

**WRIDGWAYS AUSTRALIA LIMITED**  
**ACN: 079 887 728**

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18 February 2010

## **Wridgways Solid Performance**

Wridgways Australia Limited (ASX:WWA), Australia's only listed relocation services company, is pleased to announce a solid 2009-2010 half year result despite very challenging market conditions.

Revenue for the six month period to 31 December 2009 fell by 7.8% compared to the first half of the 2008-2009 financial year and net profit after tax was down 4.4%, largely due to lower margins in its domestic division caused by industry wide discounting. While these results are not as strong as last year's record performance for the same period, the Board considers the 2009-2010 half yearly results to be very satisfactory given the economic uncertainty and declining demand experienced during the six months.

Directors have resolved to maintain a fully franked interim dividend of 6.0 cents per share [2009 6.0 cents]. This will be payable on 12 March 2010 to shareholders registered as such on 5 March 2010.

<b>Results summary for</b>	<b>31 Dec 2009 (\$'000)</b>	<b>31 Dec 2008 (\$'000)</b>	<b>% Change</b>
Revenue	57,407	62,241	(7.8)
EBIT (Earnings before interest and tax)	5,114	5,331	(4.1)
Profit after tax	3,576	3,742	(4.4)
Earnings per share – diluted (cents)	11.18¢	11.69¢	(4.4)
Final dividend per share (cents – fully franked)	6.0¢	6.0¢	0.0

### **Outlook**

The second half of the 2009 – 2010 financial year will continue to be challenging. The Directors' view is that the economic recovery will be steady but slow and, although there are indications of an improving business environment, it is fragmented and very much regionalised. Accordingly the Directors do not expect any broad-based improvement in trading conditions to emerge until the end of the 2010 calendar year.

Wridgways remains debt free and is well positioned in the relocation market with a highly experienced management team focused on cost control and profitability. The company remains in an excellent position to take full advantage of the economic recovery expected in late 2010.

Enquiries to:

Des Stickland, Managing Director, Wridgways Australia Limited 0417 258 372

### **About Wridgways**

*Wridgways is recognised internationally as a world-class relocation company, offering a full range of packaging, storage, transportation and relocation services. It has 30 offices Australia-wide, with 750,000 square feet of warehousing, 620 employees and sub-contractors, and 300 vehicles. The company was founded in 1892 and listed on the ASX in 1999.*

# **Half Year Report Of Wridgways Australia Limited for the Period Ended 31 December 2009**

ABN 82 079 887 728

This Half Year Report is provided to the Australian Stock Exchange (ASX)  
under ASX Listing Rule 4.2A.3

Current Reporting Period: Half Year Ended 31 December 2009

Previous Corresponding Period: Half Year Ended 31 December 2008

**Wridgways Australia Limited**  
**Half Year Report**  
**For the Period Ended 31 December 2009**

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## Section A: Results for Announcement to the Market

### Revenue and Net Profit

		<b>Percentage Change %</b>		<b>Amount \$'000</b>
Revenue from operations	Down	7.8%	To	57,407
Profit after tax attributable to members	Down	4.4%	To	3,576
Profit attributable to members	Down	4.4%	To	3,576

### Dividends (Distributions)

	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend in respect of 30 June 2009 financial year - Paid 25 September 2009	11.0¢	11.0¢ (at 30% tax)
Interim dividend in respect of 30 June 2010 financial year	6.0¢	6.0¢ (at 30% tax)

Record date for determining entitlements to the interim dividend is

5 March 2010
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## **Section B: Commentary on Results**

### **Brief Explanation of Revenue, Net Profit and Dividends**

Revenue to the end of December 2009 decreased by 7.8% to \$57.407m.

Profit after tax to the end of December 2009 decreased by 4.4% to \$3.576m

#### **Dividends**

The directors have declared a fully franked interim dividend of 6.0 cents per share (2009 interim: 6.0 cents) to be paid on 12 March 2010 to shareholders registered as such on 5 March 2010.

# **Wridgways Australia Limited**

ABN 82 079 887 728

Financial report for the half-year ended 31 December 2009

# **Financial Report for the Half-year ended 31 December 2009**

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## Directors' Report

The directors of Wridgways Australia Limited ("Wridgways") submit herewith the financial report for the half-year ended 31 December 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Anthony W Whatmore  
James A Brown  
Bryan D Weir  
Peter A S Jones  
Andrew L Horsley  
Desmond F Stickland  
Brian C Clarke

The above named directors held office during and since the end of the half-year except for:

- Anthony W Whatmore – resigned 22 October 2009
- James A Brown – resigned 22 October 2009
- Peter A S Jones – appointed 1 September 2009
- Andrew L Horsley – appointed 1 January 2010

### Review of operations

The consolidated net profit for the half year was \$3,576,000 (31 December 2008: \$3,742,000). A review of operations is contained in the Chairman's report.

### Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

### Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Mr B D Weir  
Director



Mr D F Stickland  
Director

Sydney, 18 February 2010



Board of Directors  
Wridgways Australia Limited  
26-40 Nina Link  
DANDENONG SOUTH, VIC 3175

18 February 2010

Dear Board Members

**Wridgways Australia Limited**


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Wridgways Australia Limited.

As lead audit partner for the review of the financial statements of Wridgways Australia Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU

  
David A Watson  
Partner  
Chartered Accountants

## **Independent Auditor's Review Report to the Members of Wridgways Australia Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Wridgways Australia Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 17.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Wridgways Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Auditor's Independence Declaration*

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

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wridgways Australia Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

*J. A. Watson*  
David A Watson  
Partner  
Chartered Accountants  
Melbourne, 18 February 2010

## Directors' Declaration

The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Mr B D Weir  
Director



Mr D F Stickland  
Director

Sydney, 18 February 2010

## Condensed Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2009

	<b>Consolidated</b>	
	<b>Half-year ended 31/12/2009 \$'000</b>	<b>Half-year ended 31/12/2008 \$'000</b>
Revenue	57,407	62,241
Other income	15	36
Freight and direct expenses	(37,665)	(42,160)
Occupancy expenses	(3,012)	(2,538)
Sales and administration expenses	(11,631)	(12,248)
Finance costs	-	-
<b>Profit before tax</b>	<b>5,114</b>	<b>5,331</b>
Income tax expense	(1,538)	(1,589)
<b>Profit for the period</b>	<b>3,576</b>	<b>3,742</b>
<b>Total comprehensive income for the period</b>	<b>3,576</b>	<b>3,742</b>
<b>Total comprehensive income attributed to owners of the parent</b>	<b>3,576</b>	<b>3,742</b>
<b>Earnings per share:</b>	<b>¢</b>	<b>¢</b>
Basic (cents per share)	11.18	11.69
Diluted (cents per share)	11.18	11.69

Notes to the condensed consolidated financial statements are included on pages 10 to 17.



## Condensed Consolidated Statement of Financial Position as at 31 December 2009

	Consolidated	
	31 December 2009 \$'000	30 June 2009 \$'000
<b>Current assets</b>		
Cash	4,749	9,382
Trade and other receivables	14,710	8,575
Inventories	559	419
Other	1,397	1,368
<b>Total current assets</b>	<b>21,415</b>	<b>19,744</b>
<b>Non-current assets</b>		
Plant and equipment	7,736	7,371
Deferred tax assets	963	1,092
Goodwill	1,529	1,529
Brand name	8,000	8,000
Other intangible assets	1,191	1,058
<b>Total non-current assets</b>	<b>19,419</b>	<b>19,050</b>
<b>Total assets</b>	<b>40,834</b>	<b>38,794</b>
<b>Current liabilities</b>		
Trade and other payables	18,999	16,880
Current tax payables	550	555
Provisions	3,519	3,633
Other	40	40
<b>Total current liabilities</b>	<b>23,108</b>	<b>21,108</b>
<b>Non-current liabilities</b>		
Provisions	187	184
Other	305	324
<b>Total non-current liabilities</b>	<b>492</b>	<b>508</b>
<b>Total liabilities</b>	<b>23,600</b>	<b>21,616</b>
<b>Net assets</b>	<b>17,234</b>	<b>17,178</b>
<b>Equity</b>		
Issued capital	1,500	1,500
Retained earnings	15,734	15,678
<b>Total equity</b>	<b>17,234</b>	<b>17,178</b>

Notes to the condensed consolidated financial statements are included on pages 10 to 17.

## Condensed Consolidated Statement of Changes in Equity for the half-year ended 31 December 2009

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2008	1,500	14,452	15,952
Profit for the period	-	3,742	3,742
<b>Total comprehensive income for the period</b>	-	3,742	3,742
Payment of dividends (Note 4)	-	(3,520)	(3,520)
<b>Balance at 31 December 2008</b>	<b>1,500</b>	<b>14,674</b>	<b>16,174</b>
Balance at 1 July 2009	1,500	15,678	17,178
Profit for the period	-	3,576	3,576
<b>Total comprehensive income for the period</b>	-	3,576	3,576
Payment of dividends (Note 4)	-	(3,520)	(3,520)
<b>Balance at 31 December 2009</b>	<b>1,500</b>	<b>15,734</b>	<b>17,234</b>

Notes to the condensed consolidated financial statements are included on pages 10 to 17.

## Condensed Consolidated Statement of Cash Flows for the half-year ended 31 December 2009

	Consolidated	
	Half-year ended 31/12/2009 \$'000	Half-year ended 31/12/2008 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	51,194	57,541
Interest received	91	226
Payments to suppliers and employees	(49,879)	(55,385)
Income tax paid	(1,414)	(1,908)
Net cash (used in) / provided by operating activities	(8)	474
<b>Cash flows from investing activities</b>		
Payment for software, plant and equipment	(1,115)	(2,333)
Proceeds from sale of plant and equipment	10	49
Net cash used in investing activities	(1,105)	(2,284)
<b>Cash flows from financing activities</b>		
Dividends paid	(3,520)	(3,520)
Net cash used in financing activities	(3,520)	(3,520)
<b>Net decrease in cash</b>	(4,633)	(5,330)
<b>Cash at the beginning of the half-year</b>	9,382	8,847
<b>Cash at the end of the half-year</b>	4,749	3,517

Notes to the condensed consolidated financial statements are included on pages 10 to 17.



# Notes to the Condensed Consolidated Financial Statements

## 1. Summary of Accounting Policies

### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

### Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2009 annual financial report for the year ended 30 June 2009.

### Adoption of new and revised Financial Reporting Standards

The Consolidated Entity has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current half year reporting period. These include:

- AASB 8 Operating Segments
- AASB 101 Presentation of Financial Statements

The adoption of these new and revised Standards and Interpretations has resulted in changes to presentation of, or disclosure in, its half year financial statements in the following areas:

- AASB 101 Presentation of financial statements (2007) has introduced terminology changes and changes in the format and content of the financial statements
- AASB 8 Operating Segments is a disclosure standard that has resulted in the re-designation of the Consolidated entity's reportable segments.

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the half-year financial report:

#### (a) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full. Changes in the interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. .

## 1. Summary of accounting policies (cont'd)

### (b) Revenue recognition

Revenue from the provision of removal services is recognised when the freight is delivered. Revenue from the provision of storage services is recognised over the period of storage. Dividend revenue is recognised on a receivable basis. Interest and rental revenue is recognised on an accrual basis.

### (c) Income tax

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Wridgways Australia Limited is the head entity in the tax-consolidated group. Wridgways Australia Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

### (d) Goods and services tax

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

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

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

## 1. Summary of accounting policies (cont'd)

### (d) Goods and services tax (cont'd)

Cash flows are included in the cash flow statement on a net basis. 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.

### (e) Trade and other receivables

Trade receivables and other receivables are recorded at amortised cost less impairment.

### (f) Inventories

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

### (g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Transport Fleet 5 – 10 years
- Plant and Equipment 3 – 40 years

### (h) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## 1. Summary of accounting policies (cont'd)

### (i) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired. Goodwill is measured as the excess of the cost of acquisition, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition date amounts of identifiable assets acquired and liabilities assumed. If after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any controlling interests in the acquire and the fair value of the acquirer's previously held equity interest in the acquire (if any), the excess is recognised immediately in the profit or loss as a bargain purchase price. Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed (refer note 1(1)).

### (j) Brand name

The consolidated entity's brand name, Wridgways, is recorded at cost of acquisition. In the opinion of the Directors, the brand name does not have a finite useful life. Accordingly, the brand name is not amortised but tested for impairment annually and whenever there is an indication that the brand name may be impaired. The following factors support the Directors' opinion of indefinite useful life:

- There is no legal (either by way of statute or contract) limitation on the life of the Wridgways brand name. The ownership is absolute and therefore not limited as to term;
- The Wridgways brand name value derives from the market recognition of the quality of the Wridgways' removal and storage services. Such services are not adversely impacted by changes in technology and regulatory frameworks or a dependence on key industries or customers. Therefore, there is no expectation that the usefulness of the brand name will diminish over time due to technical or commercial obsolescence;
- For over 100 years the brand name has been actively promoted and is prominent across the market place;
- The Wridgways name has continued to be used throughout various changes in ownership of the company. The business had its origins in a business started by Mr Ernest Wridgway in Melbourne in 1892. The business then conducted under the Wridgways name was acquired by Ansett in 1972 and sold to TNT in 1994. In 1997, Wridgways was acquired by its management team and two management buy-out funds where it was finally listed on the Australian Stock Exchange in 1999;
- History of strong earnings in the business under the brand name.

The brand name was recognised at its fair value on the acquisition of the business of Wridgways Limited on the basis of an independent valuation prepared by Grant Thornton Corporate (NSW) Pty Limited dated 27 October 1998. The basis of the valuation was the relief from franchise fee method.

### (k) Intangible assets

#### Software

Software is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 2 – 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

## 1. Summary of accounting policies (cont'd)

### (l) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (m) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

### (n) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

### (o) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

## 1. Summary of accounting policies (cont'd)

### (p) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

#### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

### (q) Financial instruments issued by the company

#### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

#### Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

### (r) Foreign currency

#### Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## 2. Segment information

The consolidated entity has adopted AASB 8 Operating Segments, AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 8 and AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources and to assess performance. In contrast, the predecessor Standard (AASB 114 Segment Reporting) required an entity to identify two sets of segments, business and geographical, based on a risks and rewards approach.

As a result, following the adoption of AASB 8, the consolidated entities reportable segments have changed. The consolidated entities reportable segments under AAS 8 are as follows:

- Removals and Storage
- Other

Removals and Storage provides removals and storage services to domestic and international customers.

Other is the aggregation of the consolidated entity's other operating segments that are not separately reportable. Included in Other are the operating segments Move Dynamics, Wridgways Move Solutions and Project Management.

Move Dynamics is a relocation management and removals brokerage business servicing the relocation procurement needs of State and Federal governments on a contract basis.

Wridgways Move Solutions is a specialist relocation services provider to newly recruited corporate employees or employees on transfer within Australia or overseas.

Project Management is a highly specialised division providing transport, storage and logistics to the hotel and resort industry. Project Management facilitates complete project solutions to new hotel or resort enterprises or enterprises undergoing partial or complete refurbishment.

Information regarding these segments is presented below. The accounting policies of the new reportable segments are the same as for the consolidated entity.

	Revenue		Segment Profit	
	Half-year ended 31/12/2009 \$'000	Half-year ended 31/12/2008 \$'000	Half-year ended 31/12/2009 \$'000	Half-year ended 31/12/2008 \$'000
<b>Continuing Operations</b>				
Removals and storage	50,019	54,752	15,995	16,465
Other	7,290	7,258	1,623	1,530
	<b>57,309</b>	<b>62,010</b>	<b>17,618</b>	<b>17,995</b>
Interest revenue	91	226	91	226
Administrative costs			(12,617)	(12,931)
Other income	7	5	22	41
Profit before tax from continuing operations			<b>5,114</b>	<b>5,331</b>
Consolidated revenue	<b>57,407</b>	<b>62,241</b>		

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the period.

Segment profit represents the profit earned by each segment without allocation of central administrative costs, interest income and tax. This is the measure that is reported to the Chief Operating Decision maker for the purposes of resource allocation and performance assessment.

Assets are not allocated to each operating segment and are reviewed by the Chief Operating Decision maker on a consolidated entity basis.

### 3. Seasonality

The removals industry typically experiences peak demand for services in December and January. Accordingly receivables and payables are generally higher as at 31 December compared to 30 June, with the majority of revenues and profits being earned during this period.

### 4. Dividends

#### Recognised amounts

##### **Fully paid ordinary shares**

Final dividend paid in respect of the prior financial year – franked to 30%

Half-year ended 31 December 2009		Half-year ended 31 December 2008	
Cents per share	Total \$'000	Cents per share	Total \$'000
11.0	3,520	11.0	3,520
6.0	1,920	6.0	1,920

#### Unrecognised amounts

##### **Fully paid ordinary shares**

Interim dividend in respect of current financial year – franked to 30%

### 5. Net Tangible Assets Per Share

Consolidated net tangible assets per share

31/12/09  
\$

31/12/08  
\$

\$0.20

\$0.18

Net Tangible Assets at 31 December 2009 of \$6,514,000 consists of Net Assets of \$17,234,000 less Intangible Assets of \$10,720,000.

### 6. Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the half-year period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.