100%	0%
CMA Metals (NZ) Limited	New Zealand	100%	0%
The Scrap Metal Company Limited	New Zealand	100%	0%
Scrap Steel Recyclers (Hamilton) Limited	New Zealand	100%	0%

Controlled Entities Acquired

On 31 March 2005, the Company acquired all the issued equity of T & T Metal Trading Pty Limited, T & T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited. The details of the acquisition are set out in Note 26f. Consideration for the acquisitions consisted of 102,000,000 shares in CMA Corporation Limited which were valued at 23.5 cents per share, which is equivalent to $24,000,000.

On 1 January 2006, the Company acquired all the issued equity of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited. At the same time, CMA Corporation Limited established 4 additional New Zealand companies that are non trading. The details of these acquisitions are set out in Note 13 to the financial statements.

	Economic Entity		**Parent Entity**	
	2006	**2005**	**2006**	**2005**
	$000	**$000**	**$000**	**$000**
Note 14: Property, Plant And Equipment				
Plant and equipment				
At cost	27,616	11,534	39	28
Accumulated depreciation	(5,669)	(518)	(9)	(1)
	21,947	11,016	30	27
Leasehold improvements				
At cost	1,776	431	-	-
Accumulated amortisation	(798)	(89)	-	-
	978	342	-	-

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Leased plant and equipment				
Capitalised leased assets	2,500	2,500	2,500	2,500
Accumulated depreciation	(155)	(31)	(155)	(31)
	2,345	2,469	2,345	2,469
Total Plant and Equipment	25,270	13,827	2,375	2,496
Total Property, Plant and Equipment	25,270	13,827	2,375	2,496

(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial period:

	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Plant and equipment				
Balance at the beginning of the period	11,016	-	27	-
Additions through acquisition of subsidiaries	8,972	10,336	-	-
Additions	5,610	1,394	45	28
Disposals	(689)	(118)	(34)	-
Depreciation expense	(2,969)	(596)	(8)	(1)
Net exchange differences on translation of foreign operation	7	-	-	-
Carrying amount at the end of the period	21,947	11,016	30	27
Leasehold improvements				
Balance at the beginning of the period	342	-	-	-
Additions through acquisition of subsidiaries	515	211	-	-
Additions	239	133	-	-
Disposals	-	-	-	-
Depreciation expense	(119)	(2)	-	-
Net exchange differences on translation of foreign operation	1	-	-	-
Carrying amount at the end of the period	978	342	-	-

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Leased plant and equipment				
Balance at the beginning of the period	2,469	-	2,469	-
Additions through acquisition of subsidiaries	-	-	-	-
Additions	-	2,500	-	2,500
Disposals	-	-	-	-
Depreciation expense	(124)	(31)	(124)	(31)
Net exchange differences on translation of foreign operation	-	-	-	-
Carrying amount at the end of the period	2,345	2,469	2,345	2,469
Total				
Balance at the beginning of the period	13,827	-	2,496	-
Additions through acquisition of subsidiaries	9,487	10,547	-	-
Additions	5,849	4,027	45	2,528
Disposals	(689)	(118)	(34)	-
Depreciation expense	(3,212)	(629)	(132)	(32)
Net exchange differences on translation of foreign operation	8	-	-	-
Carrying amount at the end of the period	25,270	13,827	2,375	2,496

Note 15: Intangible Assets

Goodwill				
Balance at the beginning of the period	16,469	-	-	-
Additions - goodwill arising on acquisition of subsidiaries	13,191	16,469		-
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Carrying amount at the end of the period	29,660	16,469	-	-
Total intangibles	29,660	16,469	-	-

Note 16: Payables

Unsecured liabilities				
Trade creditors	9,119	4,113	32	-
Sundry creditors and accrued expenses	6,100	4,281	2,633	2,370
Derivative liability	36	-	-	-
Amounts payable to:				
- Wholly owned subsidiaries	-	-	-	616
	15,255	8,394	2,665	2,986

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2005 TO 30 JUNE 2006

	Note	Economic Entity 2006 $000	Economic Entity 2005 $000	Parent Entity 2006 $000	Parent Entity 2005 $000
Note 17: Borrowings					
Current					
Unsecured liabilities					
Bank overdrafts	**8**	-	49	-	49
Lease liability		-	180	-	180
Hire purchase liabilities		-	2,797	-	-
		-	3,026	-	229
Secured liabilities					
Bank overdrafts	**8**	2,075	588	-	-
Lease liability		237	-	180	-
Hire purchase liabilities		2,118	-	-	
Bank loans		3,057	3,054	-	-
		7,487	3,642	180	-
		7,487	6,668	180	229
Non-Current					
Unsecured liabilities					
Lease liability		-	2,266	-	2,266
Hire purchase liabilities		-	2,033	-	-
Bank loans		-	-	-	-
Loans from directors and director-related entities		-	4,000	-	2,000
		-	8,299	-	4,266
Secured liabilities					
Lease liability		2,268	-	2,086	-
Hire purchase liabilities		2,873	-	-	-
Bank loans		22,992	-	6,091	-
		28,133	-	8,177	-
		28,133	8,299	8,177	4,266
a. Total Current and Non-current Secured Liabilities					
Bank overdraft		2,075	588	-	-
Lease Liability		2,505	-	2,266	-
Hire purchase liabilities		4,991	-	-	-
Bank loans		26,049	3,054	6,091	-
		35,620	3,642	8,357	-

b. Security

Details of the security held by banks and other debt providers in relation to the above secured liabilities are provided in Note 27b.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Note 18: Provisions				
Employee Entitlements				
Provision for employee entitlements	973	367	27	19
Analysis of Total Provisions				
Current	757	349	27	19
Non-current	216	18	-	-
	973	367	27	19

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave, rostered days off, long service leave and, where required under the terms of the workplace agreements in place, sick leave.

The measurement and recognition criteria relating to provisions have been included in Note 1u to this report.

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$000	$000	$000	$000
Note 19: Issued Capital					
Ordinary Shares					
Issued and fully paid		42,079	24,705	42,079	24,705

		2006	2005	2006	2005
		$000	$000	Shares	Shares
Movements in ordinary shares on issue					
At the beginning of the reporting period		24,705	-	106,000,004	-
Shares issued during the period					
- 10 March 2005			-		4
- 31 March 2005	**26f**		24,000		102,000,000
- 1 June 2005			705		4,000,000
- 8 July 2005		9,000		22,500,000	
- 21 November 2005	**26b**	2,752		3,875,969	
- 1 January 2006	**26c**	6,853		10,078,676	
Less transaction costs		(1,028)		-	
At the end of the reporting period		42,282	24,705	142,454,649	106,000,004

	Note	2006 $000	2005 $000	2006 Shares	2005 Shares
Shares issued subsequent to reporting date					
- 7 July 2006	**26e**	100		343,520	

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

	Economic Entity		Parent Entity	
	2006 $000	2005 $000	2006 $000	2005 $000
Note 20: Reserves				
Foreign currency translation reserve	563	-	-	-

a. Movement in Reserves

Movements in reserves are detailed fully in the Statement of Changes in Equity.

b. Nature and Purpose of Reserves

Foreign Currency Translation Reserve

Exchange differences arising on translation of the Company's foreign subsidiaries are taken to the foreign currency translation reserve, as described in Note 1w. The reserve is recognised in profit and loss at such time as the Company disposes of its net investment.

Note 21: Capital and Leasing Commitments

a. Operating Lease Commitments

	2006 $000	2005 $000	2006 $000	2005 $000
Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:				
Within one year	1,197	196	401	196
After one year but not later than five years	2,537	201	73	201
After five years	-	-	-	-
	3,734	397	474	397

The majority of operating leases held by the Economic Entity relate to commercial premises in Sydney and Darwin. There are also some operating leases for temporary accommodation at demolition and remediation sites, and for certain items of plant and equipment which the Economic Entity has determined are not in its best interest to purchase.

	Economic Entity		Parent Entity	
	2006	**2005**	**2006**	**2005**
	$000	**$000**	**$000**	**$000**
b. Finance Lease and Hire Purchase Commitments				
Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:				
Within one year	3,090	3,442	368	368
After one year but not later than five years	5,780	5,047	2,462	2,830
After five years	-	-	-	-
Total minimum lease payments	8,870	8,489	2,830	3,198
Less future finance charges	(1,374)	(1,213)	(564)	(752)
Present value of minimum lease payments	7,496	7,276	2,266	2,446

The Company has a finance lease for plant and equipment, which commenced in April 2005. This is a 5 year lease with an option to refinance at the end. The equipment is being leased directly from CBFC Limited with lease payments paid monthly in advance.

The Economic Entity has a number of hire purchase agreements in place for plant and equipment used in both the Demolition and Remediation Contract Services division and the Scrap Metal Trading division.

Note 22: Contingent Liabilities and Contingent Assets

Estimates of the potential financial effect of contingent liabilities, that may become payable:

Contingent Liabilities

a. Third Party Guarantees provided by the Economic Entity

The Economic Entity has provided guarantees to third parties in relation to the performance and obligations of entities in the Economic Entity in relation to banking facilities, approved deeds and contracts, and property lease rentals.

The guarantees are for the terms of the facilities, deeds and contracts and leases.

The periods covered by the guarantees range from one to approximately three years.

Economic Entity		Parent Entity	
2006	**2005**	**2006**	**2005**
$000	**$000**	**$000**	**$000**
4,201	3,349	260	87

b. Related Party Guarantees provided by the Economic Entity

Cross guarantees have been provided between the Company and its wholly owned subsidiaries in Australia in relation to the banking facilities of each entity.

No deficiency of net assets existed in the controlled entities at 30 June 2006.

Note 23: Segment Reporting

a. Description of Segments

Business Segments

The Economic Entity is divided into the following two business segments:

Demolition and Remediation Contract Services Division

The services of this division include resource, industrial plant and marine deconstruction, large scale demolition and site clearance and remediation.

Scrap Metal Trading Division

This division trades in both ferrous and non-ferrous metals, and its activities include the recovery, buying, processing, testing, analysis and selling of scrap metal in domestic and export scrap metal markets. The division also manufactures and sells metal ingots.

Geographic Segments

The Economic Entity's business segments are located in Australia and New Zealand.

Australia

The home country of the parent entity and to subsidiaries operating in both the Demolition and Remediation Contract Services Division and the Scrap Metal Trading Division.

New Zealand

Comprises operations carried on solely in relation to the Scrap Metal Trading division.

The Scrap Metal Trading Division exports principally to Asia. However, for reporting purposes, this is not considered to be a separate segment.

b. Primary Reporting Format – Business Segments

2006	Contract Services	Scrap Metal Trading	Unallocated/ Elimination	Total
	$000	$000	$000	$000
Revenue				
External sales	28,054	89,027	-	117,081
Other segments	10,033	2,688	(12,721)	-
Total sales revenue	38,087	91,715	(12,721)	117,081
Other revenue	(448)	5	(10)	(453)
Interest income	-	-	120	120
Total revenue from ordinary activities	37,639	91,720	(12,611)	116,748

2006	Contract Services	Scrap Metal Trading	Unallocated/ Elimination	Total
	$000	$000	$000	$000
Result				
Segment result	309	3,685	350	4,344
Borrowing costs			(1,868)	(1,868)
Profit from ordinary activities before income tax expense				2,476
Income tax expense				(780)
Profit from ordinary activities after income tax expense				1,696
Net profit				1,696
Assets & Liabilities				
Segment assets	27,916	51,765	18,130	97,811
Segment liabilities	20,086	45,546	(12,957)	52,675
Other				
Acquisitions of non-current segment assets	3,040	25,447	45	28,532
Depreciation and amortisation of segment assets	1,595	1,486	132	3,213

2005	Contract Services	Scrap Metal Trading	Unallocated/ Elimination	Total
	$000	$000	$000	$000
Revenue				
External sales	12,728	8,393	-	21,121
Other segments	984	1,357	(2,341)	-
Total sales revenue	13,712	9,750	(2,341)	21,121
Other revenue	4	51	-	55
Interest income	-	-	19	19
Total revenue from ordinary activities	13,716	9,801	(2,322)	21,195
Result				
Segment result	3,955	799	28	4,782
Borrowing costs			(203)	(203)
Profit from ordinary activities before income tax expense				4,579
Income tax expense				(1,573)
Profit from ordinary activities after income tax expense				3,006
Net profit				3,006

2005	Contract Services	Scrap Metal Trading	Unallocated/ Elimination	Total
	$000	$000	$000	$000
Assets & Liabilities				
Segment assets	24,792	10,284	19,048	54,124
Segment liabilities	15,302	5,896	5,215	26,413
Other				
Acquisitions of non-current segment assets	11,492	3,054		14,546
Depreciation and amortisation of segment assets	543	86		629

c. Secondary Reporting Format – Geographic Segments

2006	Australia	New Zealand	Unallocated / Elimination	Total
	$000	$000	$000	$000
Segment revenues from sales to external customers	90,761	26,320	-	117,081
Segment assets	66,877	12,804	18,130	97,811
Acquisitions of non-current segment assets	14,791	13,741	-	28,532

2005

The Company acquired its operations in New Zealand during the financial year ended 30 June 2006. Consequently, in the financial period ended 30 June 2005 there was only one geographic segment, being Australia.

d. Accounting Policies

Segment information is prepared in conformity with the accounting policies of the Economic Entity as disclosed in Note 1 and accounting standard AASB 114 “Segment Reporting”.

Segment revenues and expenses are those directly attributable to the segments and included any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by more than one segment is allocated to the segments on a reasonable basis.

Segment liabilities consist principally of accounts payable, accrued expenses, borrowings and provisions for employee entitlements.

e. Inter-Segment Transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar goods to parties outside the Economic Entity on an arm’s length basis. These transfers are eliminated on consolidation.

Note 24: Impairment Tests for Goodwill

Goodwill is allocated to the Economic Entity's cash-generating units (CGUs), which have been identified in accordance with the business segments classification.

The carrying amount of goodwill allocated to each of the segments is presented below:

	Demolition & Remediation Contract Services	Scrap Metal Trading	Total
	$000	$000	$000
Goodwill	11,667	17,993	29,660

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections over a five-year period, and are based on the detailed financial budget and business plan approved by management and the Board of Directors.

The growth rates applied in the cash flow projections represent management's best estimate of likely economic conditions for the forecast period, and are steady or declining over time. The growth rates may not be reflective of the general rates applicable to the demolition and remediation contract services and the scrap metal trading sectors, given that the Economic Entity has only recently been established and is forecast to increase at rates which may exceed those of the overall industries in which it operates due to the benefits that are expected to flow to it as a result of capital expenditure and company structuring undertaken in the financial year ended 30 June 2006. The average growth rates applied to the CGUs are 15% for the Demolition and Remediation Contract Services CGU and 12% for the Scrap Metal Trading CGU.

In performing the value-in-use calculations for each CGU, the Company has applied a pre-tax discount rate to discount the forecast attributable pre-tax cash flows. The discount rate was determined using the weighted average cost of capital (WACC), in which the cost of equity was calculated using the capital asset pricing model (CAPM). The discount rate used in the value-in-use calculations was 9.51%.

As a result of the impairment testing performed, management and the Directors do not consider that any impairment write-down is necessary in relation to the goodwill balances as at 30 June 2006.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$	$	$	$
Note 25: Auditors' Remuneration				
Amounts received or due and receivable by PKF Chartered Accountants (NSW Partnership) for:				
- An audit or review of the financial report of the entity	123,490	45,000	36,300	22,000
Amounts received or due and receivable by Ross Melville PKF Chartered Accountants for:				
- An audit or review of the financial reports of subsidiary entities	24,909	-	-	-
- Other services in relation to the entity:				
- Tax compliance services	2,979	-	-	-
- Tax advice in relation to mergers	1,941	-	-	-
	29,829	-	-	-

Note 26: Change in Composition of Entity

a. Acquisition of Business from GWR Contracting Pty Limited Trading as NT Metal Recyclers

On 12 September 2005, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired certain of the assets of GWR Contracting Pty Limited, a private metal trading company located in the Northern Territory.

In connection with the business combination, CMA Metals Pty Limited made a cash payment of $2,100,000.

The acquired business has contributed revenues of $4,661,000 and net profit of $516,000 to the Economic Entity during the period from 12 September 2005 to 30 June 2006. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2005 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	$000
Inventory	138
Property, plant and equipment	1,447
Fair value of net assets	1,585
Goodwill arising on acquisition	621
Total	2,206

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Purchase Consideration				
Cash	2,100	-	-	-
Costs associated with the acquisition	106	-	-	-
Total consideration	2,206	-	-	-
The cash outflow on acquisition is as follows:				
Net cash acquired with business	-	-	-	-
Cash consideration	2,100			
Costs associated with the acquisition	106	-	-	-
Net cash outflow	2,206	-	-	-

b. Acquisition of Business from Riverside Metal Industries Pty Limited

On 21 November 2005, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets of Riverside Metal Industries Pty Limited. Riverside Metal Industries is a metal trading and metal ingot manufacturing business located in Sydney.

In connection with the business combination, CMA Metals Pty Limited has paid $5,252,000, comprising 3,875,969 issued ordinary shares in CMA Corporation Limited with a fair value of 71 cents each, and cash payments totalling $2,500,000. The fair value of shares issued reflects the share price on the date of the acquisition.

The acquired business has contributed revenues of $13,720,000 and net profit of $595,000 to the Economic Entity during the period from 21 November 2005 to 30 June 2006. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2005 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	$000
Receivable from vendor	128
Future income tax benefit	55
Employee entitlements	(183)
Property, plant and equipment	2,752
Fair value of net assets	2,752
Goodwill arising on acquisition	2,936
Total	5,688

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Purchase Consideration				
Ordinary shares issued	2,752	-	-	-
Cash consideration	2,500	-	-	-
Costs associated with the acquisition	436	-	-	-
Total consideration	5,688	-	-	-
The cash outflow on acquisition is as follows:				
Net cash acquired with business	-	-	-	-
Cash consideration	2,500			
Costs associated with the acquisition	436	-	-	-
Net cash outflow	2,936	-	-	-

c. Acquisition of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited

On 1 January 2006, CMA Corporation Limited acquired 100% of the voting shares of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited. Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited are metal trading businesses located in New Zealand.

In connection with the business combination, CMA Corporation Limited has paid $10.96 million, comprising 10,078,676 issued ordinary shares in CMA Corporation Limited with a fair value of 68 cents each, and a cash payment of $4.11 million. The fair value of shares issued reflects the share price on the date of the acquisition. In addition, the vendors of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited will receive additional consideration up to NZ$3 million, if the financial performance of the New Zealand business in the twelve month period ended June 2007 exceeds a trigger of NZ$3 million net profit after tax.

The acquired business has contributed revenues of $26,320,000 and net profit of $2,020,000 to the Economic Entity during the period from 1 January 2006 to 30 June 2006. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2005 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited as at the date of acquisition, and the goodwill acquired are:

	$000
Cash and cash equivalents	172
Receivables	3,827
Inventories	331
Property, plant and equipment	4,551
Deferred tax assets	18
Other assets	46
Payables and accruals	(769)
Tax liabilities	(188)
Current borrowings	(3,854)
Fair value of net assets	4,134
Goodwill arising on acquisition	9,487
Total	13,621

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired entities.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Purchase Consideration				
Ordinary shares issued	6,853	-	6,853	-
Cash consideration	4,189	-	4,189	-
Deferred consideration	2,449	-	2,449	-
Costs associated with the acquisition	130	-	130	-
Total consideration	13,621	-	13,621	-

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
The cash outflow on acquisition is as follows:				
Net cash acquired with subsidiaries	172	-	172	-
Cash consideration	(4,189)	-	(4,189)	-
Costs associated with the acquisition	(130)	-	(130)	-
Net cash outflow	(4,147)	-	(4,147)	-

d. Acquisition of Business from Australian Metal Recyclers Pty Limited

On 10 April 2006, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets of Australian Metal Recyclers Pty Limited. Australian Metal Recyclers is a metal trading business located in Pakenham, Victoria.

In connection with the business combination, CMA Metals Pty Limited has paid $855,000 in cash.

The acquired business has contributed revenues of $497,000 and net profit of $26,000 to the Economic Entity during the period from 10 April 2006 to 30 June 2006. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2005 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

The fair value of the identifiable assets and liabilities of Australian Metal Recyclers Pty Limited as at the date of acquisition are:

	$000
Property, plant and equipment	755
Fair value of net assets	755
Goodwill arising on acquisition	100
Total	855

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Purchase Consideration				
Cash consideration	855	-	-	-
Costs associated with the acquisition	-	-	-	-
Total consideration	855	-	-	-
The cash outflow on acquisition is as follows:				
Net cash acquired with business acquired	-	-	-	-
Cash consideration	(855)	-	-	-
Net cash outflow	(855)	-	-	-

e. Acquisition of Business from National Australian Scrap Pty Limited

On 23 June 2006, CMA Metals Pty Limited, a wholly owned subsidiary of CMA Corporation Limited, acquired the assets of National Australian Scrap Pty Limited. National Australian Scrap is a metal trading business located in Sydney, and also trades under the name of Rex Metals.

In connection with the business combination, CMA Metals Pty Limited has paid $600,000, comprising 343,520 issued ordinary shares in CMA Corporation Limited with a fair value of 29.11 cents each, and a cash payment of $500,000. The 343,520 shares were issued on 7 July 2006.

The acquisition was made subsequent to the end of the reporting period, and thus has not made any contribution to net profit for the financial year ended 30 June 2006. The consolidated net profit and consolidated revenues that would have resulted had the acquisition been made on 1 July 2005 have not been disclosed as their estimation is unreliable due to the impact of certain expenses of a private company nature during the period prior to acquisition.

Details of the fair value of the identifiable assets and liabilities as at the date of acquisition, and the goodwill acquired are as follows:

	$000
Property, plant and equipment	548
Fair value of net assets	548
Goodwill arising on acquisition	52
Total	600

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired business.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Purchase Consideration				
Ordinary shares issued	100	-	-	-
Cash consideration	500	-	-	-
Costs associated with the acquisition	-	-	-	-
Total consideration	600	-	-	-
The cash outflow on acquisition is as follows:				
Net cash acquired with business	-	-	-	-
Cash paid	(500)	-	-	-
Net cash outflow	(500)	-	-	-

f. Acquisition of Moltoni Adams Group Pty Limited, Asia Pacific Metals Pty Limited, CMA Metals Pty Limited (formerly T & T Metal Trading Pty Limited) and T & T Metal & Asbestos Services Pty Limited

On 31 March 2005, CMA Corporation Limited acquired 100% of the voting shares of Moltoni Adams Group Pty Limited, Asia Pacific Metals Pty Limited, T & T Metal Trading Pty Limited and T & T Metal & Asbestos Services Pty Limited.

In connection with the business combination, CMA Corporation Limited has paid $24 million, comprising 102,000,000 issued ordinary shares in CMA Corporation Limited which were issued at 23.5 cents per share. The major assumption in determining the consideration payable was an earnings multiple of approximately 3 times sustainable earnings.

Details of the fair value of the identifiable assets and liabilities of Moltoni Adams Group Pty Limited, Asia Pacific Metals Pty Limited, T & T Metal Trading Pty Limited and T & T Metal & Asbestos Services Pty Limited as at the date of acquisition, and the goodwill acquired are:

	$000
Cash and cash equivalents	2,673
Receivables	13,011
Inventories	3,293
Property, plant and equipment	10,547
Payables and accruals	(7,862)
Borrowings	(9,856)
Tax liabilities	(1,626)
Other	(2,328)
Fair value of net assets	7,852
Goodwill arising on acquisition	16,469
Total	24,321

The assets arising from the acquisition are recognised at fair values which are equal to their carrying value at acquisition date. The goodwill is attributable to the high profitability of the acquired businesses.

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Purchase Consideration				
Ordinary shares issued	-	24,000	-	24,000
Costs associated with the acquisition	-	321	-	321
Total consideration	-	24,321	-	24,321
The cash inflow on acquisition is as follows:				
Net cash acquired with subsidiaries	-	2,673	-	2,673
Costs associated with the acquisition	-	(321)	-	(321)
Net cash inflow	-	2,352	-	2,352

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$000	$000	$000	$000
Note 27: Cash Flow Information				
a. Reconciliation of Cash Flow from Operations to Profit from Ordinary Activities after Income Tax				
Profit from ordinary activities after income tax	1,696	3,006	2,370	-
Non-cash flows in profit from ordinary activities				
Depreciation and amortisation	3,213	629	132	32
Employee benefits - share issue	-	705	-	106
Net loss/(gain) on disposal of property, plant and equipment	464	(38)	(4)	-
Unrealised foreign exchange losses/(gains)	(170)	-	-	-
Dividend income	-	-	(2,321)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and other receivables	(7,097)	464	(9,911)	(1,458)
(Increase)/decrease in inventories	(3,892)	(6,858)	-	-
(Increase)/decrease in prepayments	(2,211)	(138)	(9)	(12)
(Increase)/decrease in deferred tax assets	(564)		(349)	
Increase/(decrease) in payables and accruals	6,092	496	(321)	51
Increase/(decrease) in income taxes payable	(2,070)	1,192	-	(8)
Increase/(decrease) in deferred taxes payable	(20)	7	58	7
Increase/(decrease) in provisions	423	131	8	12
Increase/(decrease) in other liabilities	45	-	-	-
Increase/(decrease) in deferred tax component of costs of equity	204	-	204	-
Net cash (outflow) from operating activities	(3,885)	(404)	(10,143)	(1,270)

b. Credit Standby and Loan Facility Arrangements with Banks

At 30 June 2006 the Economic Entity had financing arrangements with the Commonwealth Bank of Australia and the Bank of New Zealand.

Subsequent to 30 June 2006, the Economic Entity secured revised facility arrangements with the Commonwealth Bank of Australia. The facilities secured at the date of this report are as follows:

o	Equipment Finance	10,000
o	Trade Finance Facility	8,100
o	Bills Discount Facility	21,700
o	Business Card Facility	200

At the date of this report the facilities are utilised as follows:

o	Equipment Finance	9,837
o	Trade Finance Facility	7,727
o	Bills Discount Facility	21,199
o	Business Card Facility	200

The facilities have been made available until July 2007.

Security has been provided as follows:

- Joint and several unlimited guarantees from CMA Corporation Limited, CMA Metals Pty Limited, T & T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited.
- Registered Equitable Mortgage over all the assets and undertakings of CMA Corporation Limited, CMA Metals Pty Limited, T & T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited.
- Unlimited guarantees supported by general security deeds from Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited.
- Rights of entry over certain leased properties.

Interest rates are fixed on $15.7 million of the bank bills facility and all the asset finance facility. Other interest rates are variable and subject to adjustment.

CBA requires financial undertakings which vary over the life of the facilities as follows:

1. the interest cover ratio will be not less than 1.5-3 times; and
2. the minimum net worth will be not less than 25%-30%.

Subsequent to 30 June 2006, the Economic Entity secured revised facility arrangements with the Bank of New Zealand. The facilities secured at the date of this report are as follows:

o	Equipment Finance NZ$000	2,470
o	Overdraft Facility NZ$000	5,000
o	Term Loan Facility NZ$000	1,000
o	Letter of Indemnity NZ$000	41

At the date of this report the facilities are utilised as follows:

o	Equipment Finance NZ$000	2,272
o	Overdraft Facility NZ$000	1,697
o	Term Loan Facility NZ$000	333
o	Letter of Indemnity NZ$000	41

Security has been provided as follows:

- First register debenture over the assets and undertakings of Scrap Metal Recyclers Limited and Scrap Metal Recyclers (Waikato) Limited
- A series of asset finance agreements over specific assets
- Letter of comfort from CMA Corporation Limited

Interest rates are fixed on the asset finance facility. Other interest rates are variable and subject to adjustment.

BNZ requires the following financial undertakings:

1. the interest cover ratio will be not less than 2.5 times;
2. the minimum net worth will be not less than 40%;
3. dividends will not exceed more than 50% of net profit after tax; and
4. total stock plus debtors must be greater than 2 times the overdraft facility drawn balance.

Note 28: Share-based Payments

a. Employee Equity Plans

The establishment of the Company's employee equity plans was approved by shareholders at the 2005 annual general meeting. The plans are of two types:

1. Employee Share Plans

The employee share plans enable employees to acquire shares in the Company through salary deductions on a tax-effective basis.

2. Employee Equity Incentive Plans

The remuneration plans enable shares or options to be issued to senior management for no consideration as an incentive subject to the achievement of individual, division and Company performance levels.

No offers under the employee equity plans have been made since their establishment.

b. Expenses Arising from Share-based Payment Transactions

No share-based payments have been made during the financial year ended 30 June 2006.

On 1 June 2005, 4,000,000 shares were issued to employees and contractors of subsidiaries as a one-off bonus payment for services rendered. The value of these shares was independently assessed as $705,000 or 17.62 cents per share. This amount was included as an employee benefits expense in the 2005 Income Statement.

Note 29: Events Subsequent To Reporting Date

a. Establishment of CMA Engineering Pty Limited

On 3 July 2006, CMA Corporation Limited registered a new company CMA Engineering Pty Limited. CMA Corporation Limited holds 51% of the voting shares of CMA Engineering Pty Limited, which is a company established to hold the distribution rights for Australasia of hydroxy based steel cutting equipment.

b. Extension of Debt Facilities

On 14 July 2006, the Economic Entity secured an extension of facilities from the Commonwealth Bank of Australia and CBFC Limited and CBFC Leasing Pty Limited to 31 July 2007. The total facilities approved under the Multi Option Facility Agreement are $40 million, including an equipment finance facility, a trade finance facility (including a contingent liability facility), a bills facility and a corporate credit card facility.

On 25 July 2006, Scrap Metal Recyclers Limited, a wholly owned subsidiary of CMA Corporation Limited secured an extension of facilities from the Bank of New Zealand. The total facilities approved are NZ$8.5 million including an overdraft facility, a fixed rate term loan, asset finance facilities and a letter of indemnity facility.

On 11 August 2006, CMA Corporation Limited and Moltoni Adams Group Pty Limited and CMA Metals Pty Limited secured fixed rate bills in the amount of $15.7 million for a term of 2 years at a fixed rate of 8.23%.

Note 30: Related Party Transactions

a. Parent Entity

The parent entity of the Economic Entity is CMA Corporation Limited. CMA Corporation Limited is also the ultimate parent entity and ultimate controlling party.

b. Subsidiaries

Interests in subsidiaries are detailed in Note 13.

c. Transactions with Related Parties

The following transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors and Director Related Entities	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Purchase of goods and services				
Moltoni Infra Tech Pty Limited provided contracting services to the Economic Entity during the financial year and was reimbursed in full. 50% of the reimbursement was by way of direct payment, with the remaining 50% reimbursed by way of deduction from amounts owing by Moltoni Corporation Pty Limited to the Economic Entity. Moltoni Infra Tech Pty Limited is a company of which Mr Rob Moltoni is a director.	72,727	-	-	-
Moltoni Corporation Pty Limited paid operating expenses on behalf of the Economic Entity and was reimbursed in full by way of deduction from amounts owing by Moltoni Corporation Pty Limited to the Economic Entity.	74,728	54,865	-	-
Asia Pacific Shipping Pty Limited paid operating expenses on behalf of the Economic Entity. Asia Pacific Shipping Pty Ltd is a company owned by interests associated with Mr Paul Adams and Mr Kevin Adams.	-	44,797	-	-
The Economic Entity made payments to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung in relation to services provided during the year.	4,906	-	-	-

Directors and Director Related Entities	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
The Economic Entity made payments to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung in relation to goods acquired for resale	625,901	-	-	-
The Economic Entity made payments to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung in relation to expenses incurred by them on behalf of the Economic Entity.	7,692	-	-	-
Sale of goods and services				
The Economic Entity charged Moltoni Corporation Pty Limited for rents less disbursements. These funds have been applied to reduce the amount owing by Moltoni Corporation Pty Limited to the Economic Entity.	-	4,414	-	-
The Economic Entity charged Moltoni Corporation Pty Limited for the supply of labour and plant hire.	24,745			
The Economic Entity charged Moltoni Corporation Pty Limited for expenses incurred on its behalf.	65,689			
The Economic Entity received payments from interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung in relation to goods sold.	3,480	-	-	-
Acquisition of businesses				
On 31 March 2005, the Company issued 25,500,000 shares to Mr Johnny Tung Hui Chung. The shares were issued as full payment for all the issued equity of CMA Metals Pty Limited (formerly T & T Metal Trading Pty Limited).	-	6,000,000		6,000,000
On 31 March 2005, the Company issued 25,500,000 shares to Mr Joseph Tong Hong Chung. The shares were issued as full payment for all the issued equity of T & T Metal & Asbestos Services Pty Limited.	-	6,000,000	-	6,000,000

Directors and Director Related Entities	2006	2005	2006	2005
	$	$	$	$
On 31 March 2005, the Company issued 25,500,000 shares to Moltoni Corporation Pty Limited. The shares were issued as full payment for 50% of the issued equity of Moltoni Adams Group Pty Limited.	-	6,000,000	-	6,000,000
On 31 March 2005, the Company issued 25,500,000 shares to Asia Pacific Shipping Pty Limited. The shares were issued as full payment for 50% of the issued equity of Moltoni Adams Group Pty Limited.	-	6,000,000	-	6,000,000
Acquisition of assets				
In April 2005, the Company purchased a barge from Asia Pacific Shipping Pty Ltd. The purchase price was determined by an independent valuation	-	2,500,000	-	2,500,000
Rental of premises				
The Economic Entity paid rent and related outgoings to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung in relation to commercial premises occupied	400,563	-	-	-
Repayment of borrowings and payables				
The Economic Entity repaid a working capital loan provided by interests associated with shareholder and former director Mr Johnny Tung Hui Chung	1,000,000	-	-	-
The Economic Entity repaid a working capital loan provided by interests associated with shareholder and director Mr Joseph Tong Hong Chung	1,000,000	-	-	-
The Economic Entity repaid a working capital loan provided by interests associated with shareholder and former director Mr Paul Adams	2,000,000	-	-	-
The Economic Entity repaid Asia Pacific Shipping Pty Limited for operating expenses incurred on its behalf	44,797	-	-	-

Directors and Director Related Entities	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Interest				
Interest was paid to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung in relation to a working capital loan provided to the Economic Entity	18,434	9,462	-	-
Interest was paid to interests associated with shareholder and former director Mr Paul Adams in relation to a working capital loan provided to the Economic Entity	-	18,925	-	-

Consolidated Economic Entity Transactions	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
The Company charged management fees to its subsidiaries. The management fees represent a recovery for the costs of the parent entity associated with the strategic, financial and operational management of the operating divisions	-	-	4,204,011	720,000
The Company charged the demolition and remediation contract services division for the rent of a barge that is owned by the parent entity but operated by a subsidiary entity			368,018	96,338
The Company received dividends from subsidiaries	-	-	2,321,335	-

d. Outstanding Balances with Related Parties

The following balances are outstanding at reporting date in relation to transactions with related parties:

Directors and Director Related Entities	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Receivable by the Economic Entity				
Trade receivable owing to the Economic Entity by Moltoni Corporation Pty Limited in relation to payments for demolition services provided by Moltoni Adams Pty Limited prior to 31 March 2005.	1,069,005	1,004,368	-	-

Directors and Director Related Entities	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Mr Robert Moltoni is an employee and shareholder of Moltoni Corporation Pty Limited.				
Payable by the Economic Entity				
Working capital loan provided by interests associated with shareholder and former director Mr Johnny Tung Hui Chung	-	1,000,000	-	-
Working capital loan provided by interests associated with shareholder and director Mr Joseph Tong Hong Chung	-	1,000,000	-	-
Working capital loan provided by interests associated with shareholder and former director Mr Paul Adams	-	2,000,000	-	-
Amount owing in relation to operating expenses paid on behalf of the Economic Entity by Asia Pacific Shipping Pty Limited	-	44,797	-	-
Amount owing in relation to operating expenses and interest paid by the Economic Entity to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung	10,742	-	-	-

Consolidated Economic Entity Transactions	**2006**	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Balances receivable by the parent company from its wholly owned subsidiaries in relation to working capital loans	-	-	13,705,209	2,099,241

e. Other Related Party Transactions

On 26 July 2005, the Economic Entity signed leases at normal market rates to occupy the following premises:

121 Woodstock Street, Mayfield	owned by Asia Pacific Shipping Pty Limited (previously owned by Asia Pacific Shipping Pty Limited and Moltoni Corporation Pty Limited)
48-62 Burrows Road, Alexandria	owned by interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung
Lot 1 Old Port Road, Port Kembla	owned by interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung
Lots 5&6, 191 Miller Road, Chester Hill	owned by interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung

The leases for 121 Woodstock Street, Mayfield, 48-62 Burrows Road, Alexandria and Lot 1 Old Port Road, Port Kembla, were subsequently cancelled and rents paid for the period rebated to the Economic Entity. CMA entities continue to occupy these premises and new lease arrangements at normal market rates are to be entered into. There is an amount of $328,900 prepaid to interests associated with Mr Joseph Tong Hong Chung and Mr Johnny Tung Hui Chung which will be deducted from future rental payments made under the proposed new leases. There is an amount of $287,632 prepaid to Asia Pacific Shipping Pty Limited which will be deducted from future rental payments made under the proposed new leases.

Note 31: Financial Instruments

a. Financial Risk Management

The Economic Entity's financial instruments consist mainly of deposit funds with banks, accounts receivable and payable, bank bills, bank loans and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for the Economic Entity's operations.

Derivatives are used by the Economic Entity for hedging purposes. Such instruments include forward exchange and currency option contracts and agreements. The Economic Entity does not speculate in the trading of derivative instruments.

(i) Financial Risks

The main risks the Economic Entity is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

(ii) Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2006 the Economic Entity had fixed rate debt relating to asset finance arrangements and floating rate debt relating to bank bills and overdrafts. Subsequent to 30 June 2006, approximately $15.7 million of Bank Bills debt was fixed for a term of 2 years at 8.23%.

(iii) Foreign Currency Risk

The Economic Entity is exposed to fluctuations in foreign currencies arising from the sale of scrap metal in currencies other than the Economic Entity's measurement currency (usually USD). The exposure is managed by entering into contracts to sell the foreign currency receipts forward. The Economic Entity's policy is that forward sales contracts will only be entered into for known foreign currency receipts. The forward contracts therefore represent a hedge against currency fluctuations.

(iv) Liquidity Risk

The Economic Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(v) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The Economic Entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Economic Entity.

(vi) Price Risk

The Economic Entity is exposed to contract price risk in the Demolition and Remediation Contracting Division. The risk is managed through the implementation of detailed costing and checking of tenders and regular monitoring of costs against budgets on site.

The Economic Entity is also exposed to commodity price fluctuations for metals in the Scrap Metals Trading Division. Risks are managed through a margin trading policy such that wherever possible an appropriate spread is maintained between buy and sell transactions. Short term spread narrowing or widening can cause short term fluctuations in profitability.

b. Financial Instruments

(i) Derivative Financial Instruments

Derivative financial instruments are used by the Economic Entity to hedge exposure to exchange rate risk associated with foreign currency transactions. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Forward Exchange Contracts

The Economic Entity enters into forward exchange contracts to sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the Economic Entity against unfavourable exchange rate movements for the contracted future sales undertaken in foreign currencies.

The accounting policy in regard to forward exchange contracts is detailed in Note 1x.

At balance date, the details of outstanding forward exchange contracts are:

Buy Australian Dollars	**Sell US Dollars**		**Exchange Rate**	
	2006	**2005**	**2006**	**2005**
	$000	**$000**		
Settlement less than 6 months	2,968	1,595	0.7514	0.7652

Buy NZ Dollars	**Sell Australian Dollars**		**Average Exchange Rate**	
	2006	**2005**	**2006**	**2005**
	$000	**$000**		
Settlement less than 6 months	47	-	1.1688	-

Buy Euro	**Sell Australian Dollars**		**Average Exchange Rate**	
	2006	**2005**	**2006**	**2005**
	$000	**$000**		
Settlement less than 6 months	823	-	0.5811	-

Buy NZ Dollars	**Sell US Dollars**		**Average Exchange Rate**	
	2006	**2005**	**2006**	**2005**
	$000	**$000**		
Settlement less than 6 months	2,734	-	0.6153	-

(ii) Interest Rate Risk

The Economic Entity’s exposure to interest rate risk on financial assets is limited to the amount of interest received on bank cheque accounts.

The Economic Entity’s exposure to interest rate risk on financial liabilities is limited to the interest payable on new hire purchase and lease agreements which are fixed for the life of the agreement at the time the lease or hire purchase agreement is entered in to, plus interest payable to banks at bill rates plus a margin.

The financial liabilities of the Economic Entity classified by interest rate risk are:

2006	Floating Interest Rate $000	Fixed Interest Rates Maturing within 1 Year $000	Fixed Interest Rates Maturing 1 to 5 Years $000	Non Interest Bearing $000	Total $000
Financial Liabilities:					
Bank loans and overdrafts	2,075	-	-	-	2,075
Trade and sundry payables	-	-	-	15,255	15,255
Amounts payable to related parties	-	-	-	-	-
Lease and hire purchase liabilities	-	2,354	5,141	-	7,495
Bank loans	23,839	-	2,210	-	26,049
Total Financial Liabilities	25,914	2,354	7,351	15,255	50,874
Weighted average interest rate	6.59%	7.39%	7.35%	-	

2005	Floating Interest Rate $000	Fixed Interest Rates Maturing within 1 Year $000	Fixed Interest Rates Maturing 1 to 5 Years $000	Non Interest Bearing $000	Total $000
Financial Liabilities:					
Bank loans and overdrafts	3,691				3,691
Trade and sundry payables	-			8,394	8,394
Amounts payable to related parties	4,000				4,000
Lease and hire purchase liabilities	-	3,442	4,299		7,276
Total Financial Liabilities	7,691	3,442	4,299	8,394	23,361
Weighted average interest rate	5.43%	5.80%	5.80%	-	

(iii) Net Fair Values

The net fair values of financial assets and financial liabilities are assessed as follows:

— Forward exchange contracts are the recognised unrealised gain or loss at balance date determined from the current forward exchange rates for contracts with similar maturities.

— Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets other than currency forward exchange contracts.

Note 32: Company Details

The registered office of the Company is:

CMA Corporation Limited
Level 20, 56 Pitt Street
Sydney NSW 2000

The principal places of business are:

Demolition and Remediation Contract Services Division

Moltoni Adams Group Pty Limited

121 Woodstock Street
Mayfield NSW 2304

T & T Metal & Asbestos Services Pty Limited

48-62 Burrows Road
Alexandria NSW 2015

Scrap Metal Trading Division

CMA Metals Pty Limited

48-62 Burrows Road
Alexandria NSW 2015

Scrap Metal Recyclers Limited

296 Neilson Street, Onehunga
Auckland, New Zealand

Scrap Metal Recyclers (Waikato) Limited

188 Ellis Street
Hamilton, New Zealand

SHAREHOLDER INFORMATION

Substantial Shareholders as at 29 August 2006

Rank	Name	Units	% Issued Capital
1	Asia Pacific Shipping Pty Limited	25,570,000	17.91%
2	Mr Joseph Tong Hong Chung	25,500,001	17.86%
3	Mr Johnny Tung Hui Chung	25,400,001	17.79%
4	Moltoni Corporation Pty Limited	25,400,000	17.79%
5	Mr Eugene Carl Storck / Mr Weston Clyde Colson	7,663,020	5.37%

Top 20 Holders of Ordinary Shares as at 29 August 2006

Rank	Name	Units	% Issued Capital
1	Asia Pacific Shipping Pty Limited	25,570,000	17.91%
2	Mr Joseph Tong Hong Chung	25,500,001	17.86%
3	Mr Johnny Tung Hui Chung	25,400,001	17.79%
4	Moltoni Corporation Pty Limited	25,400,000	17.79%
5	Mr Eugene Carl Storck / Mr Weston Clyde Colson	7,663,020	5.37%
6	Riverside Metal Industries Pty Limited	3,875,969	2.71%
7	AMP Life Limited	3,750,000	2.63%
8	Mr David Michael Storck / Mr Weston Clyde Colson	1,190,090	0.83%
9	Mr Eugene Carl Storck	1,186,864	0.83%
10	Mr William Robinson	800,000	0.56%
11	Sunshore Holdings Pty Limited	750,000	0.53%
12	Mr Terry Chun-An Lu	730,938	0.51%
13	Ms Jennifer Cao	717,500	0.50%
14	Hatfull Investments Pty Limited	600,000	0.42%
15	Hover Holdings Pty Limited	411,285	0.29%
16	Mr Peter Ernest Hatfull	421,000	0.29%
17	Mr Antal Kecse-Ngay	343,520	0.24%
18	Bawden Custodians Pty Limited	300,000	0.21%
19	Mr John Tonkiss	300,000	0.21%
20	Jackson Family Super A/c	255,000	0.18%
	Total	**125,165,188**	**87.65%**

Listed Ordinary Shares with Full Voting Rights

Distribution of Shareholders as at 29 August 2006

Range	Total Holders	Units	% Issued Capital
1 - 1,000	39	29,422	0.02%
1,001 - 5,000	206	746,571	0.52%
5,001 - 10,000	221	1,946,799	1.36%
10,001 - 100,000	383	11,976,590	8.39%
100,001 - and over	41	128,098,787	89.71%
Total	**890**	**142,798,169**	**100.00%**

At 29 August 2006, 43 Shareholders held less than a marketable parcel of shares.

SHAREHOLDER INFORMATION

Voting Rights

Each Ordinary Share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

On Market Buy Back

There is no current on market buy back.

Shares held in Escrow as at 29 August 2006

4 shareholders have entered into voluntary escrow arrangements over 66,300,002 Ordinary Shares in the Company until the release of this report. The escrow arrangements cease as of 1 September 2006.

1 shareholder has provided acknowledgement and warranties that it will not sell 3,875,969 shares within 12 months of issue on 21 November 2005.

4 shareholders have provided acknowledgement and warranties that they will not sell in total 10,078,676 shares within 12 months of issue on 3 January 2006.

1 shareholder has provided acknowledgement and warranties that it will not sell 343,520 shares within 12 months of issue on 7 July 2006.

CORPORATE DIRECTORY

Directors

Mr Alan Good – Chairman

Mr Peter Hatfull

Mr Joseph Tong Hong Chung

Mr John Crabb

Mr Rob Moltoni

Managing Director

Mr Peter Hatfull

Chief Financial Officer

Mr Patrick Raper

Company Secretary

Mr Patrick Raper

Registered Office

Level 20, 56 Pitt Street

Sydney NSW 2000

Phone: +61 2 9270 1500

Head Office

Level 20, 56 Pitt Street

Sydney NSW 2000

Phone: +61 2 9270 1500

Auditors

PKF Chartered Accountants

Level 10, 1 Margaret Street

Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Ltd

Level 2. 45 St Georges Terrace

Perth WA 6000

Phone: +61 8 9323 2004

Banker

Commonwealth Bank

Level 15, 52 Martin Place

Sydney NSW 2000

DIRECTORS' DECLARATION

The directors of CMA Corporation Limited declare that:

1. the financial statements and notes, as set out on page 1 to page 65 are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the Company's and the Economic Entity's financial position as at 30 June 2006 and of their performance for the year ended on that date;
2. the Managing Director and Chief Financial Officer have each declared that:
   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with Australian Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   The Company and T & T Metal Trading Pty Limited, T & T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited, have entered into a deed of cross guarantee under which the Company and its subsidiaries guarantee the debts of each other.

   At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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

Peter Hatfull
Managing Director

Dated this 31 August 2006

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CMA CORPORATION LIMITED

Chartered Accountants
& Business Advisers

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CMA CORPORATION LIMITED
ABN 40 113 329 016

Scope

The financial report, remuneration disclosures and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the financial statements and the directors' declaration for both CMA Corporation Limited (the company) and its controlled entities (the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of key management personnel ("remuneration disclosures"), as required by Accounting Standard AASB 124 Related Party Disclosures under the heading "remuneration report" in pages 11 to 14 of the directors' report, as permitted by the Corporations Regulations 2001.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Accounting Standard AASB 124 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows and whether the remuneration disclosures comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and remuneration disclosures, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CMA CORPORATION LIMITED

PKF
Chartered Accountants
& Business Advisers

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion:

(1) the financial report of CMA Corporation Limited is in accordance with:

   (a) the Corporations Act 2001, including:

      (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and

      (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

   (b) other mandatory financial reporting requirements in Australia; and

(2) the remuneration disclosures that are contained in pages 11 to 14 of the directors' report comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.

PKF

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ARTHUR MILNER
Partner

Sydney, 31 August 2006