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Tox Free Solutions Limited
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23 August 2012

ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
APPENDIX 4E
PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2012**

Tox Free Solutions Limited (**Toxfree**) is pleased to present Appendix 4E containing details of Toxfree's financial results for the year ended 30 June 2012.

Yours faithfully
TOX FREE SOLUTIONS LIMITED

DAVID McARTHUR
Company Secretary

Managing Director's Review

Tox Free Solutions Limited (“**Toxfree**”, the “**Company**” or “**Group**”) is pleased to present the following operational and financial results for the financial year ended 30 June 2012.

Financial year 2012 has been Toxfree's most successful to date. Our business continues to expand in line with our vision of being Australia's leading waste management and industrial services Company.

During the year we welcomed an additional 250 employees, increased our net profit after tax (NPAT) by 31%*, commenced operations in three new geographic regions and doubled our hazardous waste services, all without major incident or lost time injury.

This achievement could only be possible through the hard work and commitment from all of our employees and I thank them all for their contributions.

Key Highlights

Highlight | *Health, Safety and Environment*

- Zero Lost Time Injuries throughout the financial year.
- Awarded the NSCA/GIO National Safety Award of Excellence for the development of Australia's first formal National High Pressure Water jetting qualification.
- Continued with third party accreditation to AS/NZS: 4801, AS/NZS ISO: 9001 and AS/NZS ISO 14001 standards across all of our operations nationally.
- Launched the “Recycling Warriors” school recycling campaign with Rio Tinto in the Pilbara.

Highlight | *Strategy*

- Hazardous Waste
 - Acquisition of DoloMatrix International Ltd (DMX) subsidiaries comprising Chemsal, BCD Technologies, Entech Industries and Waste Audit to create Australia's leading hazardous waste management company.
- Expansion of services in new geographic regions leveraged to the resource sector
 - Establishment of waste and industrial services in Gladstone, Queensland and commencement of Asia Pacific LNG (APLNG) waste services contract for Bechtel Australia.
 - Pilbara expansion with the acquisition of Pilbara Waste in Port Hedland.
 - Establishment of services in MacKay, Queensland through the acquisition of MMS Enterprises.
 - Central Queensland expansion in Surat Basin through establishment of services in Roma.
 - Commencement of services in the Northern Territory with the acquisition of Waste Solutions (NT).
- Long term contracts with Blue Chip clients
 - Awarded Asia Pacific LNG waste services contract with Bechtel Australia.
 - Awarded Origin Energy Waste and Industrial Services contract in the Surat Basin.
 - Commencement of an indigenous joint venture and award of waste services contract with Fortescue Metals Group.
 - Extension of existing Woodside Energy North West Shelf Venture (NWSV) contract and commencement of waste services for Woodside Pluto LNG.

- Extension of Toll Energy (Gorgon LNG) waste services contract.
- Tender pipeline - \$150M tendered and pending as at 1 July 2012.
- Rebranding of all business units across Australia to one brand “Toxfree” to create a unified business and link our diverse range of integrated industrial and waste management services to market our business to a broader client base and build brand equity for our stakeholders.

Highlight | Financial

- Revenue of \$207.9M up 45% on prior corresponding period (pcp)
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) \$45.0M up 37% on pcp*
- Earnings before Interest and Tax (EBIT) \$28.9M up 35% on pcp*
- Net Profit after Tax (NPAT) \$17.2 M up 31% on pcp*
- Earnings per Share (EPS) 16.3 cents up 15% on pcp*
- Net debt to equity of 30%
- Dividend increased to 4 cents per share
- Cash generated from operations of \$38.5M being 86% of EBITDA*

Highlight | Our People

- Welcomed 250 new employees to the Group – Toxfree has over 800 employees Australia wide.
- Skills assessment and competency training framework developed and underway.
- Indigenous career development programme in place.
- Commencement of an indigenous joint venture in the Pilbara and award of a waste services contract with Fortescue Metals Group.

Highlight | Operations

- Major contracts performing well, meeting customer expectations without major incident.
- Waste services achieved strong earnings growth.
- Industrial services on the east coast performed well with Gold Coast, Central Queensland and Victoria meeting expectations.
- Integration of DoloMatrix subsidiaries has been according to plan with earnings in line with expectations.

**FY2012 excludes DMX acquisition costs of \$1.49 M*

FY2011 excludes Grass Valley bad debt write off of \$1.2 M NPAT

Financial Year 2012 Overview

Health, Safety and Environment



To meet customer expectations with no incidents, no harm to people or the environment and no damage to property

Our behavioural based safety mantra is 'Harmfree'. It is ingrained in the culture of our business and is focused on the principles of; exceeding customer expectations with no harm to people, no harm to the environment, and no harm to property. These are the values that are built into every activity that we undertake.

We are committed to developing a workplace that is incident and injury free, by working together to send our employees and contractors home safe from work every day.

We have developed a safety culture where "If you see it, you own it", thus promoting a strong "Stop Work Authority".

Toxfree are proud to advise there have been no Lost Time Injuries (LTI's) this financial year and our Lost Time Injury Frequency Rate remains Zero. We continue to remain vigilant about safety and environmental performance throughout our business and strive for continued reduction in risk across all of our business units.

The Company continues to implement the group's Quality, Environment, Safety and Training (QUEST) system across all of its operations. Approximately two thirds of our operations have completed third party accreditation to AS/NZS: 4801, AS/NZS ISO: 9001 and AS/NZS ISO 14001 standards. Over the next 12 months the remainder of the company will complete accreditation, including all newly acquired businesses.

Toxfree was awarded the 2011 NSCA/GIO National Safety Awards of Excellence, for the development and implementation of the High Pressure Water Operators Course, which is now included in the National Training register (Certificate II and III in High Pressure Water Jetting). These are the first formal, National High Pressure Water Jetting qualifications available anywhere in Australia for HP Operators.

We are extremely pleased with this recognition as it demonstrates to our clients and employees our commitment to improve the health and safety of our workplace.

Strategy

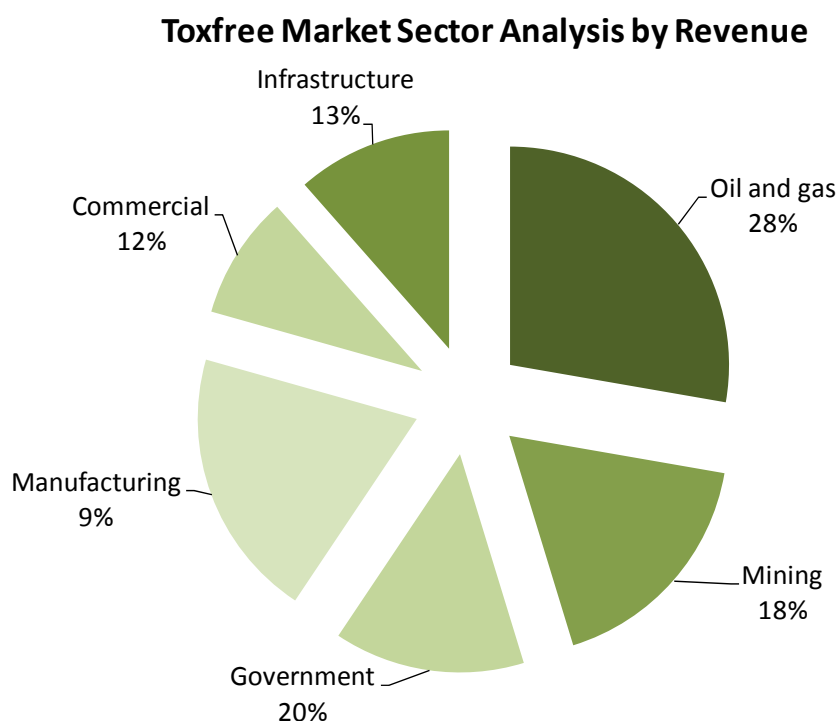
Toxfree's growth strategy is threefold:

- 1 | To be the leading provider of hazardous and industrial waste management services nationally,
- 2 | To obtain long term industrial service and waste management contracts with Blue Chip clients throughout Australia, and
- 3 | Provide a full range of waste management and industrial services in regional areas primarily linked to the resource sector.

Since 2005 we have built a business that employs over 800 people, operates from 35 different geographic locations across Australia and services over 5,000 customers nationally. This has been achieved through acquiring businesses that complement our strategy, expanding our suite of services and geographic locations, developing new green field operations and organically growing our service lines and client base.

Our strategy is focused on ensuring we have high earnings visibility and lower earnings risk through the provision of multiple services across a broad number of industry sectors. This is reflected in the breakdown of our revenue by industry type.

Approximately 28% of our business services the oil and gas sector, 20% Government, 18% mining, 13% infrastructure, 12% commercial and 9% manufacturing. Of this over 80% of our revenue is derived from customers who require waste management and industrial services on a continuing basis from regular production operations like LNG production, iron ore mining, household hazardous waste collection, waste from municipal services or waste from manufacturing sector, as an example.



Approximately 20% of our revenue is project driven through construction projects like the Gorgon LNG and APLNG projects, remediation of legacy wastes, emergency response services and waste auditing.

Waste management is required through all stages of a business's lifecycle, through construction into production. Our objective when providing services to a construction based project is to ensure we provide safe, reliable and sustainable services through construction stage into the production stage of the facilities lifecycle.

Our clients contract our services because we are safe, reliable and sustainable. We have the ability to manage all of their waste management and industrial services requirements in house, we sustainably manage their wastes streams and provide them with real time waste tracking and reporting using our proprietary waste tracking system, Wastefree.

Over the last few months we have set our three year strategic plan for FY13 – FY15. The Board, Executive and Senior Management have developed a number of strategic initiatives to focus the business on realising our growth strategies and ensuring our business is sustainable.

The five key areas of focus are:

- Customers and Markets
- Health, Safety and Environment
- People and culture
- Systems and processes
- Financial performance

During FY12 we have continued the development of our strategy:

- 1 |** to be the leading provider of hazardous and industrial waste management services nationally,
 - Acquisition of DoloMatrix International subsidiaries comprising Chemsal, BCD Technologies, Entech Industries and Waste Audit to create Australia's leading hazardous waste management company
 - We operate a diverse range of hazardous waste treatment technologies including incineration, plasma arc, stabilization and fixation, physiochemical treatment, thermal desorption (indirect and direct)
- 2 |** provide a full range of waste management and industrial services in regional areas primarily linked to the resource sector
 - Establishment of services in Gladstone, Queensland and commencement of APLNG waste services contract
 - Central and inland Pilbara expansion with commencement of services with the acquisition of Pilbara Waste in Port Hedland
 - Establishment of services in MacKay, Queensland through the acquisition of MMS Enterprises
 - Central Queensland expansion in Surat Basin through establishment of services in Roma

3 | to obtain long term industrial service and waste management contracts with Blue Chip clients throughout Australia

- Awarded APLNG waste services contract with Bechtel Australia,
- Awarded Origin Energy contract in the Surat Basin
- Commencement of an indigenous joint venture and award of waste services contract with Fortescue Metals Group
- Extension of existing Woodside Energy North West Shelf Venture contract and commencement of waste services for Woodside Pluto LNG
- Extension of Toll Energy (Gorgon LNG) waste services contract

During the year we also updated our livery and began rebranding all of our operations under the one name "Toxfree". We have over 10,000 mobile assets including trucks, light vehicles and bins located across Australia. By investing in our brand we will create a unified business and more actively promote the linkage of our integrated industrial and waste management services to market our business to a broader client base and build brand equity for our stakeholders. The cost of rebranding in the year was approximately \$500,000.

The newly acquired assets of Chemsal, BCD Technologies, Waste Solutions (NT) and Pilbara Waste will also be rebranded over the next 12 months.

Our People

Toxfree is an equal opportunity employer and our people are the cornerstone of our business. We aim to create a positive and challenging work environment in which employees feel that they can realise their full potential and work as part of a committed professional team. We are proud of our employees and the skills, experience and commitment that they contribute to the organisation.

Toxfree is committed to engaging with Indigenous communities, understanding their culture, customs, practices and working in partnerships to support them in achieving their aspirations and the needs of their communities. The Company is committed to our indigenous employment program in an effort to foster a diverse and multicultural workforce. Our Indigenous Liaison Officer continues to pursue the following initiatives:

- Community support
- Indigenous employment and training
- Identification and support to develop local Indigenous enterprises

Financial

Revenue for the 2012 financial year was \$207.9M an increase of 45% compared to the previous corresponding financial year (2011: \$143.5M). EBITDA* increased by 37% to \$45.0M (2011: \$32.8M) before depreciation and amortisation expense of \$16.1M. EBIT* increased by 35% to \$28.9M compared to the previous corresponding financial year (2011: \$21.3M).

NPAT* of the Group for the financial year ended 30 June 2012 increased by 31% to \$17.2M (2011: \$13.1M) which includes income tax expense of \$7.5M.

The Group's debtor days outstanding are at 71 days at the year end with cash in bank of \$18.9M and total debt of \$66.6M. The Statement of Financial Position is in good order with net debt of \$47.7M and net debt to equity of 30%. Cash generated from operations was 86% of EBITDA*. The Company's Statement of Financial Position and cash position enables Toxfree to pursue further growth opportunities to support our corporate strategy.

Included in the period were the expenses associated with the DoloMatrix acquisition of \$1.49 M. These expenses included legal fees, consultancy and advisor fees that were not capitalised and one off in nature.

The Board is also pleased to announce an increase in Company dividend to 4 cents per share, which will be fully franked. The 4 cent per share dividend represents a 27%* return of FY12 net profit and an increase of 33% on the prior year.

**FY2012 excludes DMX acquisition costs of \$1.49 M*

FY2011 excludes Grass Valley bad debt write off of \$1.2 M NPAT

Summary of Results

Table 1 | Group Results

	30 June 2012	30 June 2011	% change
	\$'000	\$'000	
Revenue	207,963	143,556	45
EBITDA*	45,003	32,842	37
Depreciation and amortisation	(16,121)	(11,510)	40
EBIT*	28,882	21,332	35
Gross interest	(4,171)	(2,521)	65
Profit before tax*	24,711	18,811	31
Income tax expense	(7,503)	(5,717)	31
Profit after tax*	17,208	13,094	31
Earnings per share (cents)*	16.30	14.23	15
Weighted average number of shares on issue (million)	106	92	15

*FY2012 excludes DMX acquisition costs of \$1.49 M

FY2011 excludes Grass Valley bad debt write off of \$1.2 M NPAT

Table 2 | Divisional Revenue

	30 June 2012 \$'000	30 June 2011 \$'000	% change
Industrial Services	70,812	70,026	1
Waste Services	94,051	44,343	112
Hazardous Waste Services	43,100	29,187	48
Total consolidated revenue	207,963	143,556	45

Table 3 | Divisional EBIT

	30 June 2012 \$'000	30 June 2011 \$'000	% change
Industrial Services	9,986	11,329	(12)
Waste Services	21,994	11,525	91
Hazardous Waste Services	12,951	11,201	16
Unallocated corporate EBIT*	(16,049)	(12,723)	26
Total consolidated EBIT*	28,882	21,332	35

*FY2012 excludes DMX acquisition costs of \$1.49 M

FY2011 excludes Grass Valley bad debt write off of \$1.2 M NPAT

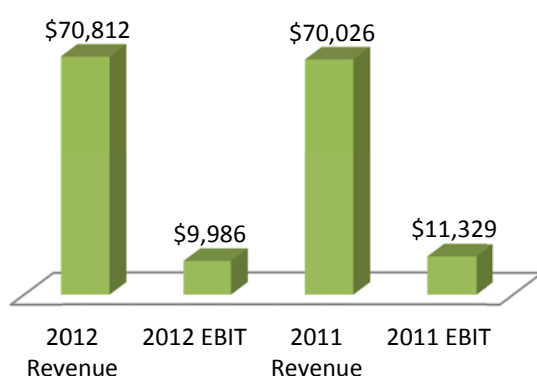
Table 4 | Divisional Margins

	30 June 2012 %	30 June 2011 %	Change
Industrial Services	14	16	(2)
Waste Services	23	26	(3)
Hazardous Waste Services	30	38	(8)

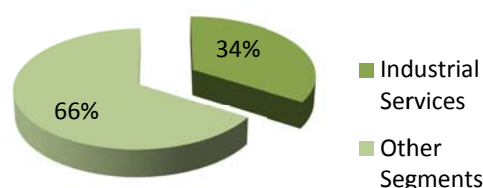
Review of Operations

Industrial Services

Divisional Revenue and EBIT



Revenue as a % of Group Revenue



Industrial Services | Overview

Toxfree’s Industrial Services Division provides onsite industrial cleaning to the oil and gas, mining, heavy manufacturing, civil infrastructure, municipal and utilities sectors. Services include; tank and drain cleaning, high pressure water jetting, vacuum loading and liquid and industrial waste collection.

The provision of industrial services is an extremely important part of the Group’s integrated service offering. Not only are industrial services the main interface with our clients, they also harvest the waste that is subsequently managed through the Company’s treatment facilities.

Toxfree is a leading provider of industrial services in Australia, through ensuring the employment of competent and trained personnel, a commitment to the safest work practices, safest equipment and mobile vehicle fleet.

Industrial Services | Performance

Toxfree is pleased to advise that it has completed the rebranding of all Barry Bros. fleet and operations to ‘Toxfree’ during the second half of the financial year. We believe the new brand will market our business to a broader client base and build brand equity for our stakeholders. The cost of Barry Bros. rebranding was approximately \$300,000.

Earlier in the year we also consolidated our South West Industrial services into one location at Henderson. Included in the result is the write off of \$310,000 through the closure of Delvex site as a result of the consolidation of our operations.

The operating performance from our Industrial Services division met our expectations with revenue improving slightly to \$70.8M, however EBIT decreased due to the costs of rebranding, the Delvex site closure and \$250,000 bad debt exposure to Reed Constructions Australia Pty Ltd. We expect margins will return to normal levels in financial year 2013.

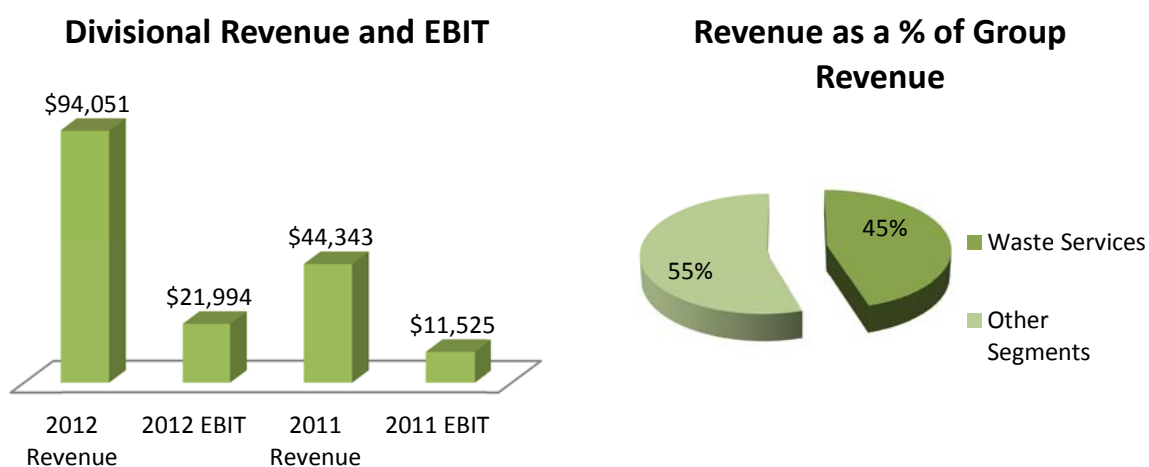
The revenue growth was mainly attributed to the addition of MMS Enterprises in Mackay and from our operations in Central Queensland, Northern New South Wales and our West Coast industrial services through provision of services to the resource sector.

Municipal industrial services provided in the major metropolitan cities on the east coast of Australia were steady with high utilisation of equipment. Gold Coast and Melbourne performed solidly; however Brisbane and Sydney were below expectations.

Industrial Services | Outlook

Resources are focused on further award of contracts to the oil and gas, mining and heavy manufacturing sector throughout Australia. The Company currently has a strong pipeline in excess of \$150M of waste and industrial service contracts tendered and pending.

Waste Services



Waste Services | Overview

Waste Services are provided in regional areas of Australia as part of Toxfree's total waste management service offering. Services are currently provided throughout the Kimberley, Pilbara and South West regions of Western Australia and Gladstone and Roma in Queensland. Services have also commenced in the Northern Territory through the acquisition of Waste Solutions (NT) on 1 July 2011.

Waste Services includes the collection, resource recovery, recycling and disposal of solid, industrial, municipal and commercial wastes.

Waste Services | Performance

Waste Services division grew significantly during the period with revenue increasing by 112% to \$94.1M and EBIT by 91% to \$22.0M. The operating margins within the division reduced slightly to 23% due to mobilisation costs associated with the APLNG and FMG contracts.

In September 2011, Toxfree acquired Pilbara Waste Pty Ltd, which is a leading Pilbara solid waste management company located in Port Hedland. They are known for their strong association with the indigenous community in Port Hedland and are an indigenous employer of choice. The solid waste services of Pilbara Waste complement our existing hazardous waste services in Port Hedland enabling us to offer our clients in the region total waste management solutions.

In July 2011, Toxfree commenced operations in Gladstone and was later awarded a waste services contract with Bechtel Australia for waste generated from the Asia Pacific LNG (APLNG) construction project in Gladstone. Construction is in the early stages of development and hence the contribution from this region was not significant in FY12. Toxfree expect significant growth from this location through the existing industry in the region and the significant investment in the Coal Seam Gas to LNG facilities being built in the region.

Toxfree's contract with Toll Energy to manage waste produced from the Gorgon LNG Project on Barrow Island has performed well and the Company has been granted a 12 month extension to the existing contact until July 2013. Toxfree has embraced an incident and injury free culture throughout its operations and is proud to have achieved over 1200 days lost time injury (LTI) free. Our goal is to support our client Toll Energy and Chevron in their pursuit to build the largest and most successful capital expenditure construction project in Australia's history, safely without major incident and lost time injury.

Operations in the Kimberley region of Western Australia improved their performance during the period with the introduction of new vehicles improving our customer service and earnings. The growing resource sector in the region is also expected to provide growth opportunities in the short to medium term through development of the Shell Prelude LNG project and development of Inpex's Ichthys project in the Browse basin.

We were pleased with the performance of Waste Solutions in the Northern Territory, which contributed a full year of earnings to this result. The development of the Inpex Ichthys LNG project and expansion of defence services in the region is expected to drive further growth.

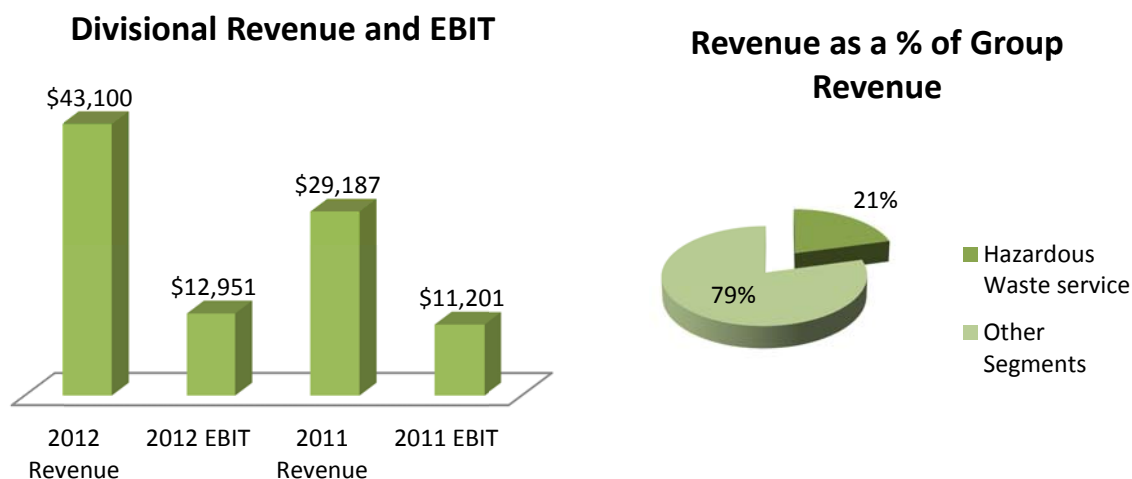
Our Karratha operations performed well with Woodside, Rio Tinto, Mermaid Marine and Apache contracts performing to expectations. Toxfree will continue to focus on our service commitments to our clients in an effort to secure their services for the long term.

Waste Services | Outlook

Continued growth is expected in the solid waste sector as Toxfree expands its service offering into new geographic areas of Australia predominately throughout the regional resource hubs of Australia.

Toxfree expect to achieve organic growth as the committed capital expenditure in the resource sector continues in the regional resource areas of Australia.

Hazardous Waste Services



Hazardous Waste Services | Overview

Toxfree has a national network of liquid and hazardous waste management facilities throughout Australia. Services are provided from our Kwinana, Henderson, Karratha, Port Hedland, Kalgoorlie, Sydney, Brisbane and Melbourne facilities. Toxfree uses a number of technologies to manage this waste stream including, thermal desorption, incineration, plasma arc, base catalytic dechlorination, stabilisation and fixation, physiochemical treatment and reuse and recycling.

Hazardous Waste Services | Performance

The assets of Chemsal, BCD Technologies, Waste Audit and Entech Industries commenced contribution to this service line on 15 February 2012. Since this time the focus has been the merging of the two businesses operationally in NSW, Victoria, Queensland and Western Australia.

Operational and systems integration has been according to plan. The financial contribution from DMX assets has been in line with our expectations. It is expected that all sites will be operating under Toxfree's systems by the end of financial year 2013. Our operations are now focused on the streamlining of our treatment processes through directing waste to where it is most efficiently treated within the Group.

Revenues increased by 48% to \$43.1M mainly through the contribution of DMX assets in the second half.

Margins were impacted because the volumes of waste treated in Brisbane were below expectations and higher processing costs at Port Hedland continued. During March, April and May the Pilbara region was also impacted by cyclones which resulted in unexpected increase in processing costs due to a higher than normal volume of waste water and storm water requiring treatment.

A positive trend was the expansion of services into the Surat and Bowen basin regions of South West Queensland which are expected to increase Brisbane hazardous waste volumes.

Hazardous waste services at Toxfree's Kwinana and NSW facilities were steady and in line with budget expectations.

Hazardous Waste Services | Outlook

The merger of Toxfree's existing hazardous waste facilities with DMX has positioned Toxfree as a leader in the management of hazardous waste in Australia. The Company has a broad range of treatment technologies, intellectual property and licensed hazardous waste facilities throughout Australia.

The focus for financial year 2013 is to build upon this base and fine tune our waste treatment efficiencies by utilising each site to the best of its capacity. There are additional hazardous chemicals listed in the Stockholm convention that are expected to result in new markets for our destruction technologies when these chemicals are removed from the environment. The Carbon Tax is also likely to drive the requirement for the capture and removal of Halon and refrigerants from the environment to reduce industries' carbon footprint.

The upgrade of our Pilbara liquid waste treatment facilities is complete and they now have a greater capacity to manage liquid wastes and contaminated wash waters from the region. This should ensure we have capability to manage volumes of liquid waste generated from extreme cyclone events. The upgrade of the incinerator in Port Hedland is continuing to progress through the regulatory progress.

Unallocated Corporate EBIT | Overview

Our corporate expenses, as a percentage of revenue were 7.7% which was the same as the previous financial year. The business has the appropriate level of shared service in place to support the growth plans of the business and manage risk appropriately. There is not expected to be any further material change in corporate overhead in FY13.

One off expenses of \$1.49M, excluded from the normalised result, included; legal and acquisition costs incurred with the acquisition of DoloMatrix International subsidiaries.

The establishment of an Employee Share Trust, for the issue of long term incentives to our key management, will allow a higher portion of share based payments to be tax deductible over time.

We have also commenced a review of our corporate structure in an effort to consolidate the number of subsidiary companies to improve administration efficiencies and ensure the business is structured correctly to accommodate our growth aspirations.

Cash Flow and Statement of Financial Position

Table 5 | Group Statement of Cash Flow

	30 June 2012 \$'000	30 June 2011 \$'000	% change
Cash receipts from customers	199,030	134,107	48
Cash paid to suppliers and employees	(160,499)	(106,048)	51
Cash generated from operations	38,531	28,059	37
Net interest paid	(3,517)	(2,166)	62
Income taxes paid	(6,010)	(3,457)	74
Net operating cash flows	29,004	22,436	29
Net purchases of property, plant and equipment	(21,682)	(19,113)	13
Net payment for businesses and intangibles acquired	(73,053)	(1,199)	5,992
Net investing cash flows	(94,735)	(20,312)	3,664
Net proceeds from/(repayment of) borrowings	36,632	(4,975)	(836)
Proceeds from the issue of share capital (net of capital raising costs)	36,405	1,306	2,688
Dividends paid	(2,895)	(1,836)	58
Net financing cash flows	70,142	(5,505)	(1,374)
Net increase/(decrease) in cash	4,411	(3,381)	(230)
Cash at the beginning of the year	14,513	17,894	(19)
Cash at the end of the year	18,924	14,513	30

Table 6 | Group Statement of Financial Position

	30 June 2012 \$'000	30 June 2011 \$'000	% change
Cash	18,924	14,513	30
Trade and other receivables	52,731	35,741	48
Inventories	314	332	(5)
Prepayments	2,265	644	252
Tax assets	8,076	2,997	169
Property, plant and equipment	96,673	65,166	48
Intangibles	93,826	29,905	214
Total assets	272,809	149,298	83
Trade and other payables	33,935	14,886	128
Loans and borrowings	66,605	26,097	155
Employee benefits	4,158	2,877	45
Tax liabilities	7,447	3,198	133
Total liabilities	112,145	47,058	138
Total equity	160,664	102,239	57
Net debt	47,681	11,584	312
Net debt to equity	30%	11%	173

Outlook

Entering financial year 2013 the Company is confident we can again provide a positive outlook for our shareholders and continue to deliver growth in our profitability.

We provide a diverse range of services across multiple industry sectors mainly to ongoing production based businesses. We have a high level of visibility of our earnings for the medium term. We are also well positioned geographically to benefit from the committed capital expenditure in the resource sector.

Toxfree will endeavour to increase its market share across its divisions, through geographic expansion and potential acquisition of complementary businesses.

Overall the waste management industry is growing through a number of key drivers including:

- Increasing government levies, government regulation, the carbon tax and increasing landfill disposal costs will continue to drive recycling and waste treatment as waste is diverted from landfill.
- Environmental sustainability is driving the transition from landfill disposal to further recycling, treatment and resource recovery of waste.
- Large companies are aggregating their procurement more and increasing numbers are seeking a “One Stop Shop” solution.

The Company has cash reserves available and a strong Statement of Financial Position to continue its growth strategy.

We are committed to providing safe, reliable and sustainable services to our clients. Through this commitment, Toxfree aims to strengthen our long term relationships with clients.

The continuing success of the Company can only be achieved through the hard work and commitment of all Toxfree employees. On behalf of the Toxfree Board of Directors I would like to take this opportunity to thank all employees for their commitment.



Steve Gostlow | *Managing Director*

APPENDIX 4E – PRELIMINARY FINAL REPORT

Results for announcement to the market

For the year ended 30 June 2012

Previous corresponding period: year ended 30 June 2011

				\$'000
Revenue from ordinary activities	up	45%	to	207,963
Profit/(loss) from ordinary activities after tax attributable to members	up	32%	to	15,726
Net profit/(loss) for the period attributable to members	up	32%	to	15,726

Dividends

It is proposed to pay a fully franked dividend of 4 cents per share before the end of this calendar year.

	30 June 2012	30 June 2011
	cents	Cents
Net tangible assets per security	57.93	78.06

Entities over which control has been gained or lost during the period

Waste Solutions (NT) Pty Ltd	DoloMatrix Environmental Solutions Pty Ltd
Pilbara Waste Pty Ltd	BCD Technologies Pty Ltd
MMS Enterprises (Qld) Pty Ltd	Thermal Treatment Solutions Pty Ltd
Hazwaste Pty Ltd	SRL Plasma Pty Ltd
DoloMatrix Australia Pty Ltd	Entech Industries Pty Ltd
Dolocrete WA Pty Ltd	Waste Audit and Consultancy Services (Aust) Pty Ltd
Dolocorp Pty Ltd	

	30 June 2012	30 June 2011
	cents	Cents
Earnings per share	14.90	12.89
Diluted earnings per share	14.38	12.48

Audit status

This report is based on accounts which are in the process of being audited by BDO. Based on the findings from the procedures BDO have performed, BDO anticipate issuing an unmodified audit opinion.

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Consolidated Statement of Comprehensive Income | for the year ended 30 June 2012

	Notes	Consolidated	
		2012 \$'000	2011 \$'000
Revenue	4	207,963	143,556
Cost of sales		(130,081)	(93,541)
Gross profit		77,882	50,015
Other income		574	272
Finance income	5	654	354
Occupancy expenses		(4,327)	(3,084)
Administrative expenses		(47,383)	(27,979)
Finance expenses	5	(4,171)	(2,522)
Profit before income tax		23,229	17,056
Income tax expense	7	(7,503)	(5,191)
Profit from continuing operations		15,726	11,865
Profit for the period		15,726	11,865
Total comprehensive income for the period		15,726	11,865
Earnings per share		Cents	Cents
Basic earnings per share		14.90	12.89
Diluted earnings per share		14.38	12.48

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

Consolidated Statement of Financial Position | as at 30 June 2012

	Notes	Consolidated	
		2012 \$'000	2011 \$'000
ASSETS			
Cash and cash equivalents	8a	18,924	14,513
Trade and other receivables	9	52,731	35,741
Inventories	10	314	332
Prepayments		2,265	644
Total current assets		74,234	51,230
Deferred tax assets	7	8,076	2,997
Property, plant and equipment	11	96,673	65,166
Intangibles	12	93,826	29,905
Total non-current assets		198,575	98,068
TOTAL ASSETS		272,809	149,298
Liabilities			
Trade and other payables	13	33,935	14,886
Loans and borrowings	14	8,569	5,614
Employee benefits		3,648	2,768
Current tax payable		4,904	1,025
Total current liabilities		51,056	24,293
Loans and borrowings	14	58,036	20,483
Employee benefits		510	110
Deferred tax liability	7	2,543	2,172
Total non-current liabilities		61,089	22,765
TOTAL LIABILITIES		112,145	47,058
NET ASSETS		160,664	102,239
EQUITY			
Share capital	15	114,856	70,087
Reserves		6,020	5,195
Retained earnings		39,788	26,957
TOTAL EQUITY		160,664	102,239

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

Consolidated Statement of Cash Flows | for the year ended 30 June 2012

	Notes	Consolidated	
		2012 \$'000	2011 \$'000
Cash flows from operating activities			
Cash receipts from customers		199,030	134,107
Cash paid to suppliers and employees		(160,499)	(106,048)
Cash generated from operations		38,531	28,059
Interest received		654	355
Interest paid		(4,171)	(2,521)
Income taxes paid		(6,010)	(3,457)
Net cash from/(used in) operating activities	8b	29,004	22,436
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		5,470	274
Acquisition of subsidiary, businesses net of cash acquired	3	(73,053)	-
Acquisition of intangible assets		-	(1,199)
Acquisition of property, plant and equipment		(27,152)	(19,386)
Net cash from/(used in) investing activities		(94,735)	(20,312)
Cash flows from financing activities			
Proceeds from the issue of share capital		36,405	1,306
Proceeds from borrowings		54,145	10,980
Repayment of borrowings		(17,513)	(15,955)
Dividends paid	16	(2,895)	(1,836)
Net cash from/(used in) financing activities		70,142	(5,505)
Net increase/(decrease) in cash and cash equivalents		4,411	(3,381)
Cash and cash equivalents at 1 July		14,513	17,894
Cash and cash equivalents at 30 June		18,924	14,513

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

Consolidated Statement of Changes in Equity | for the year ended 30 June 2012

		Contrib. equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
	Notes				
Balance at 30 June 2011		70,087	5,195	26,957	102,239
Total comprehensive income for the year		-	-	15,726	15,726
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	15	44,769	-	-	44,769
Employee share options (net of cancellations)		-	825	-	825
Dividends paid	16	-	-	(2,895)	(2,895)
Balance at 30 June 2012		114,856	6,020	39,788	160,664
Balance at 30 June 2010					
		68,113	3,604	16,927	88,644
Total comprehensive income for the year		-	-	11,865	11,865
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	15	1,974	-	-	1,974
Employee share options (net of cancellations)		-	1,591	-	1,591
Dividends paid	16	-	-	(1,836)	(1,836)
Balance at 30 June 2011		70,087	5,195	26,957	102,239

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

Notes to the Consolidated Financial Statements | for the year ended 30 June 2012**Note 1 | Reporting Entity**

Tox Free Solutions Limited (**the Company**) is a Company domiciled in Australia. The address of the Company's registered office is 55 Carrington Street, Nedlands WA 6009. The consolidated financial statements of the Company as at and for the year ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group primarily is involved in the provision of industrial services and waste management.

Note 2 | Segment Information**(a) Description of Segments**

As noted within the Interim Report for the half year ended 31 December 2011 (4D), the Hazardous Waste and Liquid Waste segments previously reported separately in financial year 2011 have been consolidated into one segment named 'Hazardous Waste'. The processes of Hazardous Waste and Liquid Waste were similar and the business was better served reporting them together. The Managing Director considers the business strategically and operationally from a service perspective and has identified three reportable segments being:

- Industrial Services
- Waste Services (previously Solid Waste)
- Hazardous Waste Services (incorporating the Liquid Waste segment previously reported separately)

These services are currently provided in Australia only.

The Managing Director/Executive Team assesses the performance of the operating segments based on a measure of EBIT. Interest income and expenditure are not allocated to segments as this type of activity is driven by the central treasury function which manages the cash position of the Group.

	Hazardous Waste Services \$'000	Waste Services \$'000	Industrial Services \$'000	Total \$'000
30 June 2012				
Total segment revenue	53,988	102,309	73,585	229,882
Inter segment revenue	10,888	8,258	2,773	21,919
Revenue from external customers	43,100	94,051	70,812	207,963
EBIT	12,951	21,994	9,986	44,931
Depreciation	3,540	6,255	5,685	15,480
30 June 2011				
Total segment revenue	34,775	47,202	74,691	156,668
Inter segment revenue	5,589	2,859	4,665	13,113
Revenue from external customers	29,187	44,343	70,026	143,556
EBIT	11,201	11,525	11,329	34,055
Depreciation	3,168	2,627	5,354	11,149
Segment assets				
30 June 2012				
	90,627	89,415	51,570	231,612
Unallocated assets	-	-	-	-
Total segment assets	90,627	89,415	51,570	231,612
Additions to non-current assets	1,654	11,200	8,256	21,110
30 June 2011				
	36,316	41,051	47,185	124,552
Unallocated assets	-	-	-	-
Total segment assets	36,316	41,051	47,185	124,552
Additions to non-current assets	6,027	7,051	6,290	19,368

	Hazardous Waste Services \$'000	Waste Services \$'000	Industrial Services \$'000	Total \$'000
Segment liabilities				
30 June 2012	8,981	13,352	12,708	35,041
Unallocated liabilities	-	-	-	-
Total segment liabilities	8,981	13,352	12,708	35,041
30 June 2011	3,480	6,811	15,984	26,275
Unallocated liabilities	-	-	-	-
Total segment liabilities	3,480	6,811	15,984	26,275

A reconciliation of adjusted EBIT to operating profit before income tax is provided as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
EBIT	44,931	34,055
Finance costs (gross)	(4,171)	(2,522)
Share options granted to directors and employees	(876)	(1,591)
Employee expenses	(10,312)	(6,771)
Business combination costs	(1,483)	(159)
Plant and equipment impairment losses	-	(827)
Expected recovery of impairment losses recognized as other income	-	470
Bad debts written off	(147)	(1,755)
Other corporate costs	(4,713)	(3,844)
Profit before income tax from continuing operations	23,229	17,056

A reconciliation of segment assets to total assets is provided as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
Segment assets	231,612	124,552
<i>Unallocated assets:</i>		
Cash and cash equivalents	18,924	14,513
Other receivables	3,289	2,230
Inventories	314	332
Prepayments	2,265	644
Deferred tax assets	8,077	2,997
Property, plant and equipment	8,328	4,030
Total assets per the Statement of Financial Position	272,809	149,298

A reconciliation of segment liabilities to total liabilities is provided as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
Segment liabilities	35,041	26,275
Unallocated liabilities:		
Other payables	8,461	3,104
Loans and borrowings	57,039	11,605
Employee benefits	4,157	2,877
Current tax payable	4,904	1,025
Deferred tax liability	2,543	2,172
Total liabilities per the Statement of Financial Position	112,145	47,058

Note 3 | Acquisitions of Subsidiaries and Business Assets

On 4 July 2011, following its preliminary announcement on the 27 April 2011, Toxfree announced it had successfully completed the acquisition of 100% of the issued shares in Waste Solutions (NT) Pty Ltd based in Darwin, Northern Territory.

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

	\$'000
Purchase consideration	
Cash paid	8,094
Shares	<u>8,000</u>
Total purchase consideration	<u>16,094</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	216
Trade and other receivables	488
Prepayments	40
Property, plant and equipment	3,393
Intangibles	1,729
Trade and other payables	(313)
Employee benefits	(44)
Loans and borrowings	(2,321)
Current tax payable	(7)
Net identifiable assets acquired	<u>3,181</u>
Add: goodwill	<u>12,913</u>
	<u>16,094</u>

The goodwill is attributable to Waste Solutions being a leading provider of total waste management services in the Northern Territory, particularly Darwin. The company has a number of long term contracts serving the Defence Industry and the Territory's largest private enterprises. Over half of Waste Solutions revenue is secured by annual or long term contracts. None of the goodwill is expected to be deductible for tax purposes.

On 29 September 2011, Toxfree Solutions Limited announced it had entered in to an agreement to acquire 100% of the issued shares in Pilbara Waste Pty Ltd, a leading solid waste management company servicing the Port Hedland region in the north west of Western Australia for \$4,540,000.

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

	\$'000
Purchase consideration	
Cash paid	4,540
Total purchase consideration	<u>4,540</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	465
Trade and other receivables	543
Prepayments	48
Property, plant and equipment	1,882
Trade and other payables	(508)
Loans and borrowings	(917)
Current tax payable	<u>(111)</u>
Net identifiable assets acquired	1,402
Add: goodwill	<u>3,138</u>
	<u>4,540</u>

The goodwill is attributable to Pilbara Waste Pty Ltd's strong position in the Pilbara market and synergies expected to arise in the medium term after the company's acquisition of the new subsidiary. None of the goodwill is expected to be deductible for tax purposes.

On 14 December 2011, Toxfree Solutions Limited acquired 100% of the issued shares in MMS Enterprises (QLD) Pty Ltd, a leading provider of Industrial Services to the resource sector in the Bowen Basin, Queensland, for \$2,881,000.

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

	Fair value \$'000
Purchase consideration	
Cash paid	2,881
Contingent consideration	<u>3,272</u>
Total purchase consideration	<u>6,153</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	4
Trade and other receivables	812
Inventories	220
Property, plant and equipment	2,010
Intangibles	674
Trade and other payables	(684)
Loans and borrowings	(638)
Employee benefits	(25)
Current tax payable	(100)
Net identifiable assets acquired	<u>2,273</u>
Add: goodwill	<u>3,880</u>
	<u>6,153</u>

In the event that agreed EBITDA targets are achieved by the subsidiary for the period ending 31 December 2012, additional consideration of up to \$3,272,000 may be payable in cash.

The value of the contingent consideration was estimated at management's expectation of trading in the period to 31 December 2012.

The goodwill is attributable to MMS Enterprises (QLD) Pty Ltd's strong current operating performance and its current blue chip client base throughout the coal sector in the Bowen Basin in central Queensland

On 15 February 2012, the company acquired the major assets of the Dolomatrix International Ltd (DMX). This comprised acquiring Chemsal, BCD Technologies, Entech Industries and Waste Audit Consulting businesses.

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

	\$'000
Purchase consideration	
Cash paid	<u>58,250</u>
Total purchase consideration	<u>58,250</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	27
Trade and other receivables	5,155
Inventories	65
Property, plant and equipment	18,637
Intangibles	4,592
Trade and other payables	(10,370)
Deferred tax assets	2,541
Employee benefits	(378)
Net Identifiable Assets Acquired	20,269
Add: Goodwill	37,981
	58,250

(i) *Acquisition-related costs*

Acquisition-related costs for all acquired entities of \$1,480,000 are included in other expenses in profit or loss.

Note 4 | Revenue

	Notes	Consolidated 2012 \$'000	2011 \$'000
Services rendered		207,963	143,556

Note 5 | Finance Income and Expenses

	Notes	Consolidated 2012 \$'000	2011 \$'000
Recognised in profit and loss			
Interest income on bank deposits		654	354
Total finance income		654	354
Interest expense on financial liabilities measured at amortised cost		(4,171)	(2,522)
Total finance expense		(4,171)	(2,522)
Net finance income and expense		(3,517)	(2,168)

Note 6 | Profit for the Year

Profit for the year includes the following items:

	Notes	Consolidated 2012 \$'000	2011 \$'000
Gross profit for the year includes the following items:			
Depreciation of non-current assets		14,320	10,867
Amortisation		987	-
Administrative expenses for the year includes the following items:			
Depreciation of non-current assets		814	643
Share based payment expense		825	1,591
Employee expenses		14,271	14,636
Impairment of receivables		147	1,755
Impairment of assets (net)		-	357
Insurances		1,967	845

Note 7 | Income Tax Expense

	Consolidated 2012 \$'000	2011 \$'000
Income tax expense		
Current tax	9,381	5,045
Deferred tax	(1,804)	912
Under/(over) provision in prior years	(174)	(766)
Adjustment to current tax expense	100	-
Income tax expense from continuing operations	7,503	5,191
Deferred income tax expense/(revenue) included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	(2,202)	(1,205)
(Decrease)/increase in deferred tax liabilities	398	2,117
	(1,804)	912

	Consolidated	
	2012	2011
	\$'000	\$'000
Numerical reconciliation between tax expense and pre-tax accounting profit		
Profit/(loss) for the period	23,229	17,056
Tax at Australian tax rate of 30%	6,969	5,116
<i>Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Entertainment	42	19
Share based payments	128	462
Other	14	2
Investment allowance	(30)	-
	154	483
Adjustment for current tax of prior periods	(174)	(766)
Previously unrecognized deferred tax asset	667	(1,484)
Previously unrecognized timing differences now recouped to increase/(reduce) current tax expense	(113)	1,842
	7,503	5,191
Amounts recognized directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognized in net profit or loss but directly debited or credited to equity:		
Current tax	-	-
Net deferred tax	365	-
	365	-
Deferred tax assets		
The balance comprises differences attributable to:		
<i>Charged to income statement:</i>		
Property, plant and equipment	706	319
Employee benefits	2,274	1,342
Others	4,618	1,127
Share issue costs	2	5
Borrowing costs	56	2
<i>Charged to equity:</i>		
Share issue costs	420	201
	8,076	2,997
Deferred tax assets to be recovered within 12 months	6,586	2,469
Deferred tax assets after 12 months	1,490	528
	8,076	2,997

	Consolidated	
	2012	2011
	\$'000	\$'000
Movements		
Opening balance	2,997	1,791
Charged/(credited) to income statement	2,174	1,206
(Charged)/credited to equity	364	-
Recognised on acquisition	2,541	-
Closing balance	8,076	2,997
Deferred tax liabilities		
The balance comprises differences attributable to:		
<i>Charged to income statement:</i>		
Property, plant and equipment	2,540	2,172
Others	3	-
	2,543	2,172
Deferred tax liabilities to be recovered within 12 months	2	-
Deferred tax liabilities after 12 months	2,540	2,172
Movements		
Opening balance	2,172	55
Charged/(credited) to income statement	360	2,117
Recognised on acquisition	11	-
Closing balance	2,543	2,172

Note 8a | Cash and Cash Equivalents

	Consolidated	
	2012	2011
	\$'000	\$'000
Bank balances	18,924	14,513
Cash and cash equivalents in the cash flow statement	18,924	14,513

Note 8b | Reconciliation of Cash Flows from Operating Activities

	Consolidated	
	2012	2011
	\$'000	\$'000
Profit/(loss) for the period	15,726	11,865
<i>Adjustments for:</i>		
Depreciation and amortisation	15,134	11,510
Profit/(loss) on sale of fixed assets	(483)	238
Amortisation of customer contracts and intellectual property	987	-
Impairment loss on plant and equipment	-	827
Equity settled share based payment transactions	825	1,591
Operating profit/(loss) before changes in working capital and provisions	32,189	26,032
Change in trade and other receivables	(9,997)	(10,429)
Change in inventories	18	102
Change in prepayments	(1,533)	(315)
Change in trade and other payables and provisions	7,807	5,312
Change in tax assets and liabilities	520	1,734
Net cash from/(used in) operating activities	29,004	22,436

Note 9 | Trade and Other Receivables

	Consolidated	
	2012	2011
	\$'000	\$'000
Trade receivables	49,441	31,726
Provision for impairment of receivables	(93)	(372)
Other receivables	3,383	4,387
	52,731	35,741

Note 10 | Inventories

	Consolidated	
	2012	2011
	\$'000	\$'000
Raw materials and consumables	314	332
	314	332

Note 11 | Property, Plant and Equipment

	Land and buildings	Leasehold improvements	Plant and equipment (inc. vehicles)	Total
	\$'000	\$'000	\$'000	\$'000
Cost or deemed cost				
Balance at 1 July 2011	9,937	131	100,560	110,628
Additions by acquisition	3,242	496	29,581	33,319
Additions	1,072	55	26,025	27,152
Disposals and write (downs)/ups	(101)	(31)	(10,901)	(11,033)
Transfers and reclassifications	(43)	41	2	-
Impairment	-	-	-	-
Balance at 30 June 2012	14,107	692	145,267	160,066
Balance at 30 June 2011				
Balance at 1 July 2010	8,463	104	84,970	93,537
Additions	1,483	27	17,876	19,386
Disposals	(9)	-	(1,459)	(1,468)
Transfers and reclassifications	-	-	-	-
Acquisitions through business combinations	-	-	(827)	(827)
Balance at 30 June 2011	9,937	131	100,560	110,628
Accumulated depreciation				
Balance at 1 July 2011	1,375	39	44,048	45,462
Additions	-	84	11,382	11,466
Depreciation for the year	611	36	14,487	15,134
Disposals and write (downs)/ups	(17)	(32)	(8,620)	(8,669)
Balance at 30 June 2012	1,969	127	61,297	63,393
Balance at 30 June 2011				
Balance at 1 July 2010	685	-	34,224	34,909
Acquisitions through business combinations	-	-	-	-
Transfers and reclassifications	-	-	-	-
Depreciation for the year	486	13	11,011	11,510
Disposals and write (downs)/ups	204	26	(1,187)	(957)
Balance at 30 June 2011	1,375	39	44,048	45,462

	Land and buildings \$'000	Leasehold improvements \$'000	Plant and equipment (inc. vehicles) \$'000	Total \$'000
Carrying amounts				
At 1 July 2011	8,562	92	56,512	65,166
At 30 June 2012	12,138	565	83,970	96,673
At 1 July 2010	7,779	104	50,745	58,628
At 30 June 2011	8,562	92	56,512	65,166

Note 12 | Intangibles

	Consolidated	
	2012	2011
	\$'000	\$'000
Goodwill		
Balance at 1 July	25,004	25,004
Acquisition through business combinations	57,912	-
Balance at 30 June	<u>82,916</u>	<u>25,004</u>
Business licenses		
Balance at 1 July	2,576	2,486
Acquisition through business combinations	1,300	-
Other adjustments	-	90
Balance at 30 June	<u>3,876</u>	<u>2,576</u>
Intellectual property		
Balance at 1 July	2,325	-
Acquisitions during the year	1,000	2,325
Amortisation during the year	(146)	-
Balance at 30 June	<u>3,179</u>	<u>2,325</u>
Customer contracts		
Balance at 1 July	-	-
Acquisitions during the year	4,696	-
Amortisation during the year	(841)	-
Balance at 30 June	<u>3,855</u>	<u>-</u>
Total intangibles	<u>93,826</u>	<u>29,905</u>

As prescribed in AASB 138, goodwill and other separable identifiable intangibles are not amortised. Rather they are tested for indications of impairment on an annual basis. No impairment losses were recognized against intangibles during the financial year (2011: nil).

Impairment testing for intangibles with an indefinite useful life

Goodwill and business licenses are allocated to the Group's Cash Generating Units (CGUs) identified according to operating segments. A CGU must not be greater than an operating segment and an operating segment represents the lowest level within the Group at which separable identified intangibles are monitored for management purposes.

The aggregate carrying amount of goodwill and business licenses allocated to each operating segment is as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
Hazardous Waste Services	51,095	10,750
Waste Services	29,395	12,196
Industrial Services	13,336	6,948
	<u>93,826</u>	<u>29,905</u>

Key assumptions used for value in use calculations

The recoverable amount of goodwill is based on its value in use. Value in use has been determined by discounting the future cash flows on future budgets approved by management covering a five year period generated from the continuing use of the unit and its potential termination value upon sale.

A growth rate of 5.5% pa has been used to determine future cash flows and a discount rate of 14% has been used to discount those future cash flows.

Impact of possible changes in key assumptions

Management does not believe that a reasonable possible change in a key assumption detailed above would result in a CGU's carrying amount exceeding its recoverable amount.

Note 13 | Trade and Other Payables

	Consolidated	
	2012	2011
	\$'000	\$'000
Trade payables	9,280	9,318
Non-trade payables and accrued expenses	24,655	5,568
	<u>33,935</u>	<u>14,886</u>

Note 14 | Loans and Borrowings

	Consolidated	
	2012	2011
	\$'000	\$'000
Current		
Secured bank loans	3,000	1,916
Asset finance	5,569	3,698
	8,569	5,614
Non-current		
Secured bank loans	45,611	9,689
Asset finance	12,425	10,794
	58,036	20,483
Total loans and borrowings	66,605	26,097

Interest rate swap contracts

Bank loans of the group currently bear an average variable interest rate of 3.6% before applicable line fees. It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover 100% (2011 – 68%) of the variable loan principal outstanding and are timed to expire as each loan repayment falls due. The fixed interest rates range between 4.37% and 5.57% (2011 – 5.57%) and the variable rates are 3.56% and 3.64% (2011 – 5.06%).

The contracts require settlement of net interest receivable or payable ranging from 30 to 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

As at 30 June 2012, the fair value of the interest rate swap derivative was not material and has not been recognised in the financial statements.

Note 15 | Share Capital

		Number		Amount	
		2012	2011	2012	2011
		Shares	shares	\$'000	\$'000
On issue at 1 July		92,670,478	91,574,000	70,087	68,113
Share issues:					
04/07/11	3,832,904 shares issued WSNT acquisition @ \$2.09	3,832,904	-	8,000	-
01/11/11	240,000 share options exercised @ \$2.07	240,000	-	497	-
01/11/11	40,000 share options exercised @ \$1.80	40,000	-		-
				72	
01/11/11	831,000 share options exercised @ \$2.07	831,000	-	1,720	-
02/11/11	12,500 share options exercised @ \$2.07	12,500	-	26	-
21/12/11	13,503,726 shares issued institution investors @ \$2.00	13,503,726	-	27,007	-
20/02/12	5,000 share options exercised @ \$1.40	5,000	-	7	-
20/02/12	15,000 share options exercised @ \$1.80	15,000	-	27	-
20/02/12	25,000 share options exercised @ \$2.20	25,000	-	55	-
22/02/12	20,000 share options exercised @ \$1.80	20,000	-	36	-
27/02/12	3,257,500 share issued raising capital @ \$2.00	3,257,500	-	6,515	-
29/02/12	20,000 share options exercised @ \$2.20	20,000	-	44	-
06/03/12	20,000 share options exercised @ \$1.40	20,000	-	28	-
06/03/12	30,000 share options exercised @ \$1.80	30,000	-	54	-
06/03/12	40,000 share options exercised @ \$2.20	40,000	-	88	-
21/03/12	5,000 share options exercised @ \$1.40	5,000	-	7	-
21/03/12	25,000 share options exercised @ \$2.20	25,000	-	55	-
22/03/12	10,000 share options exercised @ \$1.40	10,000	-	14	-
22/03/12	20,000 share options exercised @ \$1.80	20,000	-	36	-
22/03/12	30,000 share options exercised @ \$2.20	30,000	-	66	-
27/03/12	15,000 share options exercised @ \$1.80	15,000	-	27	-
17/04/12	30,000 share options exercised @ \$1.40	30,000	-	42	-
17/04/12	40,000 share options exercised @ \$1.80	40,000	-	72	-
17/04/12	50,000 share options exercised @ \$2.20	50,000	-	110	-
30/04/12	50,000 share options exercised @ \$2.20	50,000	-	110	-
25/05/12	10,000 share options exercised @ \$1.40	10,000	-	14	-

		Number		Amount	
		2012	2011	2012	2011
		Shares	shares	\$'000	\$'000
25/05/12	20,000 share options exercised @ \$1.80	20,000	-	36	-
25/05/12	30,000 share options exercised @ \$2.20	30,000	-	66	-
30/05/12	50,000 share options exercised @ \$2.20	50,000	-	110	-
18/06/12	5,000 share options exercised @ \$1.40	5,000	-	7	-
18/06/12	15,000 share options exercised @ \$1.80	15,000	-	27	-
18/06/12	25,000 share options exercised @ \$2.20	25,000	-	55	-
20/06/12	3,500 share options exercised @ \$1.40	3,500	-	5	-
20/06/12	15,000 share options exercised @ \$1.80	15,000	-	27	-
20/06/12	25,000 share options exercised @ \$2.20	25,000	-	55	-
26/06/12	95,000 share options exercised @ \$1.80	95,000	-	171	-
26/06/12	55,000 share options exercised @ \$1.40	55,000	-	77	-
26/06/12	30,000 share options exercised @ \$2.20	30,000	-	66	-
27/06/12	30,000 share options exercised @ \$2.20	30,000	-	66	-
28/06/12	5,000 share options exercised @ \$1.40	5,000	-	7	-
28/06/12	15,000 share options exercised @ \$1.80	15,000	-	27	-
28/06/12	5,000 share options exercised @ \$1.40	5,000	-	7	-
28/06/12	15,000 share options exercised @ \$1.80	15,000	-	27	-
28/06/12	25,000 share options exercised @ \$2.20	25,000	-	55	-
30/06/12	Capital raising costs during year	-	-	(1,215)	-
30/06/12	Deferred tax asset on transaction costs	-	-	364	-

		Number		Amount	
		2012	2011	2012	2011
		Shares	shares	\$'000	\$'000
09/07/10	87,500 share options exercised @ \$1.55	-	87,500	-	136
09/08/10	87,500 share options exercised @ \$1.65	-	87,500	-	144
09/08/10	1,500 share options exercised @ \$1.40	-	1,500	-	3
09/08/10	15,000 share options exercised @ \$1.75	-	15,000	-	26
12/11/10	35,000 share options exercised @ \$1.40	-	35,000	-	50
12/11/10	55,000 share options exercised @ \$1.80	-	55,000	-	99
03/02/11	15,000 share options exercised @ \$1.90	-	15,000	-	28
03/02/11	10,000 share options exercised @ \$1.75	-	10,000	-	18
14/02/11	15,000 share options exercised @1.90	-	15,000	-	28
14/02/11	10,000 share options exercised @ \$1.75	-	10,000	-	18
28/02/11	50,000 share options exercised @ \$1.55	-	50,000	-	77
28/02/11	60,000 share options exercised @ \$1.65	-	60,000	-	99
28/02/11	90,000 share options exercised @ \$1.80	-	90,000	-	162
28/02/11	70,000 share options exercised @ \$1.75	-	70,000	-	122
28/02/11	95,000 share options exercised @ \$1.90	-	95,000	-	180
01/03/11	20,000 share options exercised @ \$2.20	-	20,000	-	44
01/06/11	339,978 shares issued at \$1.96 each to AGR Science and Technology Pty Ltd as part payment for Intellectual Property	-	339,978	-	668
17/06/11	40,000 share options exercised @ \$1.80	-	40,000	-	72
On issue at 30 June		115,311,608	92,670,478	114,856	70,087

Note 16 | Dividends

Ordinary shares

	Parent entity	
	2012	2011
	\$'000	\$'000
Final dividend for the year ended 30 June 2011 of 3 cents per fully paid share on 5 October 2011		
Fully franked based on tax rate @ 30% - 3 cents per share	2,895	1,836
	<u>2,895</u>	<u>1,836</u>
Dividends paid in cash during the year ended 30 June 2012 were as follows:		
Cash	2,895	1,836

Dividends not recognised at the end of the reporting period

	Parent entity	
	2012	2011
	\$'000	\$'000
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 4 cents per fully paid ordinary share (2011: 3 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid before the end of the 2012 calendar year, but not recognised as a liability at year end, is:		
	<u>4,612</u>	<u>2,780</u>

Note 17 | Other Information

Information on audit

This report is based on accounts which are in the process of being audited by BDO. Based on the findings from the procedures BDO have performed, BDO anticipate issuing an unmodified audit opinion.

Note 18 | Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.