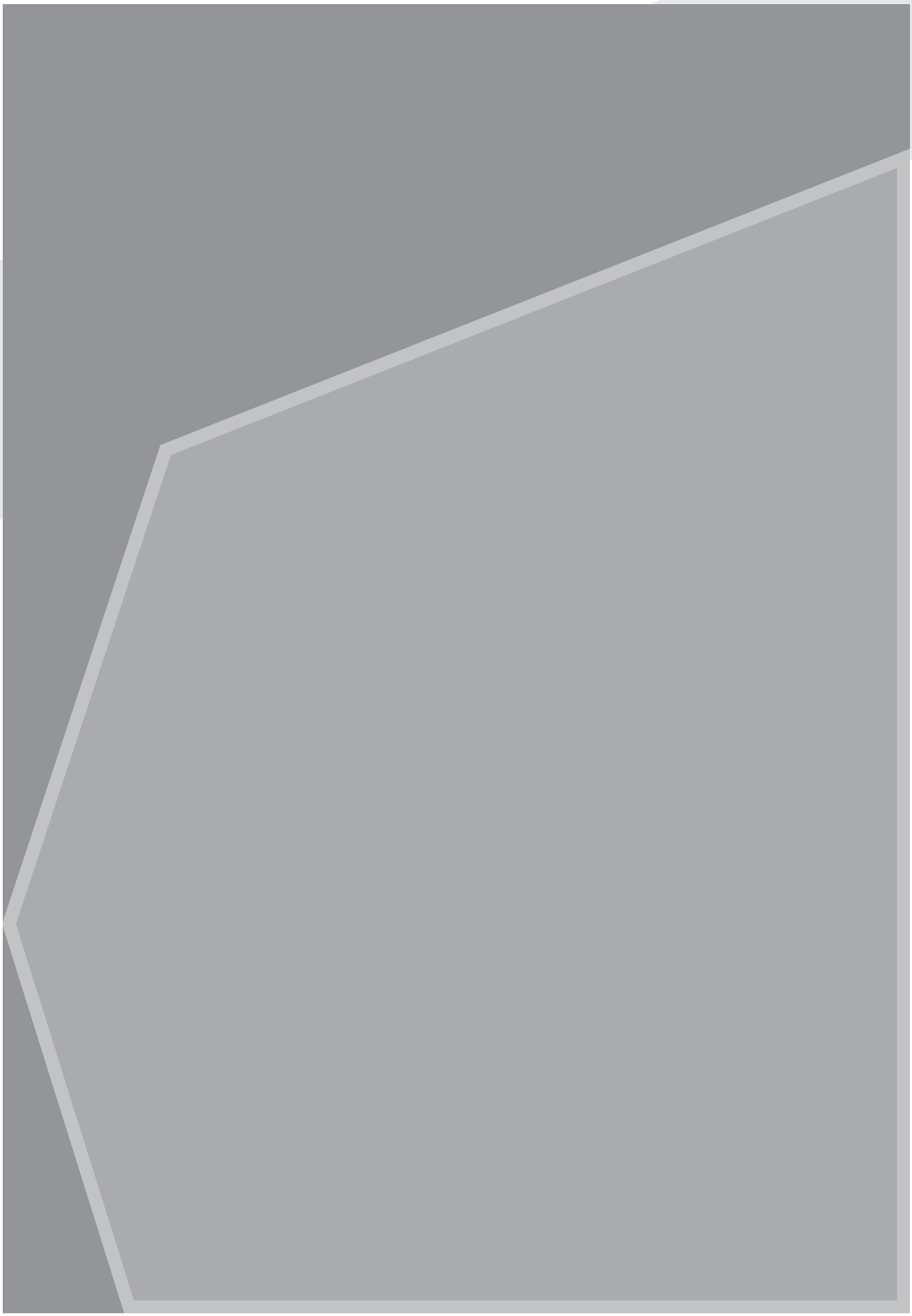
ANNUAL REPORT 09

NRW HOLDINGS LIMITED



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A LETTER FROM THE CHAIRMAN

NRW Holdings Ltd

ACN 118 300 217

73-75 Dowd St Welshpool WA 6106
T: +61 8 9358 5510
F: +61 8 9358 5515
W: www.nrw.com.au

ASX Code: NWH

Dear Shareholders

I am pleased to present the Company's third Annual Financial Report since initially listing on the Australian Securities Exchange on 5th September 2007.

In a turbulent year for mining and resources industries and the global economy generally NRW Holdings Ltd performed exceedingly well. The Groups net profit after tax was $37.1 million, a 13% increase from 2008 of $32.8 million. The result was derived from revenues of $509.6 million representing an increase of 8% over 2008.

The events culminating in the global financial crisis and the resulting pressure on commodities prices have created a more competitive tendering environment in the resources industry. Although difficult trading conditions exist, NRW remains optimistic for 2010 with a view to increasing revenue in excess of 2009.

As indicated in our 2008 Annual General Meeting, management has conserved cash and reduced net debt from $94.8 million in 2008 to current levels at 30 June 2009 of $40.2 million, a reduction of 58%. It is expected that debt levels will continue to decrease while reducing working capital, carefully managing the Groups operating cash flows while undertaking strategic capital acquisitions.

The Board reviews the Company's dividend policy on a regular basis and in doing so we are pleased to announce a final dividend for 2009 of 1.0 cent, resulting in a full year dividend of 2.00 cents per share.

I take this opportunity to acknowledge and thank the Board, executives and all staff for their dedication and hard work culminating in the excellent result for 2009. The Board has great confidence that 2010 will be another important, challenging but highly successful year ahead.

Ian F Burston
CHAIRMAN

YEAR IN REVIEW

NRW HOLDINGS LTD DELIVERS STRONG RESULTS FOR FY09

Highlights

- **8% increase in revenue to $509.6 million.**
- **13% increase in net profit to $37.1 million.**
- **10% increase in earnings per share.**
- **Decrease in net debt by 58% to $40.2 million.**
- **Profit margins improved.**
- **Strong Balance Sheet for future growth.**
- **Mining division revenue up 77%**
- **Dividend declared 1.00 cent, resulting in 2.00 cents for the year**
- **Revenue guidance for FY10 increase by 20% from FY09.**

It is with great pleasure that we present to our shareholders and stakeholders alike the results of NRW Holdings Ltd for the financial year ended 30 June 2009.

The 2009 financial year was marked by global turmoil of collapsing commodity prices, tightening credit environment and curtailment of economic growth. In spite of these events, NRW Holdings Ltd achieved record sales revenue, an increase in net profit after tax and reduction of net borrowings.

NRW has successfully grown the business through a difficult operating year and diversified the Group's clientele. Credit is given to our diligent and hard working staff and to our management team that have delivered this years' outstanding result.

" NRW HAS SUCCESSFULLY GROWN THE BUSINESS THROUGH A DIFFICULT OPERATING YEAR AND DIVERSIFIED THE GROUP'S CLIENTELE."

FINANCIAL OVERVIEW

NRW grew strongly in the 2009 financial year, reflecting the performance of several substantial civil and mining contracts.

$ millions	2009	2008	
Revenue	509.6	471.2	8%
EBITDA	81.2	71.8	13%
EBIT	60.1	53.8	12%
Profit before tax	52.0	47.3	10%
Net profit after tax	37.1	32.8	13%
Return on Revenue	7.3%	7.0%	4%
Earnings per share	15.0 cents	13.6 cents	10%

NRW's financial performance is summarised in the table above. We have successfully increased revenue by 8% to $509.6 million and increased net profit after tax to $37.1 million.

Financial Position

Equity attributable to shareholders, increased by 21%, compared to 2008 and valued at $142.3 million. With the aim of de-gearing the balance sheet, NRW's net borrowings have declined by 58% to $40.2 million from a high of $94.8 million in 2008, achieved without the need to raise equity and dilute shareholder earnings.

Cash

Cash provided by operating activities for the financial year was $88.1 million compared to $14.8 million in 2008 as a result of efficient working capital management and a clear focus on cash conservation.

Dividends

On the 25 August 2009, the Board of NRW Holdings Limited declared a final dividend for the Financial Year ending June 30, 2009. The final dividend payable is 1.00 cent per share and brings the full year dividend to 2.00 cents per share.

Capital Expenditure

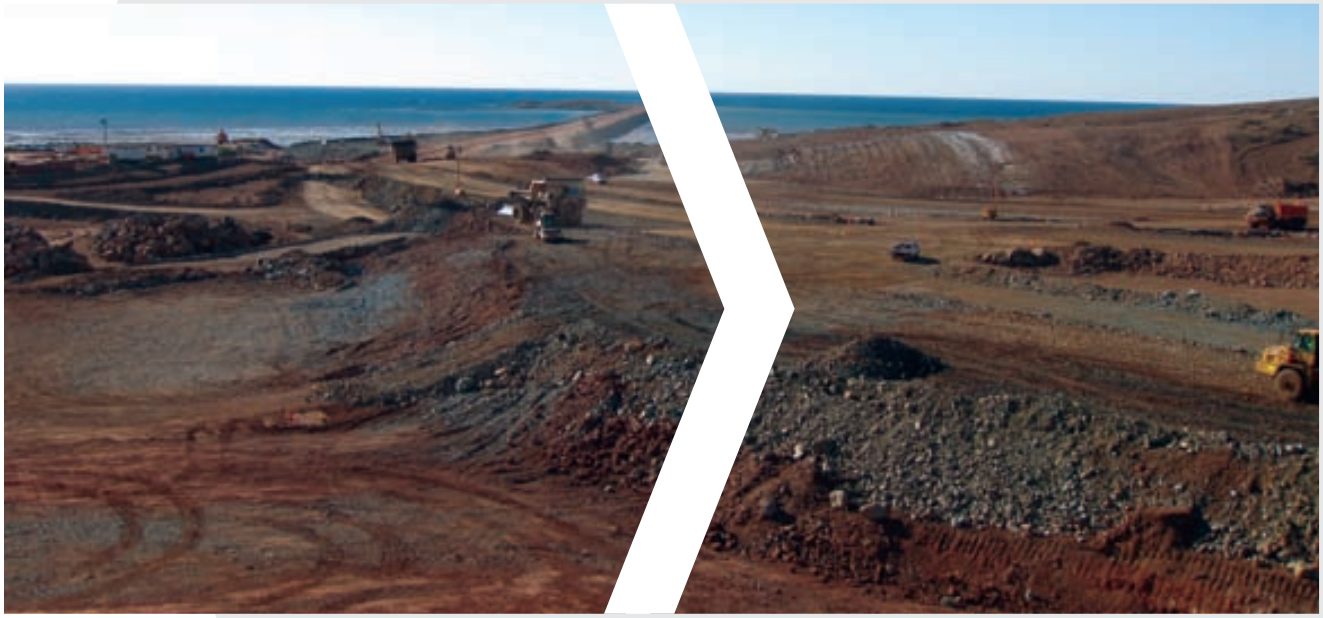
NRW continued to make strategic investments in new and replacement equipment, in order to meet the expected requirements of existing and new projects. Capital expenditure incurred in 2009 was $25.9 million (2008: $59.0 million).

Outlook

The outlook for NRW remains cautiously optimistic as clients realign their corporate strategy to take account of the fall out from the global financial crisis. However with government sponsored infrastructure programs beginning to find traction, it is anticipated that demand for NRW's services will continue to be robust.

NRW expects to capitalise on its push into Queensland, with opportunities in coal mining and civil construction. NRW continues to seek out significant additional opportunities throughout the African continent to compliment the Guinea operations as well as other global opportunities. Civil and mining tender activity is gaining momentum in a competitive environment.

NRW expects revenue growth for FY2010 to be approximately 20%.



CIVIL CONTRACTING

NRW civil contracting projects have included construction of access roads, rail formations (greenfield's and duplication), rail sidings, seawalls, airstrips, water systems, camp villages, green field mine development, power station foundations, bridges, run-of-mine pads and iron ore storage facilities.

Revenue for the civil contracting division was $294.1 million (2008: $336.8 million) in the 2009 financial year.

The Division's FY10 anticipated growth is expected to be driven by the Pilbara Iron Ore producers' need for new or enhanced infrastructure to meet expanding demand for their ore.

Operations

Contracts and contract extensions won during the period were:

- Brockman 4 Rail, Road and Plant Bulk Earthworks for Rio Tinto
- Christmas Creek Rail Extension for Fortescue Metals Group
- Cape Preston Bulk Earthworks and Breakwater in JV with VDM for Citic Pacific Mining
- Port Haven Camp Earthworks for BHPBIO
- RGP5 Rail South Project in JV with John Holland and Laing O'Rourke for BHPBIO
- Dampier Gas Turbine Foundation for Rio Tinto
- Queensland Bridges – Queensland Main Roads (Mackay)

Significant achievements during the year included:

- Successful completion of Brockman 4: the largest earthworks resource project ever undertaken in WA. The project staffing reached a peak in excess of 550 personnel on site.
- First project in Queensland as part of diversification strategy.
- Strategic relationships with key industry partners to enhance our capability to pursue larger projects (John Holland, Laing O'Rourke, VDM and Ostojic Group in NT).
- Memorandum of Understanding with NYFL, an indigenous owned company, to pursue appropriate projects in the eastern Pilbara region.
- Expansion of site based project staff to support planned growth.
- Recruitment of key staff to enhance our strategic expansion into concrete works.
- Prequalification for Main Roads WA and Queensland construction work.

Outlook

2010 is expected to be a year of further growth given the projects in hand as well as the inevitable future demand upon recovery of the global economy. It is expected that demand for commodities and the infrastructure required to meet that demand will secure future growth.

MINING SERVICES

NRW's mining services division provides contract mining services to mining resource companies and has extensive experience in developing mines in remote locations. Significant work has been undertaken in the iron ore, gold, manganese and mineral sand sectors. Services include earth moving, waste and ore mining, drill and blast, ore haulage and related ancillary services.

Revenue for the Mining Services Division was $189.4 million (2008:$107.2 million) in the 2009 financial year. The Divisions revenue from operations increased almost 77% due to commencement of new and continuation of existing projects undertaken for Rio Tinto, Fortescue Metals Group and OM Holdings.

The division made significant progress during the year in establishing long term relationships with a number of key clients. In particular the business was able to extend works at Tom Price and Simandou as well as winning a three year contract with OM Holdings at their Bootu Creek Manganese mine in the Northern Territory.

Our ongoing relationship with FMG also enabled additional work to be won at their Christmas Creek mine. The division is establishing a reputation for reliable delivery of services and additional opportunities are being pursued in Iron Ore, Coal and Gold sectors as well as opportunities overseas to build on the experience gained in Guinea.

Contracts and contract extensions during the period were:

- Pilbara Iron: Tom Price Mining (WA) – Load and haul of ore and waste, stockpile rehandle.
- Fortescue Metals Group - Waste and Ore mining at Fortescue's Cloudbreak and Christmas Creek mines.
- Rio Tinto – Mining services at the Hope Downs mine.
- Rio Tinto Expansion Projects: Yandi Continuous Miner Trials (WA) – Load and haul of ore and waste.
- Simfer SA (Rio Tinto Guinea): Simandou Pre Development (Guinea, West Africa) – Exploration access, infrastructure development and trial mining.
- OM Holdings Ltd – Bootu Creek manganese mine - waste and ore mining services including drill and blast.

Outlook

The outlook for further growth in the Mining sector is positive. The mining division is focused on retaining all current projects in 2010 whilst achieving growth from new opportunities. Continued focus on NRW's indigenous involvement program will assist with resourcing any growth potential as well as expanding operations on the East Coast of Australia.

PROMAC

The Promac entity was restructured in March 2009 to focus solely on sales of new earthmoving equipment, off-road tyres, lighting plant and generators. Previously the division provided rental services predominantly to NRW's civil contracting and mining services division. Promac rental plant has been absorbed into the NRW contracting fleet.

Revenue for Promac was $31.8 million (2008:$21.2 million) in the 2009 financial year. Despite the difficult market conditions, Promac delivered strong sales of service trucks and water trucks, selling 44 units during the 2009 financial year - an increase of 37% compared with the previous financial year.

Outlook

The outlook for further growth of equipment and tyre sales in the mining and civil construction sectors is vulnerable to current economic conditions. In order to generate sales growth Promac is in the process of expanding its client base domestically and internationally particularly since it recently acquired international distribution rights for a number of its products.

The Promac business has developed relationships with machinery manufacturers and importers, enabling it to introduce new machines into the various key markets. Promac is the authorised distributor for Patronsaint and Amberstone OTR tyres, Nugen generators, ProLite lighting towers, AMS water trucks and service trucks.

ACTION MINING SERVICES

Through its subsidiary, Actionblast Pty Ltd t/as Action Mining Services, NRW provides earthmoving and mining equipment repairs to all brands of equipment at its facilities in Hazelmere.

A comprehensive mechanical repair and rebuild facility, sand blasting, painting, boiler making repair and fabrication services are offered to our clients.

Due to the changing environmental requirements, Action Mining provides a fully accredited AQUIS approved quarantine cleaning facility, one of the largest in Perth. The quarantine cleaning station allows Action Mining to provide a one stop shop where machinery can be receipted from the wharf, cleaned and either repaired or set up for any additional requirements prior to leaving the premises.

Action Mining Services operates a 24 hour operation when required to meet the demand of its civil and mining client base.

A separate fabrication and assembly shop is also on the premises where 6x4 and 8x4 service truck and water tanker fabrication is undertaken. These products are fully mine site compliant and are marketed to both mining resources and mining services companies.

Revenue for the Services Division was $25.6 million (2008: $26.2 million). Growth remained static due to a general decline in the resources sector however the company is well placed to satisfy future growth.

Significant resources have been allocated to facilities, resulting in the upgrade of tooling and technical support to meet the highest quality standards. Other initiatives have been investment in processes, training and safety including provision of a dedicated safety officer and Occupational Health nurse, operating systems and software.

Outlook

The outlook for continuing growth within the services division is influenced by the resources sector. Action Mining is well placed to take advantage of any growth in the sector.

In addition, fabricated products, comprising service modules and water tankers have been successfully designed and developed by Actionblast Pty Ltd. These products are highly regarded throughout industry; it is expected that the future will provide strong demand from customers both in the Civil and Mining industry. New products within this field are currently being developed to widen the client base and sales locations within Australia.

“IT IS EXPECTED THAT THE FUTURE WILL PROVIDE STRONG DEMAND FROM CUSTOMERS BOTH IN THE CIVIL AND MINING INDUSTRY.”

Services

HDT
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HEALTH, SAFETY AND ENVIRONMENT

HUMAN RESOURCES

NRW's current and future success' is directly linked to that of our people. We are driven to provide our people with a workplace that provides excellent reward, combined with development opportunities and most importantly, attention to safety that is second to none.

As a company operating in an environment where skilled labour is in short supply, NRW remains focussed on the attraction and retention of quality employees. NRW provides its people with development opportunities at all levels by identifying employees with potential and allowing access to high quality training and development.

The last 12 months has seen an excellent up take of training opportunities with strong participation and progress by our work-force towards formal qualifications in the form of the Certificate II in Metaliferous Mining as well as the Diploma of Management and Advanced Diploma of Management. These qualifications are encouraged by our Health Safety, Training and Environment department and are open to all site based operational employees.

Rapid response to mobilisation needs in conjunction with client requirements remains a strong focus for the Human Resources department and NRW boasts a dedicated recruitment and mobilisation team who understand that delays in sourcing the right candidates equates to real economic cost to both NRW and our clients.

As at 30 June 2009, the NRW Group had a total of approximately 830 employees. Our workforce includes 82 indigenous employees and 14 apprentices, reflecting the strong commitment to indigenous employment and training. In addition NRW continues to employ a large number of subcontractors through strategic alliances with indigenous organisation.

NRW has implemented several indigenous training programs including "Power Up" in conjunction with the Department of Education, Employment and Workplace Relations. The "Power Up" program provides training and employment opportunities for long term unemployed. NRW also conducts its Cultural Awareness Program for all employees and sub contractors with PEEDAC Pty Ltd (an indigenous training organisation).

COMMUNITY

NRW supports the communities in which it operates by sponsoring a range of charities, community events and sporting clubs both domestically and internationally.

During 2009 NRW in conjunction with the Chiropractic Faculty at Murdoch University has continued field visits to Pilbara and Kimberley Regional centres as part of a proactive approach to management of spinal and related health issues.

TRAINING AND ASSESSMENT

During 2009 NRW continued its nationally accredited Certificate II in the Metaliferous Competencies for all operators employed by the Company.

During the reporting period 382 employees have successfully completed the 'Five Core Unit' workshops and have received a nationally accredited qualification for the plant which they operate. This programme has proven very popular with NRW employees with many having attended the courses in their own time and has proven commercially valuable as clients continue to focus on the training and certification of operators.

The introduction of the Certificate II in the Metaliferous Competencies has achieved considerable attention from BHPBIO in particular with recognition of the independent nature of the assessment assisting in the fast tracking of the Verification of Competency (VOC) process at project start up.

NRW introduced the Diploma of Management for all Managers and Supervisors and to date approximately 90% of our management teams have been through the first of four modules. This Diploma has been specifically tailored to train our management team in the management of our business.

There have been many positive outcomes displayed by participants in the Diploma course with obvious attitudinal and behavioural changes following completion of the course material.

HEALTH AND SAFETY

NRW is committed to achieving the highest possible performance in occupational health and safety across all business operations.

Performance over the second half of the year showed a marked improvement and appears to be back on track to achieve reductions in the 2009 performance indicators.

NRW's Occupational Health and Safety Management Systems are accredited to AS4801:2001, the applicable Australian Standard and subject to continuous audit. The company manages risk through hazard identification, minimisation, monitoring and control procedures, and by reviewing safety performance. NRW ensures that all employees, including subcontractors' employees, are fully instructed, trained and assessed in the tasks each will be required to perform, and in the operation of plant and equipment.

This year also saw the implementation of the Bodysmart initiative, designed to increase awareness across all sites of measures to prevent back and related injuries. This program is managed by NRW's dedicated Occupational Health Nurse (OHN). The health programme also has been extended to include personal dust monitoring and noise surveys which are also conducted by the OHN.

ENVIRONMENT

NRW maintained accreditation to AS/NZS ISO 14001: 2004 Certified Environmental Management which covers environmental Management systems in the civil engineering and mining industries. This accreditation reinforces NRW's commitment to maintaining strict environmental protocols on all projects undertaken. This accreditation is also subject to continuing audit by external agencies.

QUALITY ASSURANCE

In May 2009 NRW achieved accreditation to ISO standard 9001: 2008 and AS/NZS 4801 for its quality management system.

JEFFERY W McGLINN

MANAGING DIRECTOR

CORPORATE GOVERNANCE STATEMENT

ASX GOVERNANCE PRINCIPLES AND ASX RECOMMENDATIONS

The ASX Corporate Governance Council sets out best practice recommendations, including corporate governance practices and suggested disclosures. ASX Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the best practice recommendations and to give reasons for not following them.

Unless otherwise indicated the best practice recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, have been adopted by the Company for the full year ended 30 June 2009.

In addition, the Company has a Corporate Governance section on its website: www.nrw.com.au which includes the relevant documentation suggested by the ASX Recommendations.

The extent to which NRW has complied with the ASX Recommendations during the year ended 30 June 2009, and the main corporate governance practices in place are set out below.

PRINCIPLE 1: LAY SOLID FOUNDATION FOR MANAGEMENT AND OVERSIGHT

ASX Principles: Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions

The Board has implemented a Board Charter that details its functions and responsibilities together with those of the Chairman, individual Directors, chief executive officer and Company secretary.

Key responsibilities of the Board include:

- approving the strategic objectives of the Group and establishing goals to promote their achievement;
- monitoring the operational and financial position and performance of the Group;
- ensuring the directors inform themselves of the Group's business and financial status;
- establishing investment criteria including acquisitions and divestments, approving investments, and implementing ongoing evaluations of investments against such criteria;
- approving and monitoring the progress of major capital expenditure, capital management and major acquisitions and divestitures;
- providing oversight of the Company, including its control and accountability systems;
- considering and approving the Group's budgets;
- establishing written policies on compliance, risk oversight and management;;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance and ensuring they are operating effectively;
- appointing and removing the chief executive officer, monitoring performance and approving remuneration of the chief executive officer and the remuneration policy and succession plans for the chief executive officer;
- ratifying the appointment and the removal of senior executives;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- ensuring that business risks facing the Group are, where possible, identified and that appropriate monitoring and reporting internal controls are in place to manage such risks;
- approving and monitoring financial and other reporting;
- determining the dividend policy of the Company and declaring dividends;
- ensuring the Company complies with its responsibilities under the Corporations Act, the ASX Listing Rules, the Company's Constitution and other relevant laws; and

- exercising due care and diligence and sound business judgment in the performance of those functions and responsibilities.

Key responsibilities delegated to the chief executive officer include:

- being responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board;
- developing with the Board, the Group's vision and direction;
- constructing, with the Company's management team, programs to implement this vision;
- negotiating the terms and conditions of appointment of senior executives;
- appointing the senior management team;
- endorsing the terms and conditions of appointment of all other staff members;
- providing strong leadership to, and effective management of, the Company in order to:
    - encourage co-operation and teamwork;
    - build and maintain staff morale at a high level; and
    - build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- ensuring a safe workplace for all personnel;
- ensuring a culture of compliance generally, and specifically in relation to environmental matters;
- carrying out the day-to-day management of the Company;
- forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Group;
- keeping the Board informed, at an appropriate level, of all the activities of the Group; and
- ensuring that all personnel act with the highest degree of ethics and probity.

The Board has formally delegated power to the Managing Director in accordance with a Statement of Delegated Authority approved by the Board.

The Company secretary is generally responsible for carrying out the administrative and legislative requirements of the Board and to be responsible to the Board for all corporate governance matters. The secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.

ASX Principles: Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The Board will undertake an annual performance evaluation that reviews the performance of senior executives.

ASX Principles: Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

This information is set out above.

PRINCIPLE 2: STRUCTURE OF THE BOARD TO ADD VALUE

Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

BOARD COMPOSITION

Details of the Directors in office at the date of this report, including their qualifications, experience, date of appointment and their status as non-executive, independent or executive Directors are set out in the Directors Report.

ASX Principles: Recommendation 2.1: A majority of the board should be independent Directors.

ASX Principles: Recommendation 2.2: The Chairman should be an independent Director.

ASX Principles: Recommendation 2.3: The roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

CORPORATE GOVERNANCE STATEMENT

The Board Charter (a copy of which has been published on the Company's website) currently provides that at least one third of its Directors will be independent non-executive directors and that the Chairman must also be an independent non-executive director.

The Board currently has four Directors, two of whom are non-executive. The two non-executive Directors, including the Chairman, are considered to be independent.

The Company acknowledges non compliance with Recommendation 2.1 in that there is not a majority of independent Directors on the Board. The Board considers that given the current status of the Company, and that it believes conflicts of interest are adequately managed, the appointment of an additional non-executive director would not be of overall benefit to the Company.

The roles of the Chair and chief executive officer are exercised by different individuals.

INDEPENDENT DECISION-MAKING

The Board agrees that all Directors should bring an independent judgement to bear in decision-making.

Accordingly, the Board:

- has adopted a procedure for Directors to take independent professional advice if necessary at the Company's expense (with the prior approval of the Chairman, which will not be unreasonably withheld);
- as much as is reasonably practicable within the constraints of its current Board size and structure, the Board sets aside sessions at its scheduled meetings to confer without management present; and
- has described in the Board Charter the considerations it takes into account when determining independence.

DIRECTOR INDEPENDENCE

The Board's Charter lists relationships it takes into account when determining the independent status of Directors.

Criteria that the Board takes into account when determining Director independence include:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company;
- has not, within the last 3 years, been employed in an executive capacity by a member of the Group, or been a director after ceasing to hold any such employment;
- has not, within the last 3 years, been a principal of a material professional adviser or a material consultant to the Group, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Group, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- has no material contractual relationship with the Group other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The Board considers materiality of matters which may effect the independence of Directors from time to time and discloses these in this Corporate Governance Statement.

The Board has reviewed the independence status of its Directors and has determined the following Directors to be "independent' (in accordance with the criteria listed above):

- Dr Ian Burston (Chairman); and
- Mr Michael Arnett.

Mr Arnett is a former partner, and remains a consultant to, the law firm Deacons, who advise the Company on various matters from time to time. Mr Arnett has not been involved in providing any legal advice to the Company and the Board does not consider the materiality of his current relationship with Deacons to impact on his independence as a Director.

The period of office held by each director in office is as follows:

Director	Date Appointed	Period in office	Due for Re-election
Dr. Ian Burston	27 July 2007	2 years	-
Mr. Jeff McGlinn	10 February 2006	3 years	-
Mr. Michael Arnett	27 July 2007	2 years	2009 AGM
Mr. Julian Pemberton	1 July 2006	3 years	2009 AGM

More details of the skills, experience and expertise of each director which are relevant to the position of a director are listed in the Directors report of this Annual Report.

CONFLICTS OF INTEREST

A Director's obligations to avoid a conflict of interest are set out in the Board Charter and reinforced in the Code of Conduct for Directors and Key Officers.

Directors and employees of the Company are expected to act at all times in the Company's best interests and to exercise sound judgment unclouded by personal interests or divided loyalties. They must avoid the appearance of, as well as actual, conflicts of interest in both in their performance of duties for the Company and in their outside activities.

The Charter states that Directors must comply strictly with Corporations Act requirements and the Board Charter for the avoidance of conflicts.

NOMINATION COMMITTEE

ASX Principles: Recommendation 2.4: The Board should establish a Nomination Committee.

The Board has established a Nomination Committee and adopted a Charter that sets out the committee's role and responsibilities, composition and membership requirements.

Nomination responsibilities:

The role of the Nomination Committee includes:

- identifying nominees for directorships and other key executive appointments;
- the composition of the Board;
- ensuring that effective induction and education procedures exist for new Board appointees and key executives; and
- ensuring that appropriate procedures exist to assess and review the performance of the Chair, executive and non-executive directors, senior management, Board committees and the Board as a whole.

Composition of the Committee

The Committee Charter states that the composition should include:

- a minimum of two non-executive members, the majority of whom must be independent, and
- a Chairman who is a non-executive Director.

Committee membership is disclosed in the Directors Report included as part of the Annual Report along with details of meetings attended. Membership is consistent with the composition requirements of the Charter and the ASX Recommendations and members are required to have an appropriate level of understanding of principles of corporate governance, the Company's businesses and organisation structure, the functions of the Board and various roles and responsibilities of directors and other key executive positions and senior management.

CORPORATE GOVERNANCE STATEMENT

The Committee's principal function is reviewing and making recommendations to the board of directors of the Company (Board) with respect to:

- identifying nominees for directorships and other key executive appointments;
- the composition of the Board;
- ensuring that effective induction and education procedures exist for new Board appointees and key executives; and
- ensuring that appropriate procedures exist to assess and review the performance of the Chair, executive and non-executive directors, senior management, Board committees and the Board as a whole.

During the 2009 financial year two meetings of the Nomination Committee were held. Certain responsibilities of the Nomination Committee were also considered at Board meetings by the full Board as required.

SELECTION, APPOINTMENT, INDUCTION AND CONTINUING DEVELOPMENT PROCESSES

Directors must retire at the third AGM following their election or most recent re-election. At least one third of Directors must stand for election at each AGM. Any Director appointed to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Re-appointment of Directors by rotation is not automatic (the above retirement and re-election provisions do not apply to the chief executive officer).

All notices of meeting at which a Director is standing for election or re-election are accompanied by information to enable shareholders to make an informed decision.

As part of the induction process, meetings will be arranged with other Board members and key executives prior to the Director's appointment.

All Directors are expected to maintain the skills required to discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, to be paid for by the Company where appropriate.

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the Annual Report is set out in the Directors Report included in the Annual Report.

ASX Principles: Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

The Board will undertake an annual performance evaluation that reviews:

- performance of the Board against the requirements of the Board Charter;
- performance of Board Committees against the requirements of their respective Charters;
- individual performances of the Chair, Directors, and chief executive officer and
- The Board Charter, the Committee Charters and the procedures of the Board with a view to continuous improvement.

The Board commenced the performance evaluation in June 2009 in accordance with this process. The evaluation of Directors other than the chief executive officer was concluded in July 2009. The annual performance evaluation for the chief executive officer was conducted in August 2009.

COMPANY SECRETARY

The Company Secretary plays an important role in supporting the effectiveness of the Board by monitoring that Board policy and procedures are followed, and co-ordinating the timely completion and despatch of Board agenda and briefing material. The responsibilities of the Company Secretary are stated in the Board Charter.

All Directors have access to the Company Secretary.

The appointment and removal of the Company Secretary is a matter for decision by the Board.

ASX Principles: Recommendation 2.6: Companies should provide the information indicated in Guide to reporting on Principle 2

This information is set out above.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

COMPANIES SHOULD ACTIVELY PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING.

ASX Principles: Recommendation 3.1: Companies should establish and disclose a Code of Conduct or a summary of the Code as to certain specified matters.

CODES OF CONDUCT

NRW has adopted Codes of Conduct that apply to its Directors, management and employees and which seek to establish the minimum standards the Board believes are necessary to maintain the highest level of confidence for all stakeholders in the integrity of the NRW group. These Codes are published on the Company's website.

ASX Principles: Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

SECURITIES TRADING POLICY

The Board has adopted a Securities Trading Policy that is binding on Directors and specified senior executives of NRW. The Policy is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities and is available on the Company's website.

This Policy is provided to all new executives to whom the Policy will apply to at induction. The Company provides periodic reminders to the management team of the requirement for their compliance with this Policy.

The Company's Security Dealing Policy prevents short-term trading and dealing in the Company's securities while directors and executives are in possession of non-public and relevant information. The Company reinforces these measures by setting out in the Security Trading Policy that executives and directors can only transact with the Company's securities with the prior approval of the Chairman or Managing Director or in their absence the Company Secretary.

The Policy only extends to Directors and senior executives who occupy positions in which they may have access to inside information from time to time as the Board does not currently consider it necessary for the Policy to extend to employees if they do not have access to non-public material price sensitive information.

All trading in the Company's shares by Directors and senior executives are monitored by the Company Secretary.

ASX Principles: Recommendation 3.3: Companies should provide the information indicated in Guide to reporting on Principle 3

This information is set out above.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Companies should have a structure to independently verify and safeguard the integrity of the Company's financial reporting.

This structure is required to be one of review and authorisation designed to ensure the truthful and factual presentation of the Company's financial position.

It is expected to include:

- the review and consideration of the financial statements by the Audit Committee; and
- a process to ensure the independence and competence of the Company's external auditors.

CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

ASX Principles: Recommendation 4.1: The Board should establish an Audit Committee.

ASX Principles: Recommendation 4.2: recommends the appropriate Committee structure.

ASX Principles: Recommendation 4.3: The Committee should have a formal Charter.

The Board has established an Audit and Risk Management Committee to assist the Board in discharging its oversight responsibilities and has adopted a formal Charter that sets out the Committee's role and responsibilities, composition and membership requirements.

The role of the Audit and Risk Management Committee includes:

- reviewing the integrity of management's presentation of the Company's financial position;
- reviewing the effectiveness of internal financial controls, and
- ensuring the independence and competence of the Company's internal and external auditors.

COMPOSITION OF THE COMMITTEE

The Board has determined that the Audit Committee should comprise:

- a minimum of two non-executive Directors;
- a majority of independent non-executive directors; and
- a non-executive Chair.

In addition, the Audit Committee should include members who are financially literate.

Committee membership is disclosed in the Directors Report included as part of the Annual Report along with details of meetings attended. Membership is consistent with the composition requirements of the Charter.

The Charter is published on the Company's website. The website and Charter also contains information on the procedures for the selection and appointment of the external auditor and for the rotation of external audit partners.

ASX Principles: Recommendation 4.4: Companies should provide the information indicated in Guide to reporting on Principle 4.

This information is set out above.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Companies should promote timely and balanced disclosure of all material matters concerning the Company.

The Company is committed to ensuring that:

- all investors have equal and timely access to material information concerning the Company - including its financial situation, performance, ownership and governance; and
- Company announcements are factual and presented in a clear and balanced way.

ASX Principles: Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies.

The Board has adopted a Continuous Disclosure Policy with the Company Secretary responsible for external communications. The Policy is available on the Company's website.

ASX Principles: Recommendation 5.2: Companies should provide the information indicated in Guide to reporting on Principle 5.

This information is set out above.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

ASX Principles: Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy.

The Company is committed to effective communications with its shareholders, providing them with understandable and accessible information about the Company and facilitating shareholder participation at general meetings.

The Board has established a Shareholder Communications Policy, its purpose being to set out in conjunction with the Continuous Disclosure obligations:

- Company strategy;
- strategy implementation; and
- financial results flowing from the implementation of Company strategy.

The full Shareholder Communications Policy is published on the Company website.

COMMUNICATIONS POLICY

The Company communicates with its shareholders publicly by maintaining an up-to-date website on which all ASX and media announcements are posted. Prior to the AGM shareholders are also invited to submit questions to the Company through the office of the Company Secretary. The Annual Report and is also available in electronic format from the Company's website.

EXTERNAL AUDITOR'S AGM ATTENDANCE

The external auditor is required to attend the Company's AGM and to respond to questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

ASX Principles: Recommendation 6.2: Companies should provide the information indicated in Guide to reporting on Principle 6.

This information is set out above.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Companies should establish a sound system of risk oversight and management and internal control.

RISK MANAGEMENT POLICY

ASX Principles: Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The Company has adopted an Audit and Risk Management Policy, the primary objective of which is to ensure that the Company maintains an up-to-date understanding of areas where the Company may be exposed to risk and compliance issues and implement effective management of those issues.

This Policy is published on the Company's website under the Charter of Audit and Risk Management.

ASX Principles: Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Oversight of Risk Management is undertaken by the amalgamated Audit and Risk Management Committee.

The Board require management to report to it, directly, or through the Audit and Risk Management Committee, as to the effectiveness of the Company's management of its material business risks.

CORPORATE GOVERNANCE STATEMENT

The chief executive officer is required to report to the Board on the progress of, and on all matters associated with, risk management.. The chief executive officer is to report to the Board as to the effectiveness of the Company's management of its material business risks at least annually.

NRW has established a risk management foundation that will be developed and enhanced over time to meet best practice standards including the recent appointment of an internal auditor.

ASX Principles: Recommendation 7.3: The Board should disclose whether it has received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.

The Board has received an assurance from the Managing Director and Chief Financial Officer that there is a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.

ASX Principles: Recommendation 7.4: Companies should provide the information indicated in Guide to reporting on Principle 7.

This information is set out above.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear..

REMUNERATION COMMITTEE

ASX Principles: Recommendation 8.1: The Board should establish a Remuneration Committee.

The Board has established a Remuneration Committee and adopted a Charter that sets out the committee's role and responsibilities, composition and membership requirements.

Remuneration responsibilities:

The role of the Remuneration Committee includes responsibility for providing the Board with advice and recommendations regarding the ongoing development of an executive remuneration policy that:

- is designed to attract, maintain and motivate directors and senior management with the aim of enhancing the performance and long-term growth of the Company;
- clearly sets out the relationship between the individual's performance and remuneration; and
- complies with the reporting requirements relating to the remuneration of directors and key executives as required by ASX Listing Rules, Accounting Standards and the Corporations Act.

The Committee must review the remuneration policy and other relevant policies on an ongoing basis and recommend any necessary changes to the Board.

The composition requirements for and membership of this Committee is consistent with the Charter.

Committee membership is disclosed in the Directors Report included as part of the Annual Report along with details of meetings attended.

A copy of this Committee's Charter is on the Company's website.

ASX Principles: Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

EXECUTIVE REMUNERATION

The Board periodically reviews executive remuneration practices with a view to ensuring there is an appropriate balance between fixed and incentive pay, and that the balance reflects short and long term performance objectives appropriate to the Company's circumstances and goals.

Executive remuneration will be published in the Remuneration Report in the Company's Annual Report each year (including the Remuneration Report contained in this Annual Report).

NON-EXECUTIVE DIRECTOR REMUNERATION

ASX guidelines for appropriate practice in non-executive director remuneration are that non-executive directors should:

- normally be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity);
- not normally participate in schemes designed for the remuneration of executives;
- not receive options or bonus payments; and
- not be provided with retirement benefits other than superannuation.

The Company's current practice for remunerating non-executive directors is consistent with these guidelines.

The details of Directors' remuneration are set out in the Remuneration Report contained in the Annual Report.

REMUNERATION POLICY DISCLOSURES

Disclosure of the Company's remuneration policies is best served through a transparent and readily understandable framework for executive remuneration that details the costs and benefits.

The Company intends to meet its transparency obligations in the following manner:

- publishing a detailed Remuneration Report in the Annual Report each year;
- continuous disclosure of employment agreements with key executives where those agreements, or obligations falling due under those agreements, may trigger a continuous disclosure obligation under ASX Listing Rule 3.1;
- presentation of the Remuneration Report to shareholders for their consideration and non-binding vote at the Company's AGM;
- taking into account the outcome of the non-binding shareholder vote when determining future remuneration policy; and
- providing a response to shareholder questions on policy where appropriate.

The restrictions in the Company's Securities Trading Policy apply to Directors and specified executives in relation to transactions in products associated with the Company's securities which limit the economic risk of holding shares in the Company in the same manner as they are restricted from dealing in the Company's securities. However, as the Company has not issued any equity incentives to employees since its initial public offering, it has not formulated any specific policy in relation to the hedging of unvested entitlements under any equity based remuneration scheme.

ASX Principles: Recommendation 8.3: Companies should provide the information indicated in Guide to reporting on Principle 8.

This information is set out above.

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DIRECTORS' REPORT

The Directors present their report together with the financial report of NRW Holdings Limited ("the Company") and of the Consolidated Group (also referred to as "the Group"), comprising the Company and its subsidiaries, for the financial year ended 30 June 2009 and the Auditor's report thereon.

DIRECTORS

The following persons held office as Directors of NRW Holdings Limited during the financial year and up to the date of this report are:

Name	Status	Qualifications, special responsibilities and other Directorships
Ian Burston	**Chairman Independent Non-Executive Director**	Dr Ian F Burston was appointed as a Director and Chairman on 27 July 2007.
		His career includes former positions as Managing Director of Portman Limited, Managing Director and Chief Executive Officer of Aurora Gold Ltd, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines Pty Ltd, Vice President – WA Business Development of CRA Ltd and Managing Director of Hamersley Iron Pty Ltd. He was a non-executive Director of the Esperance Port Authority for ten years and executive Chairman of Cape Lambert Iron Ore Ltd, and is currently a non-executive Chairman of Broome Port Authority and Imdex Ltd and a non-executive Director of Mincor Resources NL and Fortescue Metals Group. Dr I F Burston has a Bachelor of Engineering (Mech) degree from Melbourne University and a Diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Course in Paris and the Harvard Advanced Management Program in Boston. He was awarded the Western Australian Citizen of the Year (category of Industry and Commerce) in 1992, the Order of Australia (General Division) in 1993 and an Honorary Doctor of Science (Curtin) in 1995. Dr I F Burston has held the following directorships of listed companies in the 3 years immediately before the end of the financial year: • Non Executive Chairman, Imdex Limited • Non Executive Director, Mincor Resources NL • Non Executive Director, Kansai Mining Corporation • Non Executive Chairman, Cape Lambert Iron Ore Limited • Non Executive Director, Fortescue Metals Group
Jeffery McGlinn	**Managing Director**	Mr McGlinn was appointed a Director on 10 February 2006. Mr McGlinn is the founding Managing Director of NRW. He has over 30 years of experience in civil contracting, mining and marketing. His major responsibilities within NRW are in the areas of Group management and finance including strategy, acquisitions and overall business development.
Julian Pemberton	**Chief Operating Officer and Executive Director**	Mr Pemberton was appointed as a Director on 1 July 2006. He has over 20 years of experience in business, sales and management in both Australia and the United Kingdom. Mr Pemberton joined NRW in 1997 and initially worked on site before progressing into the sales and hire area. He has held roles as Operations Manager and General Manager for NRW prior to his current role.
Michael Arnett	**Non-executive Director**	Mr Arnett was appointed as a Director on 27 July 2007. Michael Arnett is a consultant to and former partner of and member of the Board of Directors and national head of the Natural Resources Business Unit of the law firm Deacons. Michael has been involved in significant corporate and commercial legal work for the resource industry for over 20 years. Mr Arnett has held the following directorships of listed companies in the 3 years immediately before the end of the 2009 financial year. • Non Executive Director, Anzon Australia Limited (resigned 2008) • Non Executive Director, Anzon Energy Limited (resigned 2008) • Non Executive Director, Archipelago Resources PLC • Non Executive Chairman, Aztec Resources Limited (resigned 2006) • Non Executive Director, Kids Campus Limited (resigned 2006) • Non Executive Director, Axiom Mining Limited (resigned 2008) • Chairman, New Guinea Energy Limited • Non Executive Director, Cloncurry Metals Limited • Non Executive Director, NRW Holdings Limited • Non Executive Director, Nexus Energy Limited

COMPANY SECRETARY

Mr Kim Hyman was appointed to the position of company secretary on 10 July 2007. Mr Hyman has responsibility for company secretarial services and coordination of general legal services, as well as the risk management portfolio.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Directors' Meetings Attended	Directors' Meetings Held
Ian Burston	5	5
Michael Arnett	5	5
Jeffery McGlinn	5	5
Julian Pemberton	5	5

The Remuneration Committee met once during this period.

The Nomination Committee was not required to meet during this period.

The Audit and Risk Management Committee met in conjunction with each Board Meeting held.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Group, comprising the Company and the entities that it controlled during the financial year, were:

- civil contracting services
- mining services
- equipment rental and sales
- fabrication, quarantine and repair services

STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company or the Group during the financial year.

REVIEW OF OPERATIONS AND RESULTS

A review of the operations and results for the Group for the financial year to 30 June 2009, as well as information on the financial position of the Group, is set out in the Year in Review on pages 4 to 13 in this Annual Financial Report.

SIGNIFICANT EVENTS AFTER YEAR END

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs in future financial years.

LIKELY DEVELOPMENTS

Likely developments in the Group's operations in future financial years and the expected results of those operations are reported, as appropriate, in the Year in Review on pages 4 to 13 in this Annual Financial Report. Further information about likely developments in the Group's operations in future financial years, the expected results of those operations and the Group's business strategy and prospects for future financial years has not been included in this report because disclosure of such information would be likely to result in unreasonable prejudice to the Company and the Group.

DIRECTORS' INTERESTS

At the date of this report the relevant interest of each Director in the ordinary share capital of the Company was:

Director	Ordinary Shares (NWH)
Jeffery McGlinn	26,195,641
Julian Pemberton [1]	2,534,540
Ian Burston	324,992
Michael Arnett	275,000

(1) Includes shares held pursuant to the Employee Share Plan.

Transactions between entities within the Group and Director-related entities are set out in Note 40 to the financial statements

DIVIDENDS

A fully franked interim dividend of $0.01 per ordinary share was paid during the financial year ended 30 June 2009.

The Directors have declared a fully franked final dividend of $0.01 cent per share, in relation to 30 June 2009, payable on 31 October 2009.

OPTIONS OVER UNISSUED SHARES OR INTERESTS

Other than those mentioned in the remuneration policy, there were no options for ordinary shares on issue during the financial year, and none had been granted or were on issue as at the date of this report.

AUDITOR

The Company's auditor is Deloitte Touche Tohmatsu who was appointed at the AGM held on November 28, 2007.

During the financial year there were no officers of the Company who were former partners or directors of Deloitte.

DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE AND NON AUDIT SERVICES

The Directors received the Auditor's Independence Declaration from the auditor of the Company, which is included on page 35 of this report.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 11 (page 56) to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 11 (page 56) to the financial statements do not compromise the external auditors independence, based on advice received from the Audit and Risk Management Committee, for the following reasons:

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

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has executed a deed of access, indemnity and insurance in favour of each Director. The indemnity requires the Company to indemnify each Director for liability incurred by the Director as an officer of the Company subject to the restrictions prescribed in the Corporations Act. The deed also gives each Director a right of access to Board papers and requires the Company to maintain insurance cover for the Directors.

The Company has also executed an indemnity and insurance deed in favour of certain executives of the Company. The deed requires the Company to indemnify each of these executives for liability incurred by them as executives of NRW subject to the restrictions prescribed in the Corporations Act. The deed also requires the Company to maintain insurance cover for these executives. The total amount of insurance premiums paid during the financial year was $150,020.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

ENVIRONMENTAL REGULATIONS

The Group holds various licenses and is subject to various environmental regulations. No known environmental breaches have occurred in relation to the Group's operations.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED)

The following were key management personnel of the Group at any time during the period and unless otherwise indicated were key management personnel for the entire period:

Name	Positions held	Resigned / Appointed
Non-Executive Directors		
Dr I F Burston	Chairman and Non Executive Director	Appointed as Non-executive Director, 27th July 2007
Mr M Arnett	Non Executive Director	Appointed as Non-executive Director, 27th July 2007
Executive Directors		
Mr J W McGlinn	Director & Chief Executive Officer	Appointed as a Director, 10th February 2006.
Mr J A Pemberton	Director & Chief Operating Officer	Appointed as Director of the Company 1st July 2006
Executives		
Mr M Wallace	Chief Financial Officer	Appointed 8th December 2008
Mr G Chiarelli	Chief Financial Officer	Appointed 15th July 1997 resigned as Chief Financial Officer – 24th December 2008
Mr N J Silverthorne	Managing Director – Civil & Mining	Appointed 27th July 2007
Mr K Bounsell	General Manager – NRW Maintenance and Action Mining	Appointed 2nd July 2007
Mr W Rooney	Managing Director _ Civil and Mining Engineering	Appointed 1st October 2008
Mr M Stewart	General Manager – Civil Engineering	Appointed 1st July 2008
Mr R J Morrow	General Manager – Mining Services	Appointed 6th April 2006 resigned 11th August 2008
Mr K Hyman	Company Secretary	Appointed 10th July 2007
Mr P McBain	General Manager – Civil Engineering	Appointed 3rd April 2006 resigned 30th April 2008

Remuneration committee

The remuneration committee's principal function is reviewing and making recommendations to the Board on remuneration packages and policies applicable to Directors and senior executives to ensure that those packages and policies are consistent with the Company's strategic goals and objectives.

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

The composition of the Remuneration Committee is as follows:

- Michael Arnett (non-executive Director)
- Ian Burston (non-executive Director)

Principles of compensation

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including directors of the Company and other executives.

Key management personnel compensation is competitively set to attract and retain appropriately qualified and experienced directors and executives, reward the achievement of strategic objectives, and achieve the broader outcome of creating shareholder value. The compensation structures take into account:

- capability and experience of the individuals
- individual's ability to manage and control the relevant performance criteria
- the overall Group performance considering Group earnings, share price and returns on shareholder's wealth.

DIRECTORS' REPORT (continued)

Past Year Performance[2]:

Measure	2009	2008
Market Capitalisation	$238.7 million	$489.9 million
Market Capitalisation at IPO	$502.5 million	$502.5 million
Share Price at end of year	$0.95	$1.95
Share Price at beginning of year	$1.95	$2.00(1)
Net Profit After Tax	**$37.1 million**	**$32.8 million**
Interim Dividend paid		
Final Dividend declared in respect of the year	1.00 Cent	
1.00 Cent	4.00 Cents	
4.23 Cents		

(1) PO date list price;

(2) Note the past year performance table above is limited to performance since IPO listing. No meaningful comparison prior to this date. There was no profit or dividends paid or declared prior to listing.

Compensation consists of a mix of fixed and variable compensation and short and long term performance based incentives.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes the cost of non-cash benefits provided to key management personnel), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the remuneration committee through a process that considers individual, segment and overall Group performance. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. A senior executive's compensation is also reviewed on promotion.

Performance linked compensation

Performance linked compensation includes both long term and short term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short term incentive is a bonus provided in the form of cash plus statutory employer superannuation contributions. The long term incentive comprises options over the ordinary shares of the Company under the Senior Management and Director Option Plan (SMDOP). No options have yet been issued under the Senior Management and Director Option Plan (SMDOP).

In-substance options

Limited recourse loans were issued to key management personnel whereby loans were to be repaid by 15th March 2009 and accrue interest at a rate of 7.5% per annum, payable half-yearly. The loans were issued in order for selected key management persons to acquire shares in the Company at market rates prior to the listing of NRW on the ASX.

The loans were to mature on 31st March 2009 under the original loan agreement, and have since been rolled into a new loan agreement covering any principal and interest balance. As a result these loans will be continuing as at 30 June 2009 as listed above with repayment by 30th September 2009.

The employees' obligation for repayment of the loans was limited to the dividends declared and the capital returns by the Company, and in the event that the employee ceases employment, the market price achieved on the sale of the shares held as security by the Company for the loans. The employee has no exposure to unfavourable changes in market price below the price at which the shares were issued. The shares issued under the limited recourse loan arrangements are accordingly accounted for as in-substance options (equity-settled share-based payments).

To date 4,999,128 ordinary shares have been issued under this arrangement as detailed below:

Name	Shares	Value of limited recourse loan at 30 June 09 (1)
Mr G Chiarelli	937,337	642,222
Mr J Kenny	624,890	428,147
Mr J Pemberton	937,337	642,222
Mr R Morrow	937,337	-
Mr P McBain	937,337	-
Mr P San Miguel	624,890	-
Total	**4,999,128**	**1,712,592**

(1) Loan balance at 30 June 2009. Any nil balances have been repaid.

The Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in relation to the options issued by the Company.

DIRECTORS' REPORT (continued)

Short term incentive bonus

Each year the remuneration committee sets the measures of performance for the key management personnel. The measures are determined in order to align the individual's reward with the strategy, objectives and performance of the Group.

The financial performance objectives are 'profit after tax' compared to budgeted amounts. The non-financial measures vary with position and responsibility and include such aspects as achieving strategic outcomes, safety, customer relationship management and staff development.

At the end of the financial year the remuneration committee assesses the actual performance of the Group and the individual against the measures determined at the beginning of the period. A percentage of the pre-determined maximum amount may be awarded depending on the extent to which the individual exceeded the performance measures. No bonus is awarded where performance falls below the minimum expectations.

The remuneration committee recommends the cash incentive to be paid to the individuals for approval by the board, where applicable.

No short term incentive bonus was paid during this financial year (2008: $0).

Long term incentive

Options may be issued under the Senior Management and Director Option Plan (SMDOP), in accordance with the thresholds set in the terms of the SMDOP. The objective of the SMDOP is to recognise the ability and efforts of senior executives who contribute to the Group's success provide an incentive to achieve individual long term performance objectives and assist in the recruitment and retention of quality senior executives.

The board has the discretion to determine the terms and conditions applying to each offer of options under the SMDOP including conditions attaching to the exercise of options, restrictions on transfer and disposal, exercise price of options and amount payable for a grant of options. As at the date of issue of this report the board had not resolved to issue any options under the SMDOP. It is expected that the board will attach conditions to the issue of options under the SMDOP where the right to exercise the options is conditional on the Group achieving certain performance hurdles as determined by the remuneration committee.

To date, no options have been issued under the SMDOP.

Other benefits

Key management personnel can receive additional benefits in the form of non-cash benefits, as part of the terms and conditions of their appointment. Non-cash benefits typically include the provision of motor vehicles, motor vehicle running costs and other personal expense payments, and the applicable Fringe Benefits Tax on these amounts.

Service contracts

NRW has entered into executive service agreements with each of Jeffery McGlinn as Chief Executive Officer, John Silverthorne as Managing Director – NRW Civil and Mining, and Julian Pemberton as Chief Operating Officer. The executive service agreements:

- are not fixed term agreements and continue on an ongoing basis until terminated;
- contain non-compete provisions restraining the executives from operating or being associated with an entity that competes with the business of NRW in Western Australia for 12 months after termination;
- provide for annual base salaries of $1,510,000 for Mr J McGlinn, $1,000,000 for Mr J Silverthorne and $800,000 (salary package) for Mr J Pemberton. In addition, Messrs McGlinn and Silverthorne receive statutory superannuation contributions, annual leave and long service leave, motor vehicle allowance and other fringe benefits exclusive of their base salary;
- provide for remuneration to be reviewed by NRW annually; and
- may be terminated by either the executive or the Company giving six months' notice of termination (or in lieu), or in the case of Mr Pemberton's agreement, three months' notice (or in lieu). No other termination payments are due.

DIRECTORS' REPORT (continued)

Directors' and executive officers' remuneration (Company and Group)

The details of the nature and amount of each major element of remuneration of each director of the Company, and relevant Company and Group executives and key management personnel, who receive the highest remuneration, are outlined in the following tables.

2009	Short Term Benefits				Post Employment Benefits	Other Long Term Benefits	Share Based Payments		Total	Perform-ance related	Value of options
KEY MANAGEMENT PERSONNEL	**Salary & fees**	**STI cash bonus**	**Non cash benefit[1]**	**Annual Leave[5]**	**Super-annuation**	**Other[3]**	**Equity**	**In substance options[6]**	**Total**	**%**	**%**
	$	*$*	*$*	*$*	*$*	*$*	*$*	*$*	*$*	*$*	*$*
DIRECTORS											
Mr J W McGlinn	1,510,000	-	197,555	149,277	147,639	58,048	-	-	2,062,519	-	-
Mr J A Pemberton	645,421	-	109,714	82,301	13,745	79,982	-	110,218	1,041,381	-	-
NON-EXECUTIVE DIRECTORS											
Dr I F Burston	100,000	-	2,846	-	9,000	-	-	-	111,846	-	-
Mr M Arnett	80,000	-	-	-	7,200	-	-	-	87,200	-	-
EXECUTIVES											
Mr G Chiarelli[2]	620,353	-	14,543	-	26,830	-	-	87,846	749,572	-	-
Mr K Hyman	238,144	-	61,428	24,755	21,433	11,711	-	-	357,471	-	-
Mr M Wallace[4]	148,200	-	5,566	5,960	13,338	-	-	-	173,064	-	-
Mr M Stewart	636,153	-	15,245	28,609	57,254	-	-	-	737,261	-	-
Mr W Rooney	510,796	-	7,598	25,422	45,972	-	-	-	589,788		
Mr P J McBain[2]	-	-	1,565	-	-	-	-	-	1,565	-	-
Mr R J Morrow[2]	55,713	-	2,545	-	3,144	-	-	-	61,402	-	-
Mr J N Silverthorne	1,000,000	-	140,443	76,711	90,000	17,247	-	-	1,324,401	-	-
Mr K Bounsell	400,000	-	103,308	2,992	36,000	6,899	-	-	549,199	-	-
Total compensation (Consolidated)	**5,944,780**	**-**	**662,356**	**396,027**	**471,555**	**173,887**	**-**	**198,064**	**7,846,669**	**-**	**-**
Total compensation (Company)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: the pay period upon which the salary and fees are based is from 21 June 2008 to 19 June 2009:

(1) - The non cash benefits comprise fringe benefits including motor vehicle allowances and related expenses offered to key management personnel.

(2) - The key management personnel have terminated their employment.

(3) - Represents the movement in accrued long service leave calculated from the opening balance 1 July 2008 to 30 June 2009.

(4) - Mr Mark Wallace appointed as Chief Financial Officer on 8th December 2008

(5) - Represents the movement in accrued annual leave calculated from the opening balance 1 July 2008 to 30 June 2009.

(6) - In-substance options (issued in 2007) relates to the revaluation of loan agreements of key personal staff due the Boards decision to extend terms to 30 September 2009.

DIRECTORS' REPORT (continued)

2008	Short Term Benefits				Post Employment Benefits	Other Long Term Benefits	Share Based Payments		Total	Perform-ance related	Value of options
KEY MANAGEMENT PERSONNEL	**Salary & fees**	**STI cash bonus**	**Non cash benefit[1]**	**Annual Leave**	**Super-annuation**	**Other**	**Equity**	**In substance options**	**Total**	**%**	**%**
	$	*$*	*$*	*$*	*$*	*$*	*$*	*$*	*$*	*$*	*$*
DIRECTORS											
Mr J W McGlinn	1,556,639	-	229,842	29,068	140,098	109,022	-	-	2,064,669	-	-
Mr J N Silverthorne	996,153	-	147,453	76,820	89,654	58,598	-	-	1,368,678	-	-
Mr J A Pemberton	400,000	-	107,877	3,162	36,000	6,666	-	-	553,705	-	-
Mr K Bounsell	400,000	-	139,932	1,623	36,000	6,667	-	-	584,222	-	-
Mr L N Piper	67,307	-	75,994	-	4,327	-	-	-	147,628	-	-
NON-EXECUTIVE DIRECTORS											
Dr I F Burston	100,000	-	-	-	9,000	-	-	-	109,000	-	-
Mr M Arnett	80,000	-	-	-	7,200	-	-	-	87,200	-	-
EXECUTIVES											
Mr G Chiarelli	435,446	-	14,521	-	39,190	-	-	-	489,157	-	-
Mr K Hyman	200,000	-	23,972	6,196	18,000	3,333	-	-	251,501		
Mr J A Kenny	299,999	-	13,690	4,678	27,000	-	-	-	345,367	-	-
Mr R J Morrow	275,229	-	27,450	15,936	24,771	-	-	-	343,386	-	-
Mr P J McBain	242,746	-	27,450	-	21,246	-	-	-	291,442	-	-
Mr S P Lucas	173,076	-	12,856	10,875	12,877	-	-	-	209,684	-	-
Total Compensated (Consolidated)	**5,226,595**	**-**	**821,037**	**148,358**	**465,363**	**184,286**	**-**	**-**	**6,845,639**	**-**	**-**
Total compensation (Company)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1) - The non cash benefits comprised mostly of the motor vehicle allowances offered to key management personnel.

DIRECTORS' REPORT (continued)

Non-executive directors

Non-executive directors do not receive performance related compensation.

The Company's Constitution provides that non-executive Directors' remuneration must not exceed the maximum aggregate sum determined by the Company in general meeting. At present, the nominated sum is fixed at a maximum of $350,000, in aggregate, per annum. This maximum sum cannot be increased without members' approval by ordinary resolution at a general meeting.

Non-executive Directors' fees (excluding superannuation) to be paid by the Company are as follows:

Director	Fee per annum in AUD
Dr I F Burston	100,000
Mr M Arnett	80,000

Non-executive directors are also entitled to receive reimbursement for travelling and other expenses that they properly incur in attending Directors' meetings, attending any general meetings of the Company or in connection with the Company's business.

ROUNDING OF AMOUNTS

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

This report has been made in accordance with a resolution of the Directors of the Company.

JEFFERY W McGLINN
Chief Executive Officer

IAN F BURSTON
Chairman

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

The Board of Directors
NRW Holdings Limited
73 – 75 Dowd Street
Welshpool WA 6106

24 September 2009

Dear Board Members

NRW Holdings 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 NRW Holdings Limited.

As lead audit partner for the audit of the financial statements of NRW Holdings Limited for the financial year ended 30 June 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of
Deloitte Touche Tohmatsu

DIRECTORS' DECLARATION

The directors of the company 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;

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

(c) The directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in the Directors Report will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject to virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

JEFFERY W McGLINN
Chief Executive Officer

IAN F BURSTON
Chairman

Perth, 24th August 2009

Income Statement
For the financial year ended 30 June 2009

	Note	Consolidated		Company	
		2009	2008	2009	2008
		$'000	*$'000*	*$'000*	*$'000*
Revenue	*7*	509,603	471,183	-	-
Other income	*8*	9,427	7,105	47,987	54,756
Financial income	*10*	207	920	58	186
Financial expenses	*10*	(8,341)	(7,321)	(35)	(234)
Materials and consumables used		(90,372)	(75,426)	-	-
Employee benefits expense		(125,754)	(100,687)	-	(866)
Subcontractor costs		(89,233)	(109,129)	(361)	(5)
Depreciation and amortisation expenses		(21,102)	(17,554)	-	-
Impairment expense		-	(495)	-	-
Plant and equipment costs		(98,731)	(80,812)	-	-
Travel and accommodation		(18,729)	(14,064)	-	-
Other expenses		(14,997)	(26,375)	-	(10,906)
Profit before income tax		51,978	47,345	47,649	42,931
Income tax expense	*12*	(14,886)	(14,584)	(14,295)	(13,057)
Profit for the year	*18*	37,092	32,761	33,354	29,874
Attributable to:					
Equity holders of the Company	*18*	37,092	32,761	33,354	29,874
Earnings per share (cents per share)					
Basic earnings per share	*18*	15.0 cents	13.6 cents	-	-
Diluted earnings per share	*18*	14.9 cents	13.4 cents	-	-

Notes to the financial statements are included on pages 42 to 80.

Balance Sheet
As at 30 June 2009

	Note	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
		$'000	*$'000*	*$'000*	*$'000*
Assets					
Current assets					
Cash and cash equivalents	*21*	20,603	3,273	147	1,205
Trade and other receivables	*23*	118,293	132,666	102,093	87,773
Inventories	*24*	13,181	10,328	-	-
Other current assets	*26*	3,046	3,148	-	-
Total current assets		155,123	149,415	102,240	88,978
Non-current assets					
Trade and other receivables	*23*	-	8,495	-	-
Property, plant and equipment	*13*	125,922	123,356	-	-
Goodwill	*14*	27,127	27,127	-	-
Financial assets	*25*	-	-	34,089	34,086
Deferred tax assets	*29*	3,608	3,267	2,987	3,940
Total non-current assets		156,657	162,245	37,076	38,026
Total assets		311,780	311,660	139,316	127,004
Liabilities					
Current liabilities					
Trade and other payables	*27*	98,108	68,008	483	86
Borrowings	*30*	34,722	53,155	-	-
Current tax liabilities	*28*	4,019	15,001	3,809	13,217
Provisions	*38*	5,979	4,452	1,124	1,124
Total current liabilities		142,828	140,616	5,416	14,427
Non-current liabilities					
Trade and other payables	*27*	-	8,495	-	-
Borrowings	*30*	26,096	44,923	-	-
Provisions	*38*	602	410	-	-
Total non-current liabilities		26,698	53,828	-	-
Total liabilities		169,526	194,444	5,416	14,427
Net assets		142,254	117,216	133,900	112,577
Equity					
Issued capital	*16*	80,560	79,528	80,560	79,528
Reserves	*16*	1,527	1,475	1,551	1,475
Retained earnings	*17*	60,167	36,213	51,789	31,574
Total equity		142,254	117,216	133,900	112,577

Notes to the financial statements are included on pages 42 to 80.

Statement of Changes in Equity

For the financial year ended 30 June 2009

Consolidated	Fully paid ordinary shares	Foreign currency translation reserve	Option reserve	Retained earnings	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 1 July 2007	**30,723**	**-**	**1,290**	**13,501**	**45,514**
Interest on 'ESP' loans	-	-	264	-	264
Exchange differences arising on translation of foreign operations	-	-		-	-
Related income tax	-	-	(79)	-	(79)
Net income recognised directly in equity	**-**	**-**	**185**	**-**	**185**
Profit for the year	-	-	-	32,761	32,761
Total recognised income and expense	**-**	**-**	**185**	**32,761**	**32,946**
Payment of dividends	-	-	-	(10,049)	(10,049)
Share issue – IPO	46,580	-	-	-	46,580
Share issue – deferred consideration for AMS	2,500	-	-	-	2,500
Share issue – 'EGO'	866	-	-	-	866
Share issue costs	(1,760)	-	-	-	(1,760)
Repayment of limited recourse loan as part of the 'ESP'	619	-	-	-	619
Balance at 30 June 2008	**79,528**	**-**	**1,475**	**36,213**	**117,216**
Balance at 1 July 2008	**79,528**	**-**	**1,475**	**36,213**	**117,216**
Interest on 'ESP' loans	-	-	108	-	108
Exchange differences arising on translation of foreign operations	-	(24)	-	-	(24)
Related income tax	-	-	(32)	-	(32)
Net income recognised directly in equity	**-**	**(24)**	**76**	**-**	**52**
Profit for the year	-	-	-	37,092	37,092
Total recognised income and expense	**-**	**(24)**	**76**	**37,092**	**37,144**
Payment of dividends	-	-	-	(13,138)	(13,138)
Repayment of limited recourse loan as part of the 'ESP'	1,032	-	-	-	1,032
Balance at 30 June 2009	**80,560**	**(24)**	**1,551**	**60,167**	**142,254**

Notes to the financial statements are included on pages 42 to 80.

Statement of Changes in Equity (Continued)

For the financial year ended 30 June 2009

Company	Fully paid ordinary shares	Option reserve	Retained earnings	Total
	$'000	*$'000*	*$'000*	*$'000*
Balance at 1 July 2007	**30,723**	**1,290**	**11,749**	**43,762**
Interest on 'ESP' loans	-	264	-	264
Related income tax	-	(79)	-	(79)
Net income recognised directly in equity	**-**	**185**	**-**	**185**
Profit for the year	-	-	29,874	29,874
Total recognised income and expense	**-**	**185**	**29.874**	**30,059**
Payment of dividends	-	-	(10,049)	(10,049)
Share issue – IPO	46,580	-	-	46,580
Share issue – deferred consideration for AMS	2,500	-	-	2,500
Share issue – 'EGO'	866	-	-	866
Share issue costs	(1,760)	-	-	(1,760)
Repayment of limited recourse loan as part of the 'ESP'	619	-	-	619
Balance at 30 June 2008	**79,528**	**1,475**	**31,574**	**112,577**
Balance at 1 July 2008	**79,528**	**1,475**	**31,574**	**112,577**
Interest on 'ESP' loans	-	108	-	108
Related income tax	-	(32)	-	(32)
Net income recognised directly in equity	**-**	**76**	**-**	**76**
Profit for the year	-	-	33,354	33,354
Total recognised income and expense	**-**	**76**	**33,354**	**33,430**
Payment of dividends	-	-	(13,139)	(13,139)
Repayment of limited recourse loan as part of the 'ESP'	1,032	-	-	1,032
Balance at 30 June 2009	**80,560**	**1,551**	**51,789**	**133,900**

Notes to the financial statements are included on pages 42 to 80.

Statement of Cash Flows

For the financial year ended 30 June 2009

	Note	Consolidated		Company	
		2009	2008	2009	2008
		$'000	*$'000*	*$'000*	*$'000*
Cash flows from operating activities					
Cash receipts from customers		544,468	402,688	20	-
Cash paid to suppliers and employees		(422,048)	(372,000)	-	(384)
Interest paid		(8,341)	(6,272)	(35)	(230)
Interest received		280	1,184	131	450
Income tax paid		(26,242)	(10,838)	(22,782)	(8,260)
Net cash provided by/(used in) operating activities	*22*	88,117	14,762	(22,666)	(8,424)
Cash flows from investing activities					
Acquisition of subsidiaries net of cash acquired	*6*	-	(881)	-	(781)
Proceeds from the sale of property, plant and equipment		2,119	1,681	-	-
Acquisition of property, plant and equipment		(7,254)	(4,773)	-	-
Net cash - used in investing activities		(5,135)	(3,973)	-	(781)
Cash flows from financing activities					
Proceeds from the issue of share capital		-	46,580	-	46,580
Proceeds from borrowings		15,145	36,191	-	-
Repayment of borrowings and finance/hire purchase liabilities		(54,182)	(95,577)	-	(24,000)
Proceeds from repayment of Employee Share Plan loans (see note 37)		1,032	619	1,032	619
Payment of dividends to shareholders		(13,139)	(10,049)	(13,139)	(10,049)
Payment of costs relating to initial public offering		-	(12,910)	-	(12,910)
Repayment of director related party loans		-	(3,429)	-	-
Loans received from subsidiaries		-	-	33,716	10,169
Net cash (used in)/provided by financing activities		(51,144)	(38,576)	21,609	10,409
Net increase/(decrease) in cash and cash equivalents		31,838	(27,786)	(1,057)	1,204
Cash and cash equivalents at the beginning of the year		(11,235)	16,551	1,205	1
Cash and cash equivalents at the end of the year	*21*	20,603	(11,235)	147	1,205

Notes to the financial statements are included on pages 42 to 80.

Notes to the Financial Statements

For the financial year ended 30 June 2009

1. REPORTING ENTITY

NRW Holdings Limited (the 'Company') is a public company listed on the Australian Stock Exchange and incorporated in Australia. The address of the Company's registered office is 73-75 Dowd Street, Welshpool, Western Australia. The consolidated financial statements of the Company for the year ended 30 June 2009 comprises the Company and its subsidiaries (together referred to as 'Consolidated', the 'Consolidated Group' or the 'Group'). The Group is primarily involved in civil and mining contracting, the fabrication of components and repairs to plant and equipment and rental and sales of earthmoving equipment.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the Company and the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Board of Directors on 24th August 2009.

(b) Basis of measurement

The financial report has been prepared on the basis of historical cost modified by the revaluation of certain non-current assets and financial instruments. Cost is based on 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 consequently the amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(I) CONSTRUCTION WORK IN PROGRESS

Essentially these amounts comprise of revenue earned, but not billed at 30 June 2009, mostly in relation to civil and some mining income claims. These amounts may comprise variations to contract particulars, and changes to scope beyond the original tendered contract. The process requires the client to accept or come to an arrangement with NRW for these types of claims.

(II) GOODWILL

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. In this regard the future cash flows are estimated based on approved budgets relating to the cash-generating units.

(III) EMPLOYEE ENTITLEMENTS

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future on cost rates; and
- experience of employee departures and period of service.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

EARLY ADOPTION OF ACCOUNTING STANDARDS

The directors elected in the previous year under s334(5) of the *Corporations Act 2001* to apply AASB 8 'Operating Segments" and AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8', even though the standards are not required to be applied until annual reporting periods beginning on or after 1 January 2009.

AASB 8 is a disclosure standard which has resulted in a redesignation of the Group's reportable segments (see note 5), but has no impact on the reported results or financial position of the Group. The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by chief operating decision maker in order to allocate resources to the segment and to assess its performance.

STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and the Company's financial report:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8' Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10' Further Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010
AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010
AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments'	1 January 2009 (and that ends on or after 30 April 2009)	30 June 2010

STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE STANDARDS

Initial application of the following standards is not expected to have any material impact on the financial report of the Group and the company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	30 June 2010
AASB 2008-8 'Amendments to Australian Accounting Standards – Eligible Hedged Items'	1 July 2009	30 June 2010
AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments Amends AASB 7 Financial Instruments: Disclosures to require enhanced disclosure amendments: • clarify that the existing AASB 7 fair value disclosures must be made separately for each class of financial instrument • add disclosure of any change in the method for determining fair value and the reasons for the change • establish a three-level hierarchy for making fair value measurements used in the disclosures • clarify that the current maturity analysis for non-derivative financial instruments should include issued financial guarantee contracts and disclosure of a maturity analysis for derivative financial liabilities. Comparative information is not required to be provided in the first year the amendments are applied.	1 January 2009	30 June 2010
AASB 2009-4 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 July 2009	30 June 2010
AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 January 2010[1]	30 June 2011
AASB 2009-6 "Amendments to Australian Accounting Standards"	1 January 2009[2]	30 June 2010
AASB 2009-7 "Amendments to Australian Accounting Standards"	1 July 2009	30 June 2010
AASB 1 'First-time Adoption of Australian Accounting Standards'	1 July 2009	30 June 2010
AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
AASB Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010
AASB Interpretation 17 'Distribution of Non-cash Assets to Owners, AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 'Distribution of Non-cash Assets to Owners'	1 July 2009	30 June 2010
AASB Interpretation 18 'Transfers of Assets from Customers'	1 July 2009[3]	30 June 2010

1 Applicable to financial years beginning on or after 1 January 2010, except for the amendments made to the guidance to AASB 118 'Revenue' that have no explicit application date and are taken to be immediately effective.

2 Applicable to financial years beginning on or after 1 January 2009 that end on or after 30 June 2009.

3 AASB Interpretation 18 applies to transfers of assets from customers received on or after 1 July 2009.

The initial application of the expected issue of an Australian equivalent accounting Standard/Interpretation to the following Standard/Interpretation is not expected to have a material impact on the financial report of the Group and the Company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Group Cash-settled Share-based Payment Transactions – Amendments to IFRS 2 Amends IFRS 2 Share-based Payment to clarify the accounting for group cash-settled share-based payment transactions. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendments to IFRS 2 also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2 – Group and Treasury Share Transactions. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11. Note: The AASB made AASB 2009-8 'Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions' in July 2009 to implement equivalent amendments in the Australian context.	1 January 2010 and must be applied retrospectively	30 June 2010

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently by the Group entities:

(a) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

A list of controlled entities is contained in Note 20 to the financial statements. All controlled entities have a 30 June financial year-end with the exception of NRW Sarl who has a 31 December financial year end.

Inter-company loans which have no interest or repayment terms are effectively investments in controlled entities and are reflected at cost.

All intra-Group balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated Group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) 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 balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

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 the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/Group intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 not part of a tax consolidated group under Australian taxation law. Management is reviewing this position and may choose to alter the groups tax consolidated position in the future.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to each particular class of inventory, with all categories being valued on a first in first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(d) Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(e) Property, Plant and Equipment

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

PROPERTY

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are carried in the balance sheet at fair value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

PLANT AND EQUIPMENT

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Construction in progress is stated at cost. Cost includes expenditure that is directly attributable to the acquisition or construction 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 sate of acquisition.

DEPRECIATION

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 7.5%
Leasehold improvements	7.5% - 33.3%
Plant and equipment	7.5% - 50%
Office Equipment	7.5% - 66.67%
Furniture and Fittings	7.5% - 45%
Motor Vehicles	15% - 25%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, are classified as finance leases, all other leases are classified as operating leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the present value of the minimum lease payments, including any unguaranteed residual values expected to accrue at the end of the lease term. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, 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 patterns in which economic benefits from the leased asset are consumed. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(g) Financial Instruments

RECOGNITION

Financial instruments are initially measured at fair value, net of transaction costs, on trade date, which includes transaction costs, when the related contractual rights or obligations exist for the delivery of the investment within the timeframe established by the market concerned. Subsequent to initial recognition these instruments are measured as set out below.

INVESTMENTS IN SUBSIDIARIES

Subsequent to initial recognition investments in subsidiaries are measured at cost in the Company financial statements.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, is part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short term profit making. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

LOANS AND RECEIVABLES

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

HELD-TO-MATURITY INVESTMENTS

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

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity, with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in the profit and loss.

FINANCIAL LIABILITIES

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of:

- the amount of the obligation under the contract, as determined under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'; and
- the amount initially recognised less, where appropriate, cumulative amortisation in accordance with the revenue recognition policies described in note 4(o).

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities.

Financial liabilities at fair value through profit and loss

Financial liabilities are classified as at fair value through profit and loss where the financial liability is either held for trading or it is designated as at fair value through profit and loss. A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading is designated as at fair value through profit and loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investments strategy, and information about the grouping is provided internally on that basis.

Financial liabilities at fair value through profit and loss are stated at fair value, with any resultant gain or loss recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability.

Other Financial Liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into occasional derivative financial instruments mainly to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 32 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date if considered material. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

The fair value of a hedging derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Hedge accounting
The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a nonfinancial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Hedges of net investments in foreign operations
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in the foreign currency translation reserve; the gain or loss relating to the ineffective portion is recognised immediately in profit or loss and included in the 'other expenses or other income' line of the income statement.

Gains and losses deferred in the foreign currency translation reserve are recognised in profit or loss when the foreign operation is disposed of.

SHARE CAPITAL
Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

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

Impairment
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

At each reporting date, the Group assess whether there is objective evidence that a financial asset has been impaired, other than those at fair value through profit and loss. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(h) Impairment of Assets
At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell or value in use, is compared to the assets carrying value. 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 estimated future cash flows have not been adjusted. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

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 directly in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangibles

GOODWILL

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at its cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period. On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(j) Foreign Currency Transactions and Balances

FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

TRANSACTION AND BALANCES

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity otherwise the exchange difference is recognised in the income statement.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

(k) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date in respect of wages and salaries, annual leave, long service leave and sick leave. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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 cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. 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 reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Share-based payments

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustments to the equity-settled employee benefits reserve.

The Employee Share Plan ('ESP') is accounted for as an "in-substance" option plan due to the limited recourse nature of the loan between the employees and the Company to finance the purchase of ordinary shares. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Shares in the Group held under the ESP are deducted from equity, and the grant date fair value of the options recognised at reporting date is credited to Options reserve.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(o) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from the rendering of a service is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Construction contract revenue is recognised in profit or loss when the outcome of a construction contract can be measured reliably, in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be measured reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Business combinations

The purchase method of accounting is used to account for all business combinations within the scope of AASB 3, regardless of whether equity instruments or other assets are acquired. Cost is measured of the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of the exchange plus costs directly attributable to the acquisition. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, except for non-current assets that are classified as held-for-sale in accordance with AASB5 ' Non-current assets held for sale' and discontinued operations, which are recognised at fair value less costs to sell.

The excess of the costs of the acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the Group's share of fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after reassessment of the identification and measurement of the net assets acquired.

(s) Joint venture Arrangements

JOINTLY CONTROLLED OPERATIONS

The Group adopts the proportionate distribution method as permitted under AASB 131. As such incorporated in the consolidated groups financial statements are the distribution from the joint venture operations The Group recognises the assets that it jointly controls and the liabilities that it incurs, along with the expenses that it incurs and the Group's share of the income that it earns from the sale of goods or services by the joint venture.

The joint ventures are characterised as jointly controlled operations rather than establishment of a corporation, partnership or other entity. Each venturer uses its own property, plant and equipment and carries its own inventories as applicable. It also incurs its own expenses and liabilities and raises its own finance which represents its own obligations.

5. SEGMENT REPORTING

The segments are presented in line with the Group's internal management reporting structure.

The Group has in the previous year adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 in advance of their effective dates. As such the Group's reportable segments under AASB 8 remain unchanged. Information regarding these segments is reported below. The accounting policies for the reportable segments are the same as the Group's accounting policies.

Segment results and segment assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise predominantly interest bearing loans, borrowings, and corporate assets and expenses. Inter-segment pricing is determined on an arm's length basis.

Reportable segments and Product Segments
The board as in prior years has identified the following reportable segments which have not been aggregated but reflect each reporting division and its products:

- **Civil Contracting.** The provision of civil infrastructure and other construction services including rail formation, bulk earthworks and detailed road and tunnel construction.
- **Mining Services.** This segment continues to operate in the Mining contracting services including earth moving, waste stripping, ore haulage and related ancillary services.
- **Equipment Rental and Sales.** Rental and sale of new and used, heavy mining and ancillary equipment and the distribution of off-road tyres, loaders, excavators and rollers.
- **Fabrication and Repair Services.** The provision of equipment repairs, sandblasting and painting services, service truck and water tanker fabrication and import services, including quarantine cleaning.

GEOGRAPHICAL INFORMATION

The following table represents a break down of the activity between the two operating geographical segments:

	Revenue from External Customers		Total Assets	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Australia	479,487	440,540	292,252	282,405
West Africa - Guinea	30,116	30,643	19,528	29,255
Total	509,603	471,183	311,780	311,660

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

The civil and mining contracting segments aim to service worldwide projects, at present servicing two distinct areas being Australia and West Africa – Guinea. The other segments being Equipment Rental and Sales and Fabrication and Repair services operate predominantly in Australia with some business representation overseas for equipment sales. It is expected these overseas destinations will be a source of future projects and sales turnover. Revenues from external customers are attributed to individual countries based on the invoiced address for the goods and services.

REPORTABLE SEGMENTS

	Civil Contracting		Mining Services		Equipment Rental and Sales		Fabrication and Repair Services		Eliminations		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*	*$000*	*$000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Total external revenue	294,142	336,761	189,434	107,167	16,018	10,955	10,009	16,300	-	-	509,603	471,183
Inter-segment revenue	-	11	-	-	15,815	10,269	15,569	9,904	(31,384)	(20,184)	-	-
Total segment revenue	294,142	336,772	189,434	107,167	31,833	21,224	25,578	26,204	(31,384)	(20,184)	509,603	471,183
Segment result	**27,737**	**39,888**	**31,157**	**25,551**	**6,552**	**3,779**	**3,138**	**4,309**	**-**	**-**	**68,584**	**73,527**
	9.4%	11.8%	16.4%	23.8%	20.6%	17.8%	12.3%	16.4%			13.5%	15.6%
Unallocated expenses											(8,471)	(8,070)
Results from operating activities											60,113	65,457
Unallocated IPO and employee share expenses [2]											-	(11,711)
											60,113	53,746
Net finance costs											(8,134)	(6,402)
Income tax expense											(14,886)	(14,584)
Profit for the period											**37,092**	**32,761**

	Civil Contracting		Mining Services		Equipment Rental and Sales		Fabrication and Repair Services		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*	*$000*	*$000*	*$'000*	*$'000*	*$'000*	*$'000*
Segment assets	144,732	124,213	93,210	104,217	38,854	46,565	12,141	11,001	288,937	285,996
Unallocated assets									22,842	25,664
Total assets	**144,732**	**124,213**	**93,210**	**104,217**	**38,854**	**46,565**	**12,141**	**11,001**	**311,780**	**311,660**
Segment liabilities	(83,239)	(79,894)	(53,608)	(63,144)	(27,250)	(38,884)	(2,841)	(3,738)	(166,937)	(185,660)
Unallocated liabilities									(2,588)	(8,783)
Total liabilities	(83,239)	(79,894)	(53,608)	(63,144)	(27,250)	(38,884)	(2,841)	(3,738)	(169,526)	(194,443)
Capital expenditure	13,785	14,760	8,878	34,439	2,948	8,390	217	1,423	25,153	59,013
Depreciation & Impairment[1]	3,385	7,113	14,300	7,580	3,080	3,130	337	225	21,102	18,049

(1) Includes the impairment loss recognised to profit and loss of $495,000.

(2) The unallocated amounts relate to IPO costs and employee share expenses which do not form part of the segment reporting above.

6. ACQUISITIONS OF SUBSIDIARIES

Acquisition of entity – Actionblast Pty Ltd

With effect from 30 March 2007, NRW Holdings Ltd, acquired 100% of the issued share capital of Actionblast Pty Ltd (Action Mining Services), a company incorporated in Australia, with the Group provisionally recognising $24,417 (thousand) of Goodwill, being the excess of total purchase consideration over the fair value of net tangible assets acquired.

The numbers presented below have been accounted for using the acquisition method of accounting. The transaction was fully settled on 31 March 2008 when the deferred consideration component was paid to the vendor. The fair values of the consideration paid, assets, liabilities and contingent liabilities acquired were only provisionally determined as at 30 June 2007. The treatment on acquisition was finalised in the year ended 30 June 2008 with regard to the following:

(i) The $24,000 (thousand) paid to the vendor in cash and cash equivalents, was financed by way of a new bank loan facility which was repaid in September 2007 from the proceeds raised from the initial public offering.

(ii) The $2,500 (thousand) deferred consideration due to the vendor upon listing on the Australian Stock Exchange on 5th September 2007 has been settled by way of 1,250 (thousand) issued shares at a fair value (issue price) of $2.00 per share. This has now been finalised and completed in full.

(iii) A further purchase price instalment of $1,000 (thousand) was due on 31 March 2008. The final amount paid in cash to the vendor on this date was reduced by $245 (thousand) in purchase price adjustments, as stipulated in the terms of the share purchase agreement. An additional $26 (thousand) in direct transaction costs were incurred during the current financial year with a corresponding uplift in goodwill on acquisition. A further $100 (thousand) in costs was paid in 2008.

7. REVENUE

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Revenue from the sale of goods	25,708	19,396	-	-
Revenue from the rendering of services [(i)]	483,895	451,776	-	-
Other operating revenue	-	11	-	-
	509,603	471,183	-	-

(i) Included within revenue from the rendering of services are the following amounts recognised from construction contracts during the period:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Construction work in progress	25,069	38,338	-	-
Less Construction contract advances received	-	-	-	-
Construction revenue – work in progress	25,069	38,338	-	-
Construction revenue – billed	468,691	405,585	-	-

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

8. OTHER INCOME

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Trust distribution income	-	-	47,626	54,756
Net (loss)/gain on sale of property plant and equipment	(103)	362	-	-
Fuel rebate revenue	5,885	4,670	-	-
Other income	3,645	2,073	361	-
	9,427	7,105	47,987	54,756

9. PROFIT FOR THE YEAR

(a) Gains and losses

Profit/(loss) for the year has been arrived at after crediting/(charging) the following gains and losses:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Gain/(loss) on disposal of property, plant and equipment	(103)	362	-	-
Net foreign exchange gains/(losses)	-	(2)	-	-

(b) Other expenses

Profit for the year includes the following expenses:

		Consolidated		Company	
		2009	2008	2009	2008
		$'000	*$'000*	*$'000*	*$'000*
Cost of sales		(33,001)	(16,495)	-	-
Reversal of (impairment)/impairment of trade receivables		(188)	350	-	-
Impairment of non-current assets		-	(495)	-	-
Depreciation of non-current assets		(21,100)	(17,554)	-	-
		(21,100)	(18,049)	-	-
Operating lease and rentals:					
Minimum lease payments		(87,694)	(70,153)	-	-
		(87,694)	(70,153)	-	-
Employee benefits expense:					
Superannuation contributions		(8,955)	(7,081)	-	-
Share-based payment – equity-settled	37	-	(866)	-	(866)
Wages and salaries		(109,861)	(87,267)	-	-
Payroll tax		(6,937)	(5,472)	-	-
		(125,754)	(100,687)	-	(866)
Other(IPO Costs)		-	(11,414)	-	(10,845)

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

10. FINANCE INCOME AND EXPENSE

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Interest Income	207	920	58	186
Total Finance Income	207	920	58	186
Interest on bank overdrafts and loans	(2,083)	(2,225)	(35)	(234)
Interest on obligations under finance leases	(6,258)	(5,095)	-	-
Total Finance expense	(8,341)	(7,321)	(35)	(234)
Net Finance Income and Expense	(8,134)	(6,401)	23	(48)

11. AUDITORS' REMUNERATION

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Auditor of the parent entity				
Deloitte Touche Tohmatsu				
Audit and review of financial reports	133,750	120,000	38,787	36,940
Non-audit services [1]	-	369,465	-	369,465
	133,750	406,405	38,787	406,405

(1) Non-audit services for the financial year ended 30 June 2008 include the preparation of the Investigating Accountants' Report included in the prospectus dated 27 July 2007 and services as part of a Vendor Due Diligence engagement.

12. INCOME TAX EXPENSE

Recognised in the income statement

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Current tax expense				
Current period	15,231	18,436	13,342	15,236
Adjustments for prior years	(4)	68	-	68
	15,228	18,504	13,342	15,304
Deferred tax expense				
Origination and reversal of temporary differences	(341)	(3,920)	953	(2,247)
Total income tax expense in income statement	14,887	14,584	14,295	13,057

Numerical reconciliation between tax expense and pre-tax net profit

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Profit for the period	51,978	47,345	47,649	42,931
Total income tax expense	(14,886)	(14,584)	(14,295)	(13,057)
Profit after income tax	37,092	32,761	33,354	29,874
Income tax using the Company's domestic tax rate of 30%	15,594	14,204	14,295	12,879
Changes in income tax expense due to:				
Non-allowable expenses	83	133	-	-
Tax concessions	(733)	-	-	-
Share-based payments	-	110	-	110
Under provision for prior years	(4)	68	-	68
Effect of different income tax rates for subsidiaries operating in a different tax jurisdiction	(54)	70	-	-
	14,886	14,584	14,295	13,057
Effective tax rate	28.64%	30.80%	30.00%	30.40%

The Company has completed its tax consolidation assessment and a decision was made not to proceed with tax consolidation, on the basis of cost versus benefit. The Company will review this decision periodically in order to ensure this position does not change.

Recognised directly in equity

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Current tax				
Interest received on ESP loan balances outstanding	32	79	-	79
	32	79	-	79
Deferred tax				
Share issue costs	-	(619)	-	(619)
	-	(619)	-	(619)

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant and equipment	Total
	$'000	$'000	$'000	$'000
Cost				
Balance at 1 July 2007	491	71	115,879	116,441
Other acquisitions	360	1,050	57,603	59,013
Disposals	-	-	(4,008)	(4,008)
Balance at 1 July 2008	851	1,121	169,474	171,446
Other acquisitions	6	189	25,694	25,889
Disposals	(390)	-	(5,132)	(5,522)
Balance at 30 June 2009	467	1,310	190,036	191,813
Depreciation				
Balance at 1 July 2007	14	4	32,709	32,727
Depreciation expense	60	40	17,454	17,554
Impairment expense	-	-	495	495
Disposals	-	-	(2,689)	(2,689)
Balance at 1 July 2008	14	4	32,709	32,727
Depreciation expense	55	118	20,929	21,102
Impairment expense	-	-	-	-
Disposals	(46)	-	(3,255)	(3,301)
Balance at 30 June 2009	83	162	65,645	65,890
Net book value				
At 30 June 2008	776	1,077	121,504*	123,356
At 30 June 2009	384	1,148	124,391	125,922

Included in the net book value of total plant and equipment was plant and equipment under finance leases comprising of a net book value of $80,257 (2008: $93,988).

NRW Holdings Ltd holds no property plant or equipment. It also holds no land or buildings.

14. GOODWILL

As part of the Board's review the Group's Goodwill has been reviewed and held at carrying amounts as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Gross carrying amount				
Balance at the beginning of financial year	27,127	27,101	-	-
Additional amounts recognised from business combinations occurring in prior period (note 6)	-	26	-	-
Balance at the end of financial year	27,127	27,127	-	-
Accumulated impairment				
Balance at the beginning of financial year	-	-	-	-
Impairment loss	-	-	-	-
Balance at the end of financial year	-	-	-	-
Carrying amounts				
At the beginning of the financial year	27,127	27,101	-	-
At end of the financial year	27,127	27,127	-	-

The assumptions made as part of the Board's review comprise:

- the separate cash generating units continue to be Actionblast Pty Ltd (fabrication, service and repairs) and secondly Promac Rental and Sales Pty Ltd (equipment rental and sales);
- Goodwill carrying amounts are retained at $24,417,000 in relation to Actionblast Pty Ltd and $2,710,000 in relation to Promac Rental and Sales Pty Ltd;
- the calculation of the recoverable amount is based on the value in use, adopting the approved Board budget for full year 30 June 2010. Cash flows beyond one year have been extrapolated using a steady 3% growth rate;
- the terminal value has been estimated at the end of the 5 year period based on the projected cash flow;
- a weighted average cost of capital including a risk margin has been set at pre tax discount rate 10.0%);
- the directors have applied a sensitivity movement of 10% to the value in use analysis. On this basis, there was still no impairment loss. The assumptions above appear adequate and the assumptions are consistent with industry expectations and Group activity.

15. ISSUED CAPITAL

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Ordinary shares				
251,223,000 fully paid ordinary shares (2008: 251,223,000)	**80,560**	**79,528**	**80,560**	**79,528**

The Company does not have a limited amount of authorised capital and issued shares do not have a par value due to changes to the corporations' law abolishing these concepts.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Consolidated		Consolidated	
	2009	2009	2008	2008
	No.	*$'000*	*No.*	*$'000*
Fully paid ordinary shares				
Balance at the beginning of the financial year [1]	**251,223,000**	**79,528**	**65,974,869**	**30,723**
Effect of the share split [2]	-	-	160,275,131	-
Share issue – initial public offering	-	-	23,290,000	46,580
Share issue – deferred consideration for acquisition of Actionblast Pty Ltd	-	-	1,250,000	2,500
Share issue – employee gift offer	-	-	433,000	866
Repayment of limited recourse loan as part of the 'ESP'	-	1,032	-	619
Less cost of the initial public offering (net of tax)	-	-	-	(1,760)
Balance at the end of the period	**251,223,000**	**80,560**	**251,223,000**	**79,528**

(1) The balance of ordinary shares on issue at 1 July 2007 includes 1,457,752 ordinary shares (pre share-split) issued to senior executives under the Employee Share Plan ('ESP').

(2) The Company undertook a share split at a ratio of 226,250,000 / 65,974,869 shares.

16. RESERVES

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Option reserve				
Balance at the beginning of the financial year	1,475	1,290	1,475	1,290
Interest received on employee loan balances due under the 'ESP'	108	264	108	264
Related income tax	(32)	(79)	(32)	(79)
Balance at the end of the financial year	**1,551**	**1,475**	**1,551**	**1,475**

The option reserve arose on the grant of ordinary shares to key management personnel financed by way of limited recourse loans with Company creating an in-substance option over the ordinary shares.

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Foreign currency translation reserve				
Balance at the beginning of the financial year	-	-	-	-
Exchange differences arising on translation of foreign operations	(24)	-	-	-
Balance at the end of the financial year	(24)	-	-	-
Total Reserves	1,527	1,475	1,551	1,475

17. RETAINED EARNINGS

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Balance at the beginning of the financial year	36,213	13,501	31,574	11,749
Net profit attributable to members of the parent entity	37,092	32,761	33,354	29,874
Dividends paid (note 7)	(13,139)	(10,049)	(13,139)	(10,049)
Balance at the end of the financial year	**60,167**	**36,213**	**51,789**	**31,574**

18. EARNINGS PER SHARE

Earnings per share (cents per share)

The income and share data used in the calculation of basic and dilutive earnings per share are as follows:

	Consolidated	
	2009	2008
Basic earnings per share	15.0 cents	13.6 cents
Diluted earnings per share	14.9 cents	13.4 cents

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated	
	2009	2008
	$'000	*$'000*
Profit for the year	37,092	32,761
Weighted average number of ordinary shares for the purpose of basic earnings per share	247,986	241,768

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated	
	2009	**2008**
	$'000	*$'000*
Profit attributable to ordinary shareholders	37,092	32,761
Weighted average number of ordinary shares for the purpose of basic earnings per share	247,986	241,768
Shares deemed to be issued for no consideration in respect of:		
Employee in-substance options	920	3,614
Weighted average number of ordinary shares for the purpose of diluted earnings per share	248,906	245,382

19. DIVIDENDS

	2009		2008	
	Cents per share	**Total** *$'000*	**Cents per share**	**Total** *$'000*
Recognised amounts paid:				
Fully paid ordinary shares				
Interim dividend to 31 December 2007:				
Fully franked at 30% tax rate	-	-	4.00	10,049
Final dividend to 30 June 2008:				
Fully franked at 30% tax rate	4.23	10,627	-	-
Interim dividend to 31 December 2008:				
Fully franked at 30% tax rate	1.00	2,512	-	-
Unrecognised amounts:				
Final dividend to 30 June 2009	1.00	2,512	-	-
Fully Franked at 30% tax rate				

Franking account balance

	Company	
	2009	**2008**
	$'000	*$'000*
Franking account balance at 1 July	3,954	-
Tax paid	22,782	8,260
Franking credits attached to dividends paid:		
- as final dividend	(4,554)	-
- as interim dividend	(1,077)	(4,306)
Franking account balance at 30 June	21,105	3,954
Franking credits that will arise from the payment of income tax payable as at reporting date	3,809	13,217
Franking credits that will arise from the payment of dividends declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period.	(1,077)	(4,554)
Net franking credits available	23,837	12,617

20. CONTROLLED ENTITIES

	Country of incorporation	Ownership interest	
		2009	2008
Parent entity			
NRW Holdings Limited	*Australia*	-	-
Wholly owned subsidiaries			
NRW Pty Ltd as trustee for NRW Unit Trust	*Australia*	100%	100%
Actionblast Pty Ltd	*Australia*	100%	100%
NRW Mining Pty Ltd	*Australia*	100%	100%
NRW Intermediate Holdings Pty Ltd	*Australia*	100%	100%
Promac Rental & Sales Pty Ltd	*Australia*	100%	100%
NRW SARL	*Guinea*	100%	100%
Indigenous Mining & Exploration Company Pty Ltd	*Australia*	100%	100%

All of the wholly-owned subsidiaries in Australia have entered into a deed of cross guarantee with NRW Holdings Ltd pursuant to the ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.

NRW Sarl is a wholly owned subsidiary of NRW Holdings Limited and is incorporated in the Republique of Guinea (West Africa) and not part of the above deed of cross guarantee arrangements.

The consolidated income statements of the entities party to the deed of cross guarantees are:

	Consolidated	
	2009	2008
	$'000	*$'000*
INCOME STATEMENT		
Revenue	509,277	468,097
Other income	9,310	7,105
Financial income	207	920
Financial expenses	(8,341)	(7,179)
Materials and consumables used	(90,079)	(75,180)
Employee benefits expense	(124,132)	(100,419)
Subcontractor costs	(89,233)	(109,082)
Depreciation and amortisation expenses	(21,093)	(17,305)
Impairment expense	-	(495)
Plant and equipment costs	(96,070)	(80,361)
Travel and accommodation	(18,729)	(14,000)
Other expenses	(18,053)	(26,153)
Profit before income tax	53,064	45,948
Income tax expense	(15,266)	(14,095)
Profit for the year	37,798	31,853

The consolidated balance sheets of the entities party to the deed of cross guarantees are:

	Consolidated	
	2009	**2008**
	$'000	*$'000*
BALANCE SHEET		
Assets		
Current assets		
Cash and cash equivalents	20,342	3,273
Trade and other receivables	118,245	132,666
Inventories	13,181	10,328
Other current assets	3,046	3,148
Total current assets	154,813	149,415
Non-current assets		
Trade and other receivables	-	7,098
Property, plant and equipment	125,860	123,356
Goodwill	27,127	27,127
Deferred tax assets	3,608	3,267
Total non-current assets	156,598	160,848
Total assets	311,411	310,263
Liabilities		
Current liabilities		
Trade and other payables	97,920	68,008
Borrowings	34,722	53,155
Current tax liabilities	4,018	14,513
Provisions	5,979	4,452
Total current liabilities	142,638	140,127
Non-current liabilities		
Trade and other payables	-	8,495
Borrowings	26,096	44,923
Deferred tax liabilities	-	-
Provisions	602	410
Total non-current liabilities	26,698	53,828
Total liabilities	169,336	193,955
Net assets	142,075	116,308
Equity		
Issued capital	80,560	79,528
Reserves	1,550	1,475
Retained earnings	59,964	35,305
Total equity	142,075	116,308

21. CASH AND CASH EQUIVALENTS

(a) For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Cash and cash equivalents	20,603	3,273	147	1,205
Bank overdraft	-	(14,508)	-	-
	20,603	(11,235)	147	1,205

21. CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Non-cash investing activities

During the year, the Group acquired $18,632,000 (2008: $54,240,000) of equipment under finance lease. These acquisitions will be reflected in the cash flow statement over the term of the finance leases via repayments of finance leases.

During the prior year, the Company partially settled the deferred component of the consideration due for the acquisition of Actionblast Pty Ltd by way of issued equity instruments. 1,250,000 fully paid ordinary shares in the Company were issued to the Actionblast Pty Ltd vendor with a fair value of $2.00 per share (issue price). This issue is not reflected in the cash flow statement.

22. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

a) Reconciliation of profit for the period to net cash flows from operating activities:

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Cash flows from operating activities				
Profit for the period	37,092	32,761	33,354	29,874
Adjustments for:				
Trust distribution income	-	-	(47,626)	(54,756)
Initial public offer costs	-	10,845	-	10,845
Loss/(Gain) on sale of property, plant and equipment	102	(363)	-	-
Depreciation	21,100	17,554	-	-
Impairment of fixed assets	-	495	-	-
Employee gift share offer	-	866	-	866
Interest on 'ESP' loans accounted for directly in equity	108	264	108	264
Operating profit before changes in working capital and provisions	58,402	62,422	(14,164)	(12,907)
Change in trade and other receivables	22,680	(73,838)	(411)	-
Change in provision for doubtful debts	188	-	-	-
Change in inventories	(2,852)	(1,756)	-	-
Change in other assets	102	(1,254)	-	-
Change in trade and other payables	19,235	22,866	397	(314)
Change in provisions and employee benefits	1,718	2,573	-	-
Change in provision for income tax	(11,015)	7,668	(9,441)	7,044
Change in deferred tax balances	(341)	(3,920)	953	(2,247)
Net cash from operating activities	88,117	14,762	(22,666)	(8,424)

23. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Current Receivables				
Trade Receivables	83,192	75,940	377	-
Other Receivable [1]	11,474	9,217	35	-
Retentions	1,541	151	-	-
Other Loan receivable	-	12	-	-
Securities (Property Bonds)	22	24	-	-
Amounts Due from Subsidiaries	-	-	101,682	87,773
Allowance for Doubtful Debts (ii)	(188)	-	-	-
	96,040	85,344	102,093	87,773
Amounts due From Customers under Construction Contracts	22,252	47,322	-	-
	118,293	132,666	102,093	87,773
Non Current Receivables				
Other Receivable	-	8,495	-	-
Amounts Due from Subsidiaries	-	-	-	43,189
	-	8,495	-	43,189

Loans to controlled entities are interest free, have no fixed repayment terms and can be called at the Company's discretion.

(1) On 30 May 2008, Promac entered into a Settlement Deed with Pilbara Iron Company (Services) Pty Ltd ("PICS") in relation to matters arising from a one-off series of transactions in 2006 in which Promac supplied a number of second-hand tyres to PICS. NRW guaranteed certain obligations of Promac under the Settlement Deed. The terms of the Settlement Deed are confidential.

Under the terms of a Deed of Indemnity and a Deed of Acknowledgement dated 30th May 2007, as at 30th June 2009 an amount of $10,000,000 ("Indemnification balance") is receivable within 12 months by Promac from the Indemnifiers (see Related Party note 40 for the full list of the Indemnifiers). The Indemnification balance is for the same amount (receivable at the same times) as the amount payable by Promac to PICS under the Settlement Deed, and has been guaranteed by Jeffery William McGlinn as trustee for the Mystica Trust, Walsec Pty Ltd as trustee for the LN Piper Family Trust, Keith Bounsell as trustee for the Bounsell Family Trust and Nicholas John Ross Silverthorne and Maureen Kaye Silverthorne as trustees for the Silverthorne Trust.

As a result of the arrangements described above, NRW and Promac are fully indemnified in respect of matters arising from the supply of second-hand tyres to PICS in 2006. Title to and risk in the second-hand tyres has passed to the Indemnifiers.

(ii) Movement in the allowance for doubtful debts:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Balance at the beginning of the year	-	(372)	-	-
Impairment losses recognised on receivables	(188)	-	-	-
Amounts written off as uncollectable	-	22	-	-
Amounts resolved during the year	-	350	-	-
Balance at end of year	(188)	-	-	-

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing of impaired trade receivables:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
60-90 days	-	-	-	-
90-120 days	25	-	-	-
120+ days	163	-	-	-
	188	-	-	-

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality and other operational issue of the trade receivable, from the date credit was initially granted up to the reporting date. The directors believe that there is no further allowance required in excess of the allowance for doubtful debts.

(iii) Ageing of past due but not impaired – accounts receivable:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
60-90 days	702	386	-	-
90-120 days	339	807	-	-
120+ days	2,153	4,057	-	-
	3,194	5,250	-	-

(iv) Construction work in progress comprises:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Gross cost plus profit recognised to date	353,941	164,079	-	-
Less: progress billings received	(331,689)	(116,757)	-	-
Net construction work in progress	22,252	47,322	-	-

24. INVENTORIES

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Raw materials and consumables	8,898	4,556	-	-
Work in progress	1,158	921	-	-
Finished goods	3,125	4,851	-	-
	13,181	10,328	-	-

25. FINANCIAL ASSETS

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Non-current				
Investments carried at cost				
- investments in subsidiaries (note 17)	-	-	34,089	34,086
	-	-	34,089	34,086

26. OTHER ASSETS

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Current				
Prepayments	3,036	3,148	-	-
Other	9	-	-	-
	3,046	3,148	-	-

27. TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Current Payables				
Trade Payables	68,050	41,329	397	-
Goods and Service Tax	2,279	1,963	-	-
Other Payables	10,352	9,217	-	-
Non Trade Payables and accruals	15,263	15,499	-	-
Deferred Income	2,164	-	-	-
Amounts Due to Subsidiaries	-	-	86	86
Non trade related parties	-	-	-	-
	98,108	68,008	483	86
Non Current Payables				
Other Payables [1]	-	8,495	-	-
	-	8,495	-	-

(1) Includes an amount payable to Pilbara Iron Company (Services) Pty Ltd ('PICS'). Refer Trade and other receivables note for detail disclosure of this transaction.

28. CURRENT TAX LIABILITIES

The current tax liability of the consolidated entity of $4,019,000 (2008: $15,001,000) and for the Company of $3,809,000 (2008: $13,217,000) represents the amount of income taxes payable in respect of the current and prior periods.

29. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Consolidated				
Doubtful debts	52	-	-	-
Work in progress	-	-	(347)	(276)
Inventories	103	183	(2,293)	(1,442)
Property, plant and equipment	151	157	(1,710)	(1,501)
Other assets	342	360	(10)	-
Costs of the initial public offer	2,660	3,603	-	-
Other creditors and accruals	2,687	725	-	-
Provisions	1,974	1,459	-	-
Total tax assets / (liabilities)	7,969	6,487	(4,361)	(3,220)
Net tax assets / (liabilities)	3,608	3,267	-	-
Company				
Other assets	-	-	(10)	-
Costs of the initial public offer	2,660	3,603	-	-
Provisions	337	337	-	-
Total tax assets / (liabilities)	2,997	3,940	(10)	-
Net tax assets / (liabilities)	2,987	3,940	-	-

30. BORROWINGS

The Groups borrowings comprised of:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Secured at Amortised Cost				
Current				
Bank Overdraft	-	14,508	-	-
Finance lease liability	32,887	33,552	-	-
Insurance Funding	298	2,465	-	-
Trade Finance Liability	1,537	2,629	-	-
Total Current	34,722	53,155	-	-
Non Current				
Finance lease liability	26,096	44,744	-	-
Insurance Funding	-	179	-	-
Total Non Current	26,096	44,923	-	-
	60,818	98,077	-	-

(ii) Finance Facilities

CONSOLIDATED FINANCE FACILITIES AS AT 30 JUNE 2009

FINANCE DESCRIPTION	FACE VALUE (limit)	CARRYING AMOUNT (utilised)	UNUTILISED AMOUNT (utilised)
	$'000	*$'000*	*$'000*
Asset Financing	133,000	58,983	74,017
Bank Overdraft	40,000	-	40,000
Trade Finance	7,000	1,537	5,463
Other	299	298	1

CONSOLIDATED FINANCE FACILITIES AS AT 30 JUNE 2008

FINANCE DESCRIPTION	FACE VALUE (limit)	CARRYING AMOUNT (utilised)	UNUTILISED AMOUNT (utilised)
	$'000	*$'000*	*$'000*
Asset Financing	122,750	78,296	44,454
Loans	4,000	14,508	10,508
Trade Finance	7,500	2,629	4,871
Other	2,644	2,644	-

Security

The main finance provider is the ANZ Banking Group which provides overdraft, trade finance, performance guarantees, asset financing etc. Annual and periodic reviews take place as necessary subject to bank covenants and conditions as set in the agreement between the parties. As such the ANZ Banking Group has in place security by way of a fixed and floating charge over all the Groups present and future assets, undertaking (including goodwill) and unpaid/uncalled capital of the Company excluding security attaching to other asset financiers.

31. JOINTLY CONTROLLED OPERATIONS

The Group has late in the year ended 30 June 2009 become a party to several jointly controlled operations. These venturers were in the start up phase and at 30 June 2009 are presented as follows:

		Group Interest	
Name of Venture	**Principal Activity**	**2009**	**2008**
NRWVDM Joint Venture	Mine Asset Development (earthworks) and Breakwater Construction.	50%	-
LNJ Consortium	Asset Development Projects (camps rail etc).	33%	-

The Groups interest in assets and liabilities employed in the above jointly controlled operations under their respective asset and liability categories are as follows:

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Current assets				
Trade and other receivables	7,566	-	-	-
Current Liabilities				
Trade and Other Payables	7,484	-	-	-
Total Net Assets	**82**	**-**	**-**	**-**

32. FINANCIAL INSTRUMENTS

Financial Risk Management

The financial instruments adopted by the Group primarily lie in the area of credit risk, liquidity risk, and market risk.

The Board has ultimate responsibility to manage the Groups exposure to risk and prevention. In particular the board assesses which systems are employed to deliver the most appropriate level of controls including, systems of compliance and adherence to any relevant limits. Furthermore, the risk policies and procedures are reviewed periodically and aim to reflect market conditions, recent activities and other relevant dynamic changes that may occur.

The Groups overall financial risk management strategy seeks to ensure appropriate funding levels, approved treasury directives and identification of risks faced by the Group. In addition it is seen as critical that the going concern basis is maintained and capital availability held ready to meet operational and financial objectives.

Primarily interest bearing debt, cash and cash deposits, trade receivables and payables are the main focus of financial instruments engaged by the Group. The Group is also exposed to some foreign currency risks although considered minimal.

Capital Risk Management

The capital structure of the Group comprises of debt (including borrowings), cash and cash equivalents, and equity to the relevant stakeholders.

Primarily the board aims to provide a sound capital funding structure that allows market confidence (from all sectors) and which delivers sustained current and future growth. The majority of capital funding is required for the long term purchase of operating assets. These are primarily placed under hire purchase borrowing arrangements.

As in prior years the cash position is reviewed regularly and ensures the Group will be able to pay its debts as and when they fall due. Borrowings and operating cash flows are primarily used to cater for general day to day operations and funding of dividend and tax disbursements.

Gearing Ratio:

The Groups geared ratio target has been formally set at 45% and for the year ended 30 June 2009 as set out below the Group achieved a net Debt to Equity ratio of 28% - well below its target range. The board meets regularly to determine the level of borrowings and funding required. The gearing ratio is influenced directly from the capital structure including the payment of dividends and any other movement in debt such as for expansion. At year end the gearing ratio was:

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Borrowing Note 30				
Debt (Note 30)	60,818	98,077	-	-
Cash (Note 21)	(20,603)	(3,273)	(147)	(1,205)
Net Debt	40,216	94,805	-	-
Equity	142,254	117,216	133,900	112,577
Net Debt to Equity Ratio	28%	81%	-	-

Fair Value of Financial Instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statement continue to approximate their fair values. There has been no impairment charge or adjustments made to any of the carrying values, as such the fair values are in line with carrying values.

The consolidated group and the Company's remaining contractual maturity for its financial liabilities and financial assets are set out in the following tables. As applicable the table shows the effective interest rates and average interest rates.

Interest rate risk management

The Group has been highly successful in renegotiating its borrowings with its primary lenders. No material changes have occurred from prior years. The cost of capital and the related borrowings for the Group have decreased slightly and it is not expected that any material fluctuations or volatility will occur in the short term. Any rate rise or change in the near future would not result in any material impact.

The Board continues to review its risk associated with any covenants and borrowing conditions. The Group enjoys a mixture of fixed and variable borrowings to manage both cash and long term capital purchases. The long term debt specifically relating to capital purchases of plant and machinery is fixed.

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

The Group does not enter into any specific swaps or hedging relative to any interest rate volatility. Predominantly the exposure is on the bank borrowings, which are primarily the bank overdraft and the annual review was completed successfully during the financial year ended 30 June 2009. Other considerations of debt and borrowings lie in funding new developments which forms part of the risk management strategy of the Group.

Given the Group has most of the financing under fixed rate hire purchase or other similar asset financing agreements, the exposure to market volatility of interest rate lies mainly in the overdraft facilities. Applying a conservative movement of 150 basis points to the average overdraft would add a cost of $105,000 AUD plus or minus depending on market swings and balances. It is not considered material that such a swing will impact on the business should this arise.

INTEREST AND LIQUIDITY ANALYSIS

2009						
CONSOLIDATED	**effective interest rate**	**Total**	**0 to 30 days**	**31 days to < 1 year**	**1 to 5 yrs**	**> 5 yrs**
Financial Assets	*%*	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*
Cash and Cash Equivalent	2.45%	20,603	20,603	-	-	-
Trade and Other Receivables	-	118,293	82,029	36,263	-	-
		138,896	102,632	36,263	-	-
Financial Liabilities						
Asset Financing	8.65%	58,983	2,805	30,081	26,096	-
Loans	-	-	-	-	-	-
Trade Finance	6.54%	1,537	840	697	-	-
Trade and Other Payables	-	95,944	56,037	39,907	-	-
Other Borrowings	9.33%	298	-	298	-	-
		156,762	59,682	70,983	26,096	-
Net Financial Assets/(Liabilities)		**(17,866)**	**42,950**	**(34,720)**	**(26,096)**	**-**
COMPANY						
Financial Assets						
Cash and Cash Equivalent	2.25%	147	147	-	-	-
Trade and Other Receivables	-	102,093	-	102,093	-	-
		102,240	147	102,093	-	-
Financial Liabilities						
Inter Company Loans Payable	-	-	-	-	-	-
		-	-	-	-	-
Net Financial Assets/(Liabilities)		**102,240**	**147**	**102,093**	**-**	**-**

32. FINANCIAL INSTRUMENTS (CONTINUED)

INTEREST AND LIQUIDITY ANALYSIS

2008						
CONSOLIDATED	**effective interest rate**	**Total**	**0 to 30 days**	**31 days to < 1 year**	**1 to 5 yrs**	**> 5 yrs**
Financial Assets	*%*	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*
Cash and Cash Equivalent	6.6%	3,273	3,273	-	-	
Trade and Other Receivables	-	132,666	77,443	55,223	-	-
		135,939	80,716	55,223	-	-
Financial Liabilities						
Asset Financing	8.61%	(78,296)	(2,342)	(31,210)	(44,744)	-
Loans	8.16%	(14,508)	-	(14,508)	-	-
Trade Finance	9.12%	(2,629)	(1,227)	(1,402)	-	-
Trade and Other Payables	-	(68,008)	(43,641)	(24,367)	-	-
Other Borrowings	9.33%	(2,644)	-	(2,465)	(179)	-
		(166,085)	(47,210)	(73,952)	(44,923)	-
Net Financial Assets/Liabilities		**(30,146)**	**33,506**	**(18,729)**	**(44,923)**	**-**
COMPANY						
Financial Assets						
Cash and Cash Equivalent	6.7%	1,205	-	1,205	-	-
Trade and Other Receivables		87,773	-	87,773	-	-
		88,978	-	88,978	-	-
Financial Liabilities						
Other Loan - ANZ		-	-	-	-	
Inter Company Loans Payable		(86)	-	(86)	-	-
		(86)	-	(86)	-	-
Net Financial Assets/Liabilities		**88,892**	**-**	**88,978**	**-**	**-**

Foreign Exchange and currency exposure

The Group has a reportable and functional currency in Australian dollars. However there are some transactions of an operational and capital nature that may be denominated in a foreign currency. The Board considers that movements in foreign currency (negative or positive) will have minimal impact on operating profits, given that most projects are agreed in Australian dollars. Any new developments which the Group considers or bids for are considered as part of the risk management by the board. During the year ended 30 June 2009 and where applicable this risk strategy incorporates the use of forward exchange contracts. This has generally only been required for specific hedging of short term transactions within the normal operating cycle wether they be receivable or payable. The Group is not in the business of trading such that forward exchange contracts are aimed at placing a fixed and determinable value on the receivable or payable so as to mitigate any unexpected peak or trough in the underlying budgeted outcome. Other than specific transactions or purchases the majority of transactions are dealt with at spot.

The Groups operations in West Africa – Guinea have a continued minor exposure to foreign currency movements. The structure has not materially changed from prior years and as such predominantly the exposure is based on the transfer of funds for services rendered in the country of West Africa - Guinea. The Cash balances at 30 June 2009 (at spot) were $247,508 AUD (2008: 14,089 AUD) and $96,833 AUD (2008: 9,037 AUD).

At this stage no hedging is entered into for the purposes of the Guinea operations. Cash is converted to USD and then into GNF as required. Volatile market movements is considered as a low risk, given the majority of the cash is utilised quickly. Contract income however is negotiated and invoiced in Australian dollars. In this regard foreign exchange movements are considered minimal and immaterial.

Credit risk

The credit risk associated with the Group is primarily if any third party fails to meet its obligations to pay its debt as and when they fall due. Trade and other receivables continue in the 30 to 60 day band with some falling outside this timeframe. Cash retentions are subject to the variety of contracts that the Group is engaged in. The main security is normally by way of bank guarantee or insurance bonds. The retention or guarantee/bond period varies from contract to contract.

Where terms are exceeded no interest is charged on late payments, however management follow a strict credit policy as part of day to day cash flow management.

The carrying amount of financial assets recorded in the financial statements net of any allowance for losses, represents the Groups maximum exposure to credit risk without taking into account the value of any collateral obtained.

The total amount of guarantees/bonds stand at $42,829,000 (2008: $16,982,000) and cash retentions held as accounts receivable stand at $1,541,138 (2008: $151,000).

33. FINANCE LEASES

Finance leases as lessee

Non cancellable finance leases are payable as follows:

The types of finance lease the Group mainly enters into are in relation to the acquisition of new capital, primarily plant and equipment. The majority of new plant and equipment purchases are financed utilising these finance leases, under hire purchase or chattel mortgage. They are fixed contracts with a fixed and determinable measure of finance cost for the period.

	Minimum future lease payments				Present value of minimum future lease payments			
	Consolidated		Company		Consolidated		Company	
	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
No Later than 1 year	36,522	38,986	-	-	32,887	33,552	-	-
Later than 1 year and not later than 5 years	27,560	48,256	-	-	26,096	44,744	-	-
Later than five years	-	-	-	-	-	-	-	-
Minimum future lease payments[1]	64,082	87,242	-	-	58,983	78,296	-	-
Less future finance charges	(5,099)	(8,945)	-	-	-	-	-	-
Present value of minimum lease payments	58,983	78,296	-	-	58,983	78,296	-	-

(1) Minimum future lease payments include the aggregate of all the lease payments and any guaranteed residual.

Included in the financial statement as: (note 30 'Borrowings')

Current borrowings	32,887	33,552	-	-
Non-Current borrowings	26,096	44,744	-	-
	58,983	78,296	-	-

34. OPERATING LEASES

Operating leases as lessee

Non cancellable operating lease rentals (excluding property rentals - see below) are payable are as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Less than one year	455	187	-	-
Between one and five years	9	16	-	-
More than five years	-	-	-	-
	464	202	-	-

Property lease rentals are payable as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Less than one year	1,347	1,210	-	-
Between one and five years	3,266	3,708	-	-
More than five years	1,920	2,560	-	-
	6,533	7,477	-	-

The majority of property leases continue to primarily relate to commercial property leases. These leases consist of 5 year terms with options to renew every 5 years until the year commencing 28 February 2022. All commercial property leases contain market or CPI review clauses during the term of the leases.

The Group does not have the option to purchase the leased assets at the end of the lease period.

35. CAPITAL AND OTHER COMMITMENTS

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Capital expenditure commitments – Plant and equipment and Other				
Within one year	2,163	2,199	-	-
Between one and five years	6,490	8,793	-	-
Later than five years	-	-	-	-
	8,563	10,992	-	-

36. CONTINGENCIES

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Contingent Liabilities				
Bank guarantees	29,673	16,982	-	-
Insurance Bonds	13,156	-	-	-
	42,829	16,982	-	-

Bank guarantees and insurance bonds are issued to minimise cash retentions and are a function of operational revenue. The period of each guarantee/bond varies from contract to contract.

37. SHARE BASED PAYMENTS

Senior Management and Director Option Plan ("SMDOP")

The SMDOP is a senior management and director share option plan and has been put in place since NRW's admission to the ASX. No options have been issued under the plan to date. The board has the discretion to determine the terms and conditions applying to each offer of options under the SMDOP including performance conditions attaching to the exercise of options, restrictions on transfer and disposal, exercise price of options and amount payable for a grant of options.

The SMDOP will be accounted for as equity settled share-based payments where the fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

Employee Gift Offer ("EGO")

The Employee Gift Offer allowed for eligible employees to receive between 500 and 7,500 shares at no cost to the employee, forming part of the initial public offer on 5th September 2007.

A total of 433,000 ordinary shares were issued to eligible employees under the EGO with a fair value of $2.00 per share (issue price under the prospectus). As a result, $866,000 has been charged to the income statement of the Group and the Company during the financial year ended 30 June 2008 as an Employee benefits expense.

In-substance options

Limited recourse loans were issued to key management personnel whereby loans were to be repaid by 15th March 2009 and accrue interest at a rate of 7.5% per annum, payable half-yearly. The have since been rolled into new loan agreements to be settled on 30th September 2009. As a result these loans have been fair valued and included in the remuneration table set out in the Directors report.

38. PROVISIONS

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*
Current				
Employee benefits	5,939	4,418	1,124	1,124
Warranty	39	34	-	-
Total current provisions	5,978	4,452	1,124	1,124
Non current				
Employee benefits	602	410	-	-
Total non current provisions	602	410	-	-
Total current and non current provisions	6,580	4,862	1,124	1,124

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

38. PROVISIONS CONTINUED

	Consolidated			Company	
	Warranty provision	Employee benefits	Total	Employee benefits	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 1 July 2008	33	4,828	4,861	1,124	1,124
Acquired in a business combination	-	-	-	-	-
Provisions made during the year	24	5,081	5,105	-	-
Provisions used during the year	-	(3,368)	(3,368)	-	-
Provisions reversed during the year	(18)	-	(18)	-	-
Balance at 30 June 2009	39	6,541	6,580	1,124	1,124
Short-term provisions	39	5,939	5,978	1,124	1,124
Long-term provisions	-	602	602	-	-
Total balance at 30 June 2009	39	6,541	6,580	1,124	1,124

39. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any transaction or event of a material nature likely in the opinion of the Directors, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

On the 25th August 2009, the Board of NRW Holdings Limited declared a final dividend for the Financial Year ending June 30, 2009. The final dividend payable is 1.0 cent per share and brings the full year dividend to 2.0 cents per share.

40. RELATED PARTIES

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures are provided in the Directors' report page 24.

Loans to key management personnel and their related parties

Details regarding loans outstanding at reporting date to key management personnel and their related parties are as follows:

	Balance 30 June 2008	Balance 30 June 2009	Interest paid during the period	Highest balance in the period
	$	*$*	*$*	*$*
Mr J A Pemberton	619,071	642,222	23,279	642,222
Mr G Chiarelli	619,071	642,222	23,279	642,222
Mr J A Kenny	412,713	428,147	15,519	428,147
Mr P L Miguel	412,713	-	29,964	428,147
Mr R J Morrow	619,071	-	15,931	619,071
Totals	2,682,639	1,712,592	107,972	2,759,808

Limited recourse loans were issued by the Company on 15th March 2007 to specific key management personnel as part of the Employee Share Plan described in the directors report. The loans were provided in order to finance the purchase of fully paid ordinary shares in the Company at $2.26 per share. The loans were to mature on 31st March 2009 under the original loan agreement, and have since been rolled into a new loan agreement covering any principal and interest balance. As a result these loans at the Boards discretion are now due and payable on 30 September 2009.

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

Throughout the year the Group transacted with various related parties. These related parties are related by director interests and other as listed. The following transactions have occurred and the amounts are all considered to be at arms length and at normal market rates.

			Transaction value year ended 30 June	
Key management person and/or related party	**Transaction Booked in Group**	**Note**	**2009**	**2008**
			$	$
(ii) Other related party – Revenue				
Mr J W McGlinn - Mystica Trust	Revenue on sale of several items of plant and equipment.		9,748	-
Mr J W McGlinn & Mr L N Piper - Fallbrook Pty Ltd	Revenue on back-charges and sale of motor vehicle.		-	2,619
Mr C Lindsay-Rae Mr J W McGlinn - Springpark Mining Services Pty Ltd	Revenue on services income for earthmoving contract works.		5,280,590	33,096,370
Mr J W McGlinn & Mr C Lindsay-Rae - Springpark Australia Pty Ltd	Revenue on back charge and sale of motor vehicle/laptops.		105,013	80,530
Mr J W McGlinn & Mr C Lindsay-Rae - Springpark International Ltd	Revenue on back charges of travel and other.		1,494	-
(iii) Other related party – Expense				
Mr J W McGlinn - McGlinn Property Trust	Expense on rent paid.		283,000	282,999
Mr J N Silverthorne - Silverthorne Trust	Expense on rent paid.		114,195	111,477
Mr C Lindsay-Rae Mr J W McGlinn - Springpark Australia Pty Ltd	Expense on purchase of tyres and machinery.		-	3,196,949
Mr C Lindsay-Rae Mr J W McGlinn - Springpark Australia Pty Ltd	Expense on purchase of subcontractor services and hire.		947,330	7,419,668
Mr J W McGlinn – Newstream Group	Expense on purchasing of Consultancy services.		148,837	110,000
Mr J W McGlinn – Fallbrook Pty Ltd	Expense on back charges for travel and charters.		338,577	-
Mr J W McGlinn - Springpark Accommodation	Expense on purchase of accommodation at various mine sites.		726,509	-

40. RELATED PARTIES (CONTINUED)

The inter group transactions are in relation to transactions within the Group between the entities. All transactions are considered at arms length and at fair market rates. The amounts comprise of:

			Transaction value year ended 30 June	
Key management person and/ or related party.	**Transaction Booked in Group**	**Note**	**2009**	**2008**
			$	$
(iv) Inter Group Transactions				
NRW Pty Ltd – Purchases from Promac Rental & Sales Pty Ltd	Tyres and back charge of repairs and maintenance.		4,033,987	1,119,644
NRW Pty Ltd – Purchases from Promac Rental & Sales Pty Ltd	Hire charges for rental of plant and equipment.		11,834,033	9,228,943
NRW Pty Ltd – Purchases from Action Mining Services	Repairs and maintenance plant and module purchases.		4,114,661	2,237,279
NRW Pty Ltd – Sales to Action Mining Services	Back charges for labour and miscellaneous.		42,109	10,513
NRW Pty Ltd – Sales to Promac Rental & Sales Pty Ltd	Back charges for repairs and maintenance, management fee and miscellaneous.		235,272	388,411
NRW Pty Ltd - Transfer of grants or government advances from NRW Holdings	Transfer of grants and government incentives or payments received.		360,682	-
NRW Pty Ltd - Sales to NRW VDM Joint Venture	Subcontractor Services		10,316,885	-
NRW Pty Ltd - Purchases from NRW Sarl	Management Fee		4,667,794	-
Action Mining Services – Sales to Promac Rental & Sales Pty Ltd	Water trucks, service trucks, repairs and maintenance.		11,451,651	9,684,579

In addition to the above, as detailed in note 23, Promac entered into a Settlement Deed with Pilbara Iron Company (Services) Pty Ltd ("PICS") and Deeds of Indemnity and Acknowledgement dated 30th May 2008 with indemnifying parties listed:

- Jeffery William McGlinn as trustee for the Mystica Trust;
- Nicholas John Ross Silverthorne and Maureen Kaye Silverthorne as trustees for the Silverthorne Trust;
- Walsec Pty Ltd as trustee for the LN Piper Family Trust;
- Keith Bounsell as trustee for the Bounsell Family Trust;
- Julian Alexander Pemberton as trustee for the JP Trust;
- Gino Chiarelli as trustee for the Lamond Family Trust;
- Andrew Charles Hunt as trustee for the Eden Family Trust;
- Peter Laurence De San Miguel;
- Bashbille Pty Ltd as trustee for the Mate Trust; and
- Bernadine Lindsay-Rae as trustee for the LR Trust.

Notes to the Financial Statements (Continued)

For the financial year ended 30 June 2009

Assets and liabilities balances arising from the related party transactions

Amounts receivable from or payable to related parties at reporting date were as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Account Receivable Balances				
Inter Group (Subsidiaries)	-	-	102,093	87,773
Other Related Party [1]	10,000,000	23,022,422	-	-
Current receivables/total assets	10,000,000	23,022,422	102,093	87,773
Accounts Payable Balances	-	-	483	86
Inter Group (Subsidiaries)	-	4,710,412	-	-
Total related party payables	-	4,710,412	483	86

(i) The indemnification related to the PICS Settlement described in Note 23. – Trade and Other Receivables. The amount receivable from the Indemnifiers as at 30 June 2009 was $10,000,000.

Options and rights over equity instruments

Apart from the in-substance options described in the directors report, no options were issued to or held by key management personnel or their related parties during the reporting period.

Key management personnel compensation

The key management personnel compensation included in 'Employee benefits expense' (see note 9) is as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	*$'000*	*$'000*	*$'000*
Short term employee benefits	7,003,163	6,195,990	-	-
Other long term benefits	173,887	184,286	-	-
Post employment benefits	471,555	465,363	-	-
Termination benefits	-	-	-	-
Share-based payments	198,064	-	-	-
	7,846,669	6,845,639	-	-

SHAREHOLDING FOR THE YEAR ENDED 30 JUNE 2009

The movement during the reporting period in the number of ordinary shares in NRW Holdings Ltd held directly, indirectly or beneficially, by each key management person as applicable, including their related parties, is as follows:

FOR THE YEAR ENDED 30 JUNE 2009						
Key Person	**Held at 1 July 2008**	**Purchases[1]**	**Received as compensation**	**Received on options exercised**	**Sales / transfers**	**Held at 30 June 2009**
Mr J W McGlinn	22,859,402	3,336,239	-	-	-	26,195,641
Mr J A Pemberton	2,534,540	-	-	-	-	2,534,540
Dr I F Burston	50,000	274,992	-	-	-	324,992
Mr M Arnett	175,000	100,000	-	-	-	275,000
Mr G Chiarelli[2]	2,215,100	-	-	-	(1,100,000)	1,115,100
Mr K Hyman	17,000	-	-	-	-	17,000
Mr P J McBain[2]	487,000	-	-	-	(227,000)	260,000
Mr R J Morrow[2]	937,334	-	-	-	(937,334)	-
Mr J N Silverthorne[3]	21,418,735	11,020,640	-	-	(5,933,348)	26,506,027
Mr K Bounsell	3,381,843	-	-	-	-	3,381,843
	54,075,954	14,731,871	-	-	(8,197,682)	60,610,143

(1) All purchases were made on-market.

(2) Sales/transfers of shares during the year consist of 'ESP' shares sold by a resigning key employee of NRW.

(3) All sales were made on the on-market.

40. RELATED PARTIES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2008

Key Person	Held at 1 July 2007	Purchases[1]	Received as compensation	Received on options exercised	Sales / transfers[2]	Other changes[3]	Held at 30 June 2008
Mr L N Piper	12,491,478	29,350	-	-	(37,693,472)	30,345,998	5,173,354
Mr J W McGlinn	13,331,679	-	-	-	(22,859,406)	32,387,129	22,859,402
Mr J N Silverthorne	12,491,478	-	-	-	(21,418,742)	30,345,998	21,418,735
Mr J A Pemberton	1,204,825	-	-	-	(1,597,210)	2,926,925	2,534,540
Mr K Bounsell	1,972,302	-	-	-	(3,381,843)	4,791,384	3,381,843
Mr G Chiarelli	1,018,526	-	-	-	(1,277,768)	2,474,342	2,215,100
Mr J A Kenny	182,219	-	-	-	-	442,671	624,890
Mr P J McBain	273,328	-	-	-	(450,334)	664,006	487,000
Mr R J Morrow	273,328	-	-	-	-	664,006	937,334
Mr S Lucas	-	25,000	-	-	-	-	25,000
Mr M Arnett	-	175,000	-	-	-	-	175,000
Dr I F Burston	-	50,000	-	-	-	-	50,000
	43,239,163	279,350	-	-	(88,678,775)	105,042,460	59,882,198

(1) All purchases were made via subscriptions in the IPO and purchases of shares on-market.

(2) Sales/transfers of shares during the year consist of the portion of shares sold down by the vendor shareholders as part of the IPO and 'ESP' shares sold by a resigning key employee of NRW.

(3) Other changes reflect the effect of the share split undertaken by the Company in August 2007 as part of the IPO.

SHAREHOLDER INFORMATION
AS AT 17TH AUGUST 2009

NRW's issued capital comprises 251,223,000 fully paid ordinary shares.

DISTRIBUTION OF SHAREHOLDINGS

Distribution schedule of shareholdings	No. of shareholders	Shares	% Total shares
1 – 1,000 Shares	787	455,117	0.18%
1,001 – 5,000 Shares	1,183	3,734,452	1.49%
5,001 – 10,000 Shares	655	5,449,208	2.17%
10,001 – 100,000 Shares	864	24,804,149	9.87%
100,001 Shares and over	105	216,780,074	86.29%
(ii) Total number of holders	**3,594**	**251,223,000**	**100.00%**
(iii) Number of holders of less than marketable parcel	**94**	**21,936**	**0.01%**
(iv) Percentage held by the 20 largest holders			**76.29%**

NRW'S 20 LARGEST SHAREHOLDERS AS AT 17TH AUGUST 2009

Rank	Name	Shares held at 17th August 2009	% Total shares
1	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	32,598,298	12.98%
2	CITICORP NOMINEES PTY LIMITED	30,772,195	12.25%
3	JEFFERY WILLIAM MCGLINN THE MYSTICA TRUST & RELATED PARTIES	26,195,641	10.43%
4	NATIONAL NOMINEES LIMITED	26,049,773	10.37%
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	23,946,525	9.53%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,069,675	6.40%
7	ANZ NOMINEES LIMITED <CASH INCOME A/C>	6,920,164	2.75%
8	WALSEC PTY LTD <PIPER FAMILY FUND A/C>	5,173,354	2.06%
9	COGENT NOMINEES PTY LIMITED <SMP ACCOUNTS>	4,351,552	1.73%
10	KEITH BOUNSELL BOUNSELL FAMILY TRUST	3,381,843	1.35%
11	BOND STREET CUSTODIANS LIMITED <MACQUARIE SMALLER CO'S A/C>	2,989,956	1.19%
12	JULIAN ALEXANDER PEMBERTON THE J P TRUST	2,534,540	1.01%
13	MILTON AVENUE PTY LIMITED	1,450,000	0.58%
14	ANZ NOMINEES LIMITED <SL CASH INCOME A/C>	1,409,231	0.56%
15	AMP LIFE LIMITED	1,408,787	0.56%
16	AUSTRALIAN REWARD INVESTMENT ALLIANCE	1,358,087	0.54%
17	BASHBILLE PTY LTD MATE TRUST	1,277,764	0.51%
18	ANDREW CHARLES HUNT THE EDEN FAMILY TRUST	1,277,763	0.51%
19	ROBERT STEVEN DEMOL & DIANE MARIE DEMOL DEMOL SUPER FUND	1,250,000	0.50%
20	BELL CO PTY LTD <THE RICHARD BELL FAMILY A/C>	1,250,000	0.50%

Shareholder Information (Continued)

As at the 17th August 2009

SUBSTANTIAL SHAREHOLDERS

As at the 17th August 2009, the names of the substantial holders in the Company who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* (requirement to advise the company of movement in shareholdings where the shareholder has a greater than 5% shareholding) are set out below:

Name	Shares held at 17th August 2009	% Total shares
CITICORP NOMINEES PTY LIMITED	30,772,195	12.25%
NICHOLAS JOHN ROSS SILVERTHORNE	26,506,027	10.55%
JEFFERY WILLIAM MCGLINN	26,195,641	10.43%
NATIONAL NOMINEES LIMITED	26,049,773	10.37%
J P MORGAN NOMINEES AUSTRALIA LIMITED	23,946,525	9.53%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,069,675	6.40%

VOTING RIGHTS

On a show of hands, every shareholder present in person or represented by a proxy or representative shall only have one vote for every share held by them.

INDEPENDENT AUDIT REPORT

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the members of NRW Holdings Limited

Report on the Financial Report

We have audited the accompanying financial report of NRW Holdings Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 38 to 96.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of
Deloitte Touche Tohmatsu

Independent Audit Report (Continued)

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of NRW Holdings Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 36 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of NRW Holdings Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

DELOITTE TOUCHE TOHMATSU

A T Richards
Partner
Chartered Accountants
Perth, 24 September 2009

CORPORATE REGISTRY

DIRECTORS

Ian F Burston
Non-executive Chairman

Jeffery McGlinn
Chief Executive Officer

Julian Pemberton
Executive Director
and Chief Operating Officer

Michael Arnett
Non-executive Director

COMPANY SECRETARY

Kim Hyman

REGISTERED OFFICE

73-75 Dowd Street
WELSHPOOL WA 6106
Telephone: +61 8 9358 5510
Facsimile: +61 8 9311 7336
Email: info@nrw.com.au

AUDITOR

Deloitte Touche Tohmatsu
Level 14
Woodside Plaza
240 St Georges Terrace
PERTH WA 6000

SHARE REGISTRY

Link Market Services Limited
Level 2
178 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 9211 6652
Facsimile: +61 8 9211 6660

ASX CODE

NWH – NRW Holdings Limited
Fully Paid Ordinary Shares

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