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ORH Limited
(ABN 51 077 398 826)



APPENDIX 4E

PRELIMINARY FINAL REPORT

1. Highlights of Results
2. Preliminary Financial Statements

31st August 2010



1. Highlights of Results

Set out below is summary financial information for the company for the year ending 30 June 2010 and the previous corresponding year ending 30 June 2009.

Summary Information	30 Jun10 AUD	30 Jun 09 AUD	Change AUD	Change %
Revenue from Continuing Operations	\$ 14,875,579	\$ 10,104,846	\$ 4,770,733	47.21
(Loss) from Continuing Operations after Tax	(1,728,500)	(2,733,608)	1,005,108	36.77
Net (Loss) after Tax Attributable to Members	(1,728,500)	(2,006,270)	277,770	(13.85)
Net Tangible Asset Backing Per Share (cents)	3.50	3.39		
Dividends (distributions)	Per Security			Franked Amount Per Security
Dividends Paid during Year	Nil			Nil
Proposed Final Dividend	Nil			Nil
Proposed payment date for final dividend	N/A			
Record date for determining entitlements to the dividend	N/A			

The Company's accounts are in the process of being audited by PKF, Chartered Accountants.

Summary Commentary on Results

The results for the 30 June 2010 financial year for ORH Limited ("ORH" or "the Company") reflected a consolidated net loss attributable to members of \$1,728,500 (2009: \$2,006,270). This loss was arrived at after the inclusion of abnormal losses on sale of plant of \$460,688, an adjustment to unexpired interest on hire purchase contracts of \$147,116 and trading losses in closed subsidiaries of \$555,954.

Corporate

Fundraising Activities

During the reporting period, ORH completed a placement of 134,000,000 new ordinary shares at \$0.034 each to raise approximately \$4,556,000 and a placement under a Share Purchase Plan of 44,117,647 new ordinary shares at \$0.034 to raise approximately \$1,500,000.

During the reporting period, ORH announced the expiry of 8,000,000 unlisted options exercisable on 6 March 2010 with an exercise price of 15 cents.

During the reporting period, ORH arranged a debtor funding facility of \$2,000,000 with Bibby Financial Services. At 30 June 2010 an amount of \$948,643 had been drawn under this facility.

During the reporting period, the Company borrowed an amount of \$1,000,000 from Graceview Pty Ltd on normal commercial terms.



Board and Executive Changes

On 18 November 2009, Mr. Grant Freeman, Mr. Michael Palmer and Mr. Stephen Gu resigned as Non-executive Directors.

On 26 February 2010, Mrs. Kim Petrich resigned as Company Secretary and was replaced by Mr. Michael Waterson.

On 25 March 2010, Mr. Joshua Ridley resigned as a Non-executive Director.

On 25 March 2010, Mr. Jamie Detata, General Manager of ORH Contracting Pty Ltd and ORH Engineering Pty Ltd, was appointed as an Executive Director.

Outlook

The ORH Group is an industrial services group of companies which provide:

- Engineering design, implementation and supply of service trucks and water carts for the mining and construction industries;
- Supply of heavy earthmoving equipment for hire on major infrastructure projects in the mining, civil and marine industries.

While many of the markets in which ORH operates remain depressed we have continued to invest in our people, our processes and our engineered products. We have made many structural and personnel changes in the latter half of the financial year, the effects of which are not reflected in our financial results. These changes will impact our business in the year ahead and we believe will have a positive impact on our growth and profitability. These improvements ultimately will translate to increasing shareholder value.

The markets in which ORH operates continue to be competitive and our responsibility is to position ourselves such that we can deliver improvements even under adverse market conditions.

The order book of the ORH Group of companies continues to be strong for the delivery of new service trucks and water carts.

On behalf of the Directors, I wish to thank the management team and all employees for their hard work and commitment during the difficult year. Their dedication and ongoing support is an essential element in returning ORH to profitable growth. I also thank our customers, suppliers and shareholders for their continuing support.

For and behalf of the Directors

A handwritten signature in black ink, appearing to read 'G Hann'.

Geoffrey Hann
Managing Director



2. Preliminary Financial Statements

Consolidated Statement of Comprehensive Income

For The Year Ended 30 June 2010

	30 June 2010 \$	30 June 2009 \$
Continuing operations		
Revenue	14,875,579	10,104,846
Cost of Sales	(5,572,893)	(4,403,603)
Gross Profit	<u>9,302,686</u>	<u>5,701,243</u>
Other income		
Gain on disposal of joint venture	-	90,903
Interest Income	10,931	21,270
Other Income	513,494	106,385
	<u>524,425</u>	<u>218,558</u>
Depreciation and amortisation expense	2,270,403	1,177,907
Foreign exchange loss	-	278,948
Finance costs	1,883,585	882,504
Employee benefits expense	3,460,633	3,137,692
Other administrative expenses	5,250,080	4,037,562
Loss from continuing operations before tax	(3,037,590)	(3,594,812)
Income tax benefit/(expense)	1,309,090	861,205
Net (loss) from continuing operations after tax	<u>(1,728,500)</u>	<u>(2,733,607)</u>
Discontinued operations		
Profit from discontinued operations after tax	-	727,338
Loss attributable to minority interest		
Loss for the Year attributable to Members of the Parent Entity	<u>(1,728,500)</u>	<u>(2,006,269)</u>
Basic and Diluted (Loss) per Share (Cents per Share)	(0.42)	(1.33)



Consolidated Statement of Financial Position

For The Year Ended 30 June 2010

	30 June 2010 \$	30 June 2009 \$
ASSETS		
Current Assets		
Cash and cash equivalents	575,983	13,805
Trade and other receivables	3,038,060	2,783,713
Inventories	1,361,907	1,816,667
Total Current Assets	<u>4,975,950</u>	<u>4,614,185</u>
Non-Current Assets		
Property, plant and equipment	23,319,567	27,102,436
Deferred tax assets	2,042,961	940,968
Goodwill	5,606,512	5,421,513
Other financial assets	2,178,383	1,410,000
Total non-current assets	<u>33,147,423</u>	<u>34,874,917</u>
TOTAL ASSETS	<u>38,123,373</u>	<u>39,489,102</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	9,313,163	7,086,621
Borrowings	5,509,131	6,585,461
Current tax liabilities	201,270	1,645,004
Total Current Liabilities	<u>15,023,564</u>	<u>15,317,086</u>
Non-Current Liabilities		
Deferred tax liability	136,894	343,991
Borrowings	8,656,307	13,379,267
Total Non-Current Liabilities	<u>8,793,201</u>	<u>13,723,258</u>
TOTAL LIABILITIES	<u>23,816,765</u>	<u>29,040,344</u>
NET ASSETS	<u>14,306,608</u>	<u>10,448,758</u>
EQUITY		
Contributed equity	35,878,310	30,348,874
Accumulated losses	(22,218,238)	(20,269,738)
Reserves	646,536	589,622
Total Equity	<u>14,306,608</u>	<u>10,668,758</u>

The accompanying notes form part of these Consolidated Preliminary Financial Statements.



Consolidated Statement of Cash Flows

For The Year Ended 30 June 2010

	30 June 2010 \$	30 June 2009 \$
Cash flows from operating activities		
Receipts from customers	14,850,578	10,958,257
Payments to suppliers and employees	(16,827,430)	(11,802,173)
Income taxes paid	-	84,674
Net finance costs	(2,142,207)	(861,234)
Net cash (outflow) from operating activities	<u>(4,119,059)</u>	<u>(1,620,476)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(215,907)	(286,057)
Proceeds on disposal of property, plant and equipment	620,697	-
Proceeds on disposal of foreign joint venture	-	1,193,760
Costs for acquisition of Ridwest	-	(461,120)
Overdraft assumed on acquisition of Ridwest	-	(37,996)
Other Investments	-	1,650,000
Net cash inflow/(outflow) from investing activities	<u>404,790</u>	<u>2,058,587</u>
Cash flows from financing activities		
Proceeds from issue of shares	5,529,436	1,150,000
Repayment of Borrowings	(6,781,425)	(800,791)
Net cash inflow from financing activities	<u>(1,251,989)</u>	<u>349,209</u>
Net cash inflow from continuing operations	<u>(4,966,258)</u>	<u>6,316,756</u>
Net cash outflow from discontinued operations	<u>-</u>	<u>(1,357,084)</u>
Net (decrease) in cash and cash equivalents	(4,966,258)	4,959,672
Cash and cash equivalents at beginning of the year	5,543,241	583,569
Cash and cash equivalents at end of year	<u>576,983</u>	<u>5,543,241</u>

The accompanying notes form part of these Consolidated Preliminary Financial Statements.



Consolidated Statement of Changes in Equity

For The Year Ended 30 June 2010

As at 30 June 2010

	Contributed Equity	Accumulated Losses	Foreign Currency Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2009	30,348,874	(20,489,738)	(191,586)	781,208	10,448,758
Net loss for the year	-	(2,173,192)	-	-	(2,173,192)
Shares issued during the year net of expenses	5,529,436	-	-	-	5,529,436
Transfer to income statement on disposal of subsidiary	-	-	191,586	-	191,586
Transfer of options expired	-	-	-	(134,672)	(134,672)
Balance at 30 June 2010	35,878,310	(22,662,930)	-	646,536	13,861,916

As at 30 June 2009

	Contributed Equity	Accumulated Losses	Foreign Currency Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2008	21,383,222	(18,412,568)	(85,724)	590,443	3,475,373
Net loss for the year	-	(2,226,270)	-	-	(2,226,270)
Shares issued during the year net of share issue costs					
-private placement	1,150,000	-	-	-	1,150,000
-Ridwest acquisition	7,815,652	-	-	339,865	8,155,517
Fluctuation on foreign exchange	-	-	(42,000)	-	(42,000)
Transfer to income statement on disposal of foreign JV	-	-	(63,862)	-	(63,862)
Transfer of option expired	-	149,100	-	(149,100)	-
Balance at 30 June 2009	30,348,874	(20,489,738)	(191,586)	781,208	10,448,758

The accompanying notes form part of these Consolidated Preliminary Financial Statements.



Notes to the Consolidated Preliminary Financial Statements

For The Year Ended 30 June 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Preliminary Financial Statements of ORH Limited (“**ORH**”) and its subsidiaries (“**the Group**”) for the year ended 30 June 2010 do not include all the notes of the type that would normally be included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance and financial position of the Group as the full financial report.

Basis of Preparation

The Preliminary Financial Statements have been prepared on an accruals basis and are based on historical costs as modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Unless otherwise detailed in this note, accounting policies have been consistently applied by the entities in the Group, and are consistent with those applied in the 30 June 2009 annual report.

Changes in Accounting Policy

Since 1 July 2008 the Group has adopted certain Standards and Interpretations, mandatory for annual periods beginning on or after 1 January 2008. The Group has assessed the impact of adopting these Standards and Interpretations and does not believe that there is an effect on the financial position or performance of the Group. These Standards and Interpretations will be disclosed in the 2009 financial report.

Going Concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate. The directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

If the Group is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts that may be different to those stated in the financial statements.



Notes to the Consolidated Preliminary Financial Statements

For The Year Ended 30 June 2010

2. SEGMENT REPORTING

Primary Reporting – Geographical Segments

The Group's risks and rewards are affected predominantly by differences in the geographical areas in which it operates and therefore, its primary reporting format is based on geographical segments.

Secondary Reporting - Business segments

The Group operates in the Mining Services Sector.

The following tables present the revenue and profit information regarding business segments for the years ended 30 June 2010 and 30 June 2009.

30 June 2010

	<i>Australia</i>	<i>Total</i>
	\$	\$
Segment Revenue		
Sales and other revenue from external parties	14,875,579	14,875,579
Total Revenue	<u>14,875,579</u>	<u>14,875,579</u>
Segment Result		
(Loss)/profit before income tax	(3,037,590)	(3,037,590)
Income tax benefit/(expense)	1,309,090	1,309,090
Net (loss)/profit for the year	<u>(1,728,500)</u>	<u>(1,728,500)</u>
Segment assets/liabilities		
Segment assets	<u>37,556,142</u>	<u>37,556,142</u>
Segment liabilities	<u>23,694,226</u>	<u>23,694,226</u>
Other segment information		
Depreciation and amortisation	<u>2,270,403</u>	<u>2,270,403</u>



Notes to the Consolidated Preliminary Financial Statements

For The Year Ended 30 June 2010

SEGMENT REPORTING CONTD.

	Continuing Operations		Discontinued Operations	Total Operations
	Australia \$	United Kingdom \$	China \$	\$
30 June 2009				
Segment revenue				
Sales and other revenue from external parties	8,656,477	1,448,369	4,053,876	14,158,722
Total Revenue	8,656,477	1,448,369	4,053,876	14,158,722
Segment Result				
(Loss)/profit before income tax	(3,243,242)	(351,571)	842,883	(2,751,930)
Income tax benefit/(expense)	861,205	-	(115,545)	745,660
Net (loss)/profit for the year	(2,382,037)	(351,571)	727,338	(2,006,270)
Segment assets/liabilities				
Segment assets	39,488,215	220,887	-	39,709,102
Segment liabilities	(28,185,801)	(854,543)	-	(29,040,344)
Other segment information				
Depreciation and amortisation	1,174,334	3,573	-	1,177,907

3. CONTRIBUTED EQUITY

	30 June 2010	30 June 2009
	\$	\$
Share Capital		
<i>Ordinary Shares</i>		
Issued and fully paid	35,878,310	30,348,874
	Number of Shares	\$
<i>Movements in shares on issue</i>		
At 1 July 2009	231,074,677	30,348,874
<i>Shares issued during the period</i>	178,117,649	5,529,436
At 30 June 2010	409,192,326	35,878,310



Notes to the Consolidated Preliminary Financial Statements

For The Year Ended 30 June 2010

4. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected or may significantly affect the operations of the economic entity, the result of those operations or the state of affairs of the economic entity in subsequent financial years.

5. DIRECTORS AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

Domenic Martino	Non-Executive Chairman
Geoffrey Hann	Managing Director
Jamie Detata	Executive Director (Appointed 25 March 2010)
Michael Palmer	Non-Executive Director (Resigned 18 November 2009)
Stephen Gu	Non-Executive Director (Resigned 18 November 2009)
Grant Freeman	Non-Executive Director (Resigned 18 November 2009)
Joshua Ridley	Non-Executive Director (Resigned 25 March 2010)

(ii) Key Personnel

Michael Waterson	Company Secretary (Appointed 26 February 2010)
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6. AUDIT

These accounts are currently in the process of being audited. An Annual Report containing the audit report shall be provided in due course.