

Works Finance (NZ) Limited	
Results for announcement to the market	
Reporting Period	12 months to June 2015
Previous Reporting Period	12 months to June 2014

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$NZ16,560	17%
Profit (loss) from ordinary activities before tax attributable to security holder.	\$NZ16,491	17%
Net profit (loss) attributable to security holders.	\$NZ11,873	17%

Interim/Final Dividend	Amount per security	Imputed amount per security
NZ\$0.012978	NZ\$0.012978	\$0.005047

Record Date	7 September 2015
Dividend Payment Date	15 September 2015

Comments:	
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Works Finance (NZ) Limited

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2015

Works Finance (NZ) Limited

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For the year ended 30 June 2015

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Works Finance (NZ) Limited

Statutory Information

For the year ended 30 June 2015

Directors	Cornelus Wihelmus Bruyn Grant Anthony Fenn Roger William Jarrold Andrew Arthur William Titter (resigned 26 March 2015) Peter John Tompkins
Nature of Business	Issue of Redeemable Optionally Adjustable Distributing Securities ("ROADS"), and advances to Downer New Zealand Limited.
Holding Company	DGL Investments Limited
Ultimate Holding Company (of ordinary shares)	Downer EDI Limited (incorporated in Australia)
Auditors	KPMG New Zealand
Solicitors	Wynn Williams Lawyers
Bankers	ANZ Banking Group (New Zealand) Limited
Company Number	1909583 (New Zealand)
Registered Office	130 Kerrs Road Wiri Auckland 2104 New Zealand

Works Finance (NZ) Limited

Directors' Report

For the year ended 30 June 2015

The Directors are pleased to present the Annual Report of Works Finance (NZ) Limited for the year ended 30 June 2015 including the audited financial statements on pages 6 to 16.

Principal Activity

Works Finance (NZ) Limited, ('the Company'), is a subsidiary of Downer EDI Limited and was formed for the purpose of issuing Redeemable Optionally Adjustable Distributing Securities ('ROADS'). The proceeds have been advanced to Downer New Zealand Limited.

Downer EDI Limited elected to leave the ROADS securities on issue on the Step-up Date of 15 June 2012. The margin was stepped-up in accordance with the terms of the "Prospectus and Investment Statement" dated 7 March 2007. The dividend rate was reset on 17 June 2013 to 6.82% per annum, on 16 June 2014 to 7.95% per annum and on 15 June 2015 to 7.21% per annum. The next reset date is 15 June 2016.

Dividends

During the year the following dividends were paid:

Date	Paid to holders of ROADS
15 September 2014	2,862,000
15 December 2014	2,862,000
16 March 2015	2,862,000
15 June 2015	2,862,000
Total	<u>2,862,000</u>
	\$11,448,000

Imputation credits were attached to the dividends.

No dividends have been paid to the holders of ordinary shares during the year (2014: nil).

Interests Register

There were no entries in the Interests Register. Related party transactions are disclosed in Note 8.

Director Remuneration

No Director or former Director received any remuneration or other benefits from the Company.

Employee Remuneration

Works Finance (NZ) Limited has no employees and accordingly no remuneration was paid.

Donations

Works Finance (NZ) Limited did not make any donations during the year (2014: nil).

Auditors

All year end audit fees and fees for the half year review were paid by the Company.

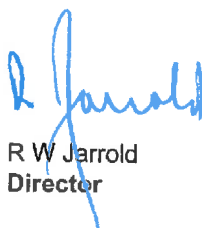
Financial Statements

The Board of Directors has approved and authorised the financial statements on pages 6 to 16.

For and on behalf of the Board



C W Bruyn
Director
26 August 2015



R W Jarrold
Director



Independent auditor's report

To the shareholder of Works Finance (NZ) Limited

We have audited the accompanying financial statements of Works Finance (NZ) Limited ("the company") on pages 6 to 16. The financial statements comprise the statement of financial position as at 30 June 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand, the New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Other than in our capacity as auditor we have no relationship with, or interests in, the company.

Opinion

In our opinion, the financial statements on pages 6 to 16 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the financial position of Works Finance (NZ) Limited as at 30 June 2015 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Other matter

The financial statements of Works Finance (NZ) Limited, for the year ended 30 June 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 27 August 2014.

26 August 2015
Auckland

Works Finance (NZ) Limited

Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Interest received from Downer New Zealand Limited		16,559,926	14,192,723
Total revenue from Continuing Operations		<u>16,559,926</u>	<u>14,192,723</u>
Operating expenses	2	69,398	61,108
Total expenses		<u>69,398</u>	<u>61,108</u>
Profit before income tax expense		<u>16,490,528</u>	<u>14,131,615</u>
Income tax expense	3	4,617,348	3,960,507
Profit after tax and total comprehensive income attributable to members of the entity		<u><u>11,873,180</u></u>	<u><u>10,171,108</u></u>

These financial statements should be read in conjunction with the notes to the financial statements on pages 10 - 16.



Works Finance (NZ) Limited

Statement of Changes in Equity

For the year ended 30 June 2015

	Share capital	ROADS	Retained earnings	Total
	\$	\$	\$	\$
Balance at 30 June 2013	100	200,000,000	4,640,143	204,640,243
Profit for the year	-	-	10,171,108	10,171,108
Total profit after tax and total comprehensive income for the period	-	-	10,171,108	10,171,108
Dividends paid: - ROADS	-	-	(9,820,801)	(9,820,801)
Total dividends paid	-	-	(9,820,801)	(9,820,801)
Balance at 30 June 2014	100	200,000,000	4,990,450	204,990,550
Profit for the year	-	-	11,873,180	11,873,180
Total profit after tax and total comprehensive income for the period	-	-	11,873,180	11,873,180
Dividends paid: - ROADS	-	-	(11,448,000)	(11,448,000)
Total dividends paid	-	-	(11,448,000)	(11,448,000)
Balance at 30 June 2015	100	200,000,000	5,415,630	205,415,730

These financial statements should be read in conjunction with the notes to the financial statements on pages 10 - 16.

Works Finance (NZ) Limited

Statement of Financial Position


As at 30 June 2015

	Note	2015 \$	2014 \$
Current Assets			
Advances:			
Downer New Zealand Limited	5	7,100,173	6,482,590
Total Current Assets		<u>7,100,173</u>	<u>6,482,590</u>
Non Current Assets			
Advances:			
Downer New Zealand Limited	5	200,000,000	200,000,000
Total Non Current Assets		<u>200,000,000</u>	<u>200,000,000</u>
Total Assets		<u>207,100,173</u>	<u>206,482,590</u>
Current Liabilities			
Bank overdraft		144,275	143,957
Trade and other payables		10,100	22,500
Income tax payable		1,530,068	1,325,583
Total Current Liabilities		<u>1,684,443</u>	<u>1,492,040</u>
Total Liabilities		<u>1,684,443</u>	<u>1,492,040</u>
Net Assets		<u>205,415,730</u>	<u>204,990,550</u>
Equity			
Ordinary shares	6	100	100
ROADS	7	200,000,000	200,000,000
Retained earnings		5,415,630	4,990,450
Total Deemed Equity		<u>205,415,730</u>	<u>204,990,550</u>

Authorised on behalf of the Works Finance (NZ) Limited Board of Directors on 26 August 2015.



C W Bruyn
Director



R W Jarrold
Director

These financial statements should be read in conjunction with the notes to the financial statements on pages 10 - 16.

Works Finance (NZ) Limited

Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Interest received		16,332,058	14,039,999
Advances (to)/from Downer New Zealand Limited		(389,715)	62,514
Subvention received		-	3,759
Income tax payment		(4,412,865)	(4,229,470)
Payments to suppliers		(81,796)	(61,359)
Net cash generated by operating activities	4	<u>11,447,682</u>	<u>9,815,443</u>
Cash flows from financing activities			
Dividends paid on ROADS		(11,448,000)	(9,820,801)
Net cash used in financing activities		<u>(11,448,000)</u>	<u>(9,820,801)</u>
Net decrease in cash and cash equivalents		(318)	(5,358)
Cash and cash equivalents/(bank overdraft) at the beginning of the year		(143,957)	(138,599)
Bank overdraft at the end of the year		<u>(144,275)</u>	<u>(143,957)</u>

These financial statements should be read in conjunction with the notes to the financial statements on pages 10 - 16.

Works Finance (NZ) Limited

Notes to the Financial Statements

For the year ended 30 June 2015

1 Summary of Accounting Policies

Statement of compliance

Works Finance (NZ) Limited (the Company) is a profit-oriented entity incorporated and domiciled in New Zealand and listed on the NZX debt exchange. The Company is a 'FMC reporting entity' for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Both of these Acts became effective for financial periods beginning on or after 1 April 2014, and the Financial Reporting Act 1993 was repealed with effect from this date. These financial statements have been prepared in accordance with both these Acts.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand equivalents to the International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as appropriate, for a profit-oriented entity. The financial statements also comply with International Financial Reporting Standards ('IFRS').

The Company was incorporated in New Zealand on 16 February 2007.

The financial statements were authorised by the Directors for issue on 26 August 2015.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the valuation of certain investments, as disclosed below. Cost is based on the fair value of the consideration given in exchange of assets. The functional and presentation currency is New Zealand dollars.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgements and associated assumptions are based on the historical experience of management and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these assumptions. The underlying assumptions are reviewed on an on-going basis.

Standards and interpretations effective in the current year

The Company adopted all mandatory new and amended standards and interpretations. None of these standards and interpretations had a material impact on the financial statements.

There are a number of other new and revised standards and interpretations that are not yet effective. In particular, NZ IFRS 9 Financial Instruments, which is effective for periods beginning 1 January 2018, may impact the Company, but this has not yet been assessed. All other revised standards and interpretations, not yet effective, are not expected to have a significant impact on the Company.

Interest income and expense

Interest income and expense is recognised using the effective interest rate method.

Impairment of Financial instruments

Financial instruments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the instrument's carrying amount exceeds its recoverable amount.

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Interest and dividends are classified as expenses or as a distribution of profit, consistent with the statement of financial position classification of the related debt or equity instruments.

ROADS are classified as equity because they bear discretionary dividends, are only redeemable at the option of the Company, holders cannot request redemption, they do not contain any contractual obligations to deliver cash or financial assets and do not require settlement in a variable number of the Company's equity instruments.

Works Finance (NZ) Limited

Notes to the Financial Statements

For the year ended 30 June 2015

1 Summary of Accounting Policies

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

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Taxation

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 year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences, or unused tax losses and tax offsets, can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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 the reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income.

Goods and services tax

All balances are presented net of goods and services tax (GST), except for receivables and payables which are presented inclusive of GST.

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows:

Operating activities: are the principal revenue producing activities of the Company and other activities that are not investing or financing activities.

Investing activities: are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities: are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Change in Accounting Policies

There have been no changes in accounting policies during the year and all policies have been applied on a consistent basis.

Works Finance (NZ) Limited

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
	\$	\$
2 Operating Expenses		
Operating expenses includes the following items:		
Remuneration of auditors		
KPMG New Zealand - Half year review	12,500	-
KPMG New Zealand - Audit of the financial report	22,500	-
Deloitte New Zealand - Half year review	-	12,500
Deloitte New Zealand - Audit of the financial report	-	22,500
Grant Thornton - Audit of the compliance of the register of preference shares	1,910	1,820

Deloitte New Zealand performs tax compliance services for Works Finance (NZ) Limited. The fee for the service is \$2,500 (2014: \$2,500), which is paid by Downer New Zealand Limited.

3 Income Taxes

(a) Reconciliation from pre-tax accounting profit to tax expense

Income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense as follows:

Profit from operations	16,490,528	14,131,615
Income tax expense calculated at 28% (2014: 28%)	4,617,348	3,956,852
Non deductible expenses	-	5,398
Over provision from prior year	-	(1,743)
	<u>4,617,348</u>	<u>3,960,507</u>

(b) Imputation credit account balances

Balance at end of the year	<u>1,946,178</u>	<u>1,784,613</u>
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4 Net cash flow from operating activities

Profit for the year	11,873,180	10,171,108
Movements in working capital		
Increase/(decrease) in income tax payable	204,485	(265,205)
Increase in Downer New Zealand Limited advance	(617,583)	(90,210)
Decrease in trade and other payables	(12,400)	(250)
Net cash generated by operating activities	<u>11,447,682</u>	<u>9,815,443</u>

5 Advance - Downer New Zealand Limited

The Company has advanced \$200,000,000 to Downer New Zealand Limited under a loan agreement dated 21 April 2011. The advance is repayable on demand, however it has been provided in line with the terms of ROADS. ROADS were stepped up on 15 June 2012, which keeps the existing ROADS instrument in place with revised pricing. Downer EDI Limited and the Company have provided confirmation to Downer New Zealand Limited that neither they, nor their subsidiaries, will take any action to demand or effect repayment of the loan during the period to 26 August 2016.

The interest rate is to be agreed in writing between the parties from time to time. The initial rate of interest was set at 10% per annum. In April 2013 it was agreed to reset this to the ROADS gross dividend rate plus a margin of 0.20%. The interest rate from 1 May 2013 to 15 June 2013 was 6.80%, 15 June 2013 to 15 June 2014 7.02%, 15 June 2014 to 15 June 2015, 8.15% per annum and from 15 June 2015 to the next reset date on 15 June 2016, 7.41% per annum.

interest is paid monthly in arrears.

Works Finance (NZ) Limited

Notes to the Financial Statements

For the year ended 30 June 2015

6 Ordinary Share Capital

The Company has 100 fully paid ordinary shares on issue with a nominal value of \$1 each. All ordinary shares carry equal rights in respect of voting, dividend payments and any surplus on winding up of the Company.

7 ROADS

The Company has issued 200,000,000 fully paid Redeemable Optionally Adjustable Distributing Securities (ROADS) with a nominal value of \$1 each. ROADS are classified as equity as disclosed in the Debt and Equity Instruments Accounting policy.

The ROADS offer quarterly, fixed rate, discretionary, non-cumulative dividends. Dividends are payable on 15 September, 15 December, 15 March and 15 June each year. Dividends are also payable on the date of redemption, repurchase, resale or exchange. Until the step-up date of 15 June 2012, (Step-up Date) dividends were fixed at 9.8% inclusive of imputation credits. This was based on the five year swap rate at the time, plus a margin of 2.05% per annum.

On the Step-up Date, the Company elected not to redeem any ROADS. The dividend rate on the ROADS is reset on 15 June each year and is equal to the one year swap rate on the reset date, plus a margin of 4.05% per annum, payable quarterly in arrears.

For the period 15 June 2012 to 15 June 2013 the gross dividend rate was set at 6.60% per annum, 15 June 2013 to 15 June 2014 6.82% per annum and from 15 June 2014 to 15 June 2015 7.95% per annum. The gross dividend rate from 15 June 2015 to the next reset date on 15 June 2016 is 7.21% per annum.

It is possible that dividends will not be paid. Dividends will not be paid if the Directors of the Company or Downer EDI Limited determine that a dividend is not payable. Dividends are non-cumulative, which means that if a dividend is not paid, it does not accumulate and may never be paid.

Each ROADS confers on its holder:

- An equal right to payment of the issue price of \$1 in a liquidation of the Company between other holders of ROADS and holders of any other class of securities ranking equally with ROADS; and
- The right to payment of the issue price in a liquidation of the Company in priority to any other class of shares other than any preference shares ranking equally with ROADS.

The ROADS rank for payment in a liquidation of the Company after all creditors of the Company.

The Company may elect to redeem or exchange:

- All or some ROADS on any dividend payment date;
- All (but not some) ROADS at any time, if certain specified events occur, including regulatory or legal changes which could lead to the Company or Group being exposed to significantly increased costs, or in the event of an acquisition of 50% or more of Downer EDI ordinary shares;
- All or some ROADS on any dividend payment date after an acquisition of 50% or more of the Downer EDI ordinary shares has occurred; and/or
- All (but not some) ROADS at any time, if there is less than 50 million ROADS on issue.

If any ROADS are to be redeemed, the Company must pay to the holder in respect of each relevant ROADS an amount equal to the issue price.

If any ROADS are to be exchanged, the Company will request Downer EDI Limited to purchase those ROADS for a consideration consisting of ordinary shares and, if Downer EDI Limited agrees to do so, holders are required to transfer the relevant ROADS to Downer EDI Limited and Downer EDI Limited will issue to the relevant holders a number of ordinary shares at a 2.5% discount to the weighted average sale price of ordinary shares traded on the ASX during the 20 business days immediately preceding the date of exchange.

Holders of ROADS cannot request redemption or exchange in any circumstances. Holders have no right to receive notice of, attend or vote at meetings of shareholders of the Company, other than in respect of a proposal to amend or vary the terms of the ROADS to the detriment of a holder, or that otherwise affects any right attached to ROADS to the detriment of a holder. The full terms of the ROADS are set out in Appendix 1 to the Constitution of the Company. Transaction costs in connection with the issue of the ROADS were borne by Downer EDI Limited. The dividends paid in the year, gross of imputation credits, totalled \$15.9 million (2014: \$13.6 million), being 7.95c per security (2014: 6.82c per security).

There were no changes to the number of ordinary shares or ROADS on issue during the period.

Works Finance (NZ) Limited

Notes to the Financial Statements

For the year ended 30 June 2015

8 Related Parties

The Company's ordinary shares are wholly owned by DGL Investments Limited. The ultimate parent company is Downer EDI Limited, a company listed on the Australian Stock Exchange with a secondary listing on the NZDX.

The Company has advanced a loan to Downer New Zealand Limited, a fellow subsidiary, and receives interest as described in Note 5 to these financial statements. Transaction costs associated with the issue of ROADS were met by Downer EDI Limited. Under a Deed Poll entered into, Downer EDI Limited guarantees the payment by the Company of dividends on ROADS and of amounts payable on redemption of ROADS on an unsecured and subordinated basis.

The Directors of the Company or Downer EDI Limited may at any time determine that a dividend is not payable. If the Directors of the Company or Downer EDI Limited determine that a dividend is not payable, the relevant amount will not become payable by the Company and the guarantee by Downer EDI Limited will not apply. Accordingly, the guarantee will be effective only if the Directors of the Company (and in the case of a dividend, Downer EDI Limited) at their discretion, determine that payment should be made, but payment is not then made by the Company. As the guarantee is subordinated, the claims of holders under the guarantee rank behind the claims of all creditors of Downer EDI Limited.

	2015	2014
	\$	\$
Advances to related parties		
Downer New Zealand Limited - current account	7,100,173	6,482,590
Downer New Zealand Limited (Note 5)	200,000,000	200,000,000

The Downer New Zealand Limited current account is unsecured and repayable on demand. Interest has been accrued at an average of 3.3% (2014: 2.7%) per annum.

Transactions

Downer New Zealand Limited (Note 5)

Interest received	16,559,926	14,192,723
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All the Directors except Andrew Arthur William Titter are also Directors of DGL Investments Limited and Downer New Zealand Limited.

Key management personnel were employed and compensated by Downer New Zealand Limited and did not receive any compensation from the Company during the year (2014: nil).

9 Segmental Information

The Company operates in one reportable segment. The only business of the Company is the issue of ROADS to predominantly New Zealand residents and advances to Downer New Zealand Limited.

10 Contingent liabilities

The Company has no contingent liabilities. (2014: nil)

11 Capital and lease commitments

The Company has no capital or lease commitments as at 30 June 2015 (2014: nil).

12 Subsequent events

On 14 August 2015, the Directors approved the payment of a fully imputed dividend of \$3,605,000 comprising a cash dividend of \$2,595,600 (1.2978 cents per ROADS security) and imputation credits of \$1,009,400 (0.5047 cents per ROADS security) to be paid on 15 September 2015.

There are no other subsequent events.

Works Finance (NZ) Limited

Notes to the Financial Statements

For the year ended 30 June 2015

13 Financial Instruments

Categories of Financial Instruments

The following material financial assets and liabilities, that potentially subject the Company to financial risk have been recognised in the financial statements:

	Loans and Receivables	Financial liabilities at amortised cost	Total
	\$	\$	\$
As at 30 June 2015			
Assets			
Advances to related parties	207,100,173	-	207,100,173
Total financial assets	207,100,173	-	207,100,173
Liabilities			
Bank Overdraft	-	144,275	144,275
Trade and other payables	-	10,100	10,100
Total financial liabilities	-	154,375	154,375
As at 30 June 2014			
Assets			
Advances to related parties	206,482,590	-	206,482,590
Total financial assets	206,482,590	-	206,482,590
Liabilities			
Bank Overdraft	-	143,957	143,957
Trade and other payables	-	22,500	22,500
Total financial liabilities	-	166,457	166,457

Financial instruments carried in the statement of financial position include bank balances, investments, receivables, payables and accruals.

As at 30 June 2015, the carrying amounts and fair values of investments, bank balances, receivables, payables and accruals were the same.

14 Financial Instruments Risk Management

The Company was established by Downer EDI Limited for the purpose of issuing ROADS, and as such its exposure to liquidity risk and interest rate risk is managed by being passed back to other Group companies through issuing intra-group loan advances with similar terms to those issued by the Company.

Credit Risk management

The most significant concentration of credit risk of the Company as at 30 June 2015 comprises the advance to Downer New Zealand Limited of \$200,000,000. This is expected to have a similar credit risk profile as Downer EDI Limited. Downer EDI Limited has a long-term issuer default rating of BBB (outlook stable) issued by Fitch Ratings. This rating was affirmed on 4 May 2015. Issues rated BBB- or above (or the equivalent by other rating agencies) are described as "Investment Grade".

The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

The Company is not directly exposed to foreign currency risk.

99.2% of ROADS holders are domiciled in New Zealand.

14 Financial Instruments Risk Management (continued)

Liquidity risk management

Liquidity risk arises from the possibility that the Company is unable to settle a transaction on the due date. The ultimate liquidity risk management rests with the Board of Directors, who have built an appropriate risk management framework for the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

Liquidity risk tables

The following table details the Company's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on contractual maturities. The tables include both interest and principal cash flows.

	Less than 1 Year \$
As at 30 June 2015	
Liabilities	
Bank Overdraft	(144,275)
Trade and other payables	(10,100)
	<u>(154,375)</u>
As at 30 June 2014	
Liabilities	
Bank Overdraft	(143,957)
Trade and other payables	(22,500)
	<u>(166,457)</u>

15 Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members through the optimisation of the debt and equity balances. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital and ROADS as disclosed in Note 6 and 7 respectively and retained earnings.

Works Finance (NZ) Limited

Other Information (unaudited)

For the year ended 30 June 2015

Twenty Largest Shareholders

The names and holdings of the 20 largest holders of ROADS in Works Finance (NZ) Limited as at 31 July 2015 are provided below:

Custodial Services Limited	15,517,377
Forsyth Barr Custodians Limited	12,813,209
Forsyth Barr Custodians Limited	9,349,015
Investment Custodial Services Limited	9,106,042
Custodial Services Limited	8,286,000
FNZ Custodians Limited	7,628,000
Masfen Securities Limited	5,847,000
Custodial Services Limited	4,674,250
Custodial Services Limited	4,482,300
National Nominees New Zealand Limited	4,471,600
Forsyth Barr Custodians Limited	4,277,334
FNZ Custodians Limited	1,693,000
Forsyth Barr Custodians Limited	1,285,000
Custodial Services Limited	1,233,646
Private Nominees Limited	715,000
Keith Ian Ronald Matheson & Clive Rowan Jackson	630,000
Investment Custodial Services Limited	591,842
Fletcher Building Educational Fund Limited	500,000
Gem Limited	500,000
Jarden Custodians Limited	500,000

Spread of Shareholders

Details of the spread of holders of ROADS as at 31 July 2015 are provided below:

Country	Holders	Holding
New Zealand	3,733	199,493,500
Australia	18	243,500
Other	14	263,000
	3,765	200,000,000

Range	Holders	Holding
2,000 to 4,999	83	269,021
5,000 to 9,999	447	2,590,893
10,000 to 49,999	2,565	51,196,188
50,000 to 99,999	476	26,388,700
100,000 to 499,999	174	24,472,250
500,000 to 999,999	6	3,221,842
1,000,000 and above	14	91,861,106
	3,765	200,000,000

Works Finance (NZ) Limited

Other Information (unaudited)

For the year ended 30 June 2015

Waivers

The NZX has ruled that the ROADS are not Equity Securities as defined in, and for the purpose of, the NZDX Listing Rules.

The NZX granted a waiver on 7 March 2007 relating to the minimum subscription amount for applications in respect of the offer of ROADS.

Corporate Governance

Works Finance (NZ) Limited is a subsidiary of Downer EDI Limited, a company listed on the Australian Stock Exchange.

Works Finance (NZ) Limited does not have any specific policies, practices or processes in respect of its corporate governance. However, where relevant, Works Finance (NZ) Limited, as a member of the Downer Group, is subject to the corporate governance policies of Downer EDI Limited.

The corporate governance policies of Downer EDI Limited are set out in its Annual Report, which is prepared in accordance with the requirements of the ASX Listing Rules. The corporate governance policies and annual report of Downer EDI Limited are also available on its website at www.downergroup.com

The corporate governance policies of Downer EDI Limited, as set out in its annual report dated 30 June 2015, do not materially differ from the Corporate Governance Best Practice Code.

Independent Directors

All of the Directors of Works Finance (NZ) Limited are employees of Downer EDI Limited and its subsidiaries, and accordingly are not independent.