Shareholder's Annual Report
Laserbond Limited

ABN 24 057 636 692

For year ended 30th June 2015

All comparisons to year ended 30th June 2014

Contents

Corporate

Our vision is to be a recognized leader of innovative advanced surface engineered products and services that reduce unit-operating costs of capital intensive industries by significantly improving the performance and wear life of equipment.

LaserBond's mission is to attract, develop, and maintain long-term, successful satisfied customers while optimizing the capacity and capability of our facilities and staff to deliver an expanding range of innovative services and products.

We will grow our business profitability and diversify both domestically and internationally by building on our core competency of surface engineering to improve productivity, innovation and conservation outcomes for our customers and ourselves.

Our product offering is focused on increasing the productivity of our customers' operations. Innovation means delivering new and better performing wear-reducing results for our customers. Conservation is achieving more from fewer resources to pursue new methods and technology that will be better.

Services

Since its establishment in 1993 (initially as HVOF Australia Pty Ltd), LaserBond has pioneered the research, development and implementation of advanced surface-engineering techniques to dramatically reduce the wear rates, maintenance and operating costs of production-vital components of industrial customers.

A dedication to research and commitment to the implementation of leading edge technologies has seen LaserBond acknowledged as a national and international leader in surface engineering and wear part protection that extends equipment and component operating life.

We operate across a range of capital intensive industries that rely on plant and equipment performing at peak efficiency for longer periods. Industries such as agriculture, drilling, mining, manufacturing, power generation, civil construction and many others acknowledge component wear as a fact of life.

Critical applications require optimised surface properties for particular abrasion, erosion or corrosion wear. LaserBond currently operates from sites in Sydney and Adelaide to provide clients with high capability facilities set-up for specific manufacture, repair and reclamation of components and assemblies.

Products

Corrosion, erosion and abrasion are all forms of surface wear that most often determine component and machinery life. Our skill and experience in applying surface engineering as a service highlighted the opportunity to design and develop a range of long-wear life consumable components that embedded our DNA into products.

LaserBond's new long-life designs set a new paradigm in surface engineering exploiting innovative cladding materials and advanced mechanical component design. They deliver better performance, longer operating life, more profit with reduced maintenance costs, change-outs, downtime and overall cost.

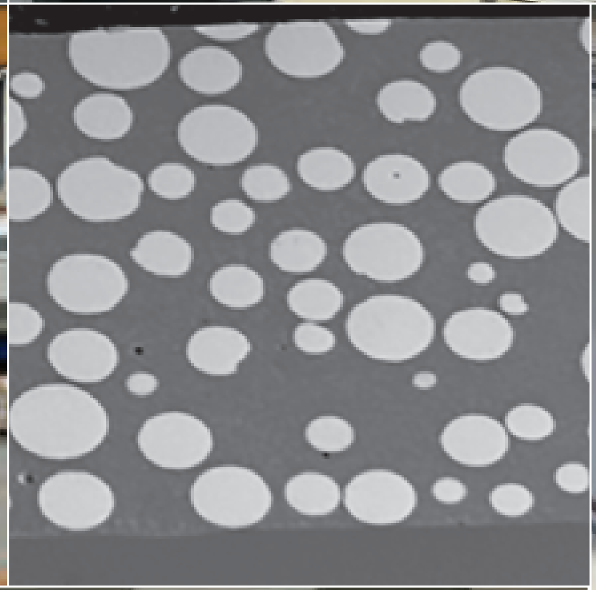
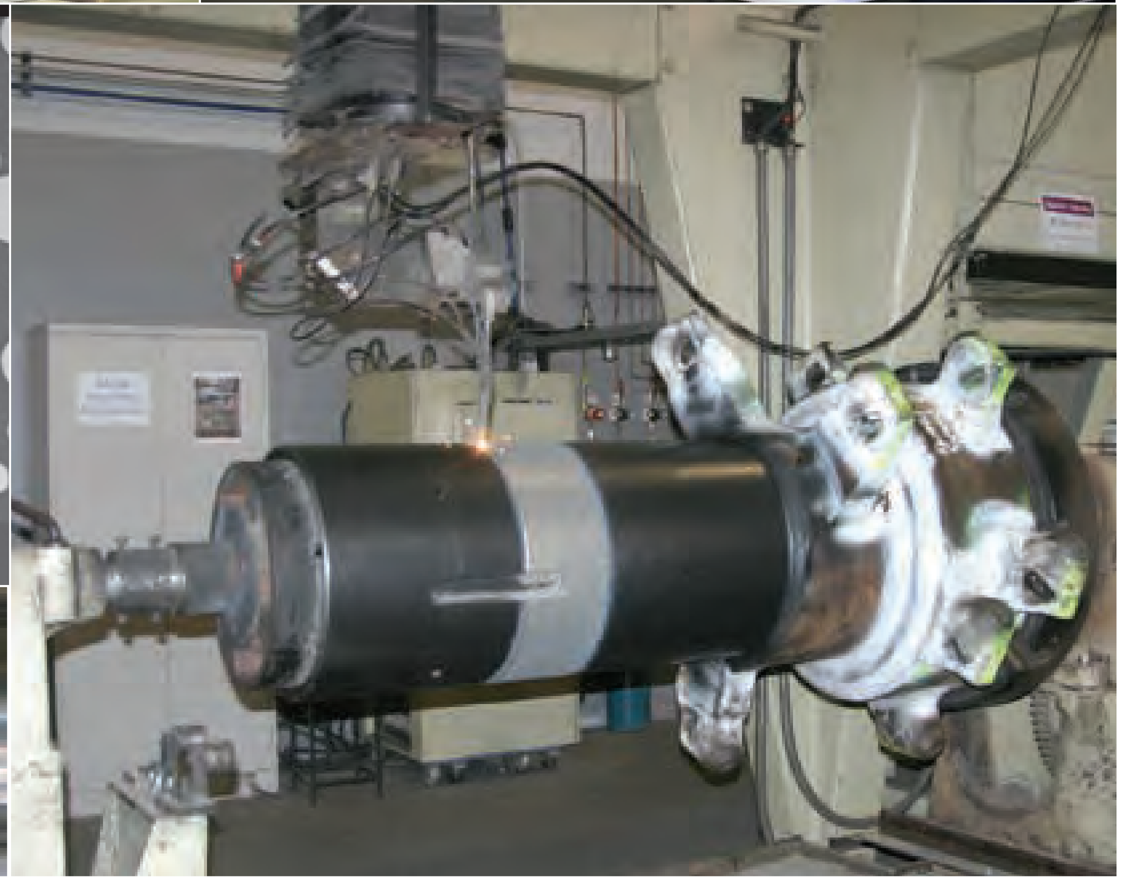
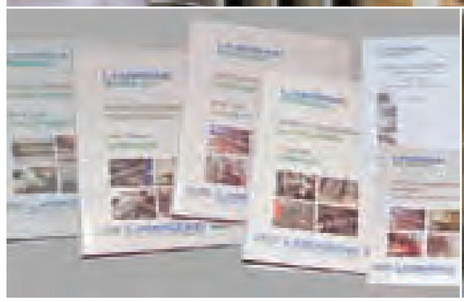
Our distribution strategy is to work with a range of industry partners to firstly quantify the full extent of operational benefits that our products deliver. Once we have proven a significant output unit cost saving across a range of customer sites, then LaserBond will either establish strategic relationships with well positioned in market partner, or develop our own sales force.

Advances in surface engineering technology have delivered better component and equipment performance across a growing range of industries such as mining, drilling, power generation, transport, marine, manufacturing, fluid handling and agriculture. All of these experience vital component wear daily.

Technology






LaserBond is making its unique surface engineering technologies, hardware and training available for licensing in selected non-competitive international market segments. With some 25 years research, development and practical applications experience LaserBond wear-resistant process engineering technology is a strong and viable investment.

The technology licensing package offers licensees an integrated package including LaserBond surface engineering research and technology, regular updates on new and/or improved cladding materials and techniques, specialised technology, hardware and equipment and full, on-site commissioning.

A suite of operator training programs is designed to develop competent and proficient operators to successfully work with a range of LaserBond surface engineered cladding processes. Each of the modules included in the Training Program is available in four skill levels with competency based outcome

LaserBond surface engineering technologies and processes are proving industrial customers extended wear life and significantly reduced overall operating costs. An extensive Research and Development program is developing new and innovative surface engineering applications to maintain ongoing advantages to our customers.

2015 Financial Report

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2015 Chairman's Letter

Dear Shareholder,

As you may recognise from this report and a number of announcements over the past 12 months the refocusing of our business around our core DNA of surface engineering is demonstrating success. While we are reporting reduced profits for FY2015 , we are also reporting improvements to gross profit and early revenues from our new product development activities.

On behalf of the Board I am pleased to present the annual Financial Report to 30th June 2015. The underlying results from continuing operations were as follows:

	30 June 2015		30 June 2014
Revenues	$9,546,595	*Down 1.3% from*	$9,669,960
Underlying EBITDA	$881,106	*Down 40.5% from*	$1,481,805
Underlying NPAT	$366,766	*Down 44.5% from*	$660,944
Underlying earnings per share (cents)	0.42c	*Down 44.7% from*	0.76c

Maintaining service revenues in the face of resource industry downturn confirms that our marketing focus of enhancing customer's 'Productivity' is recognised and valued.

Improving productivity has also been an internal focus for the business, particularly with our Lean manufacturing program making big gains; improving on time delivery and quality, while reducing our unit costs. As a result our reported gross profit improved from 50.1% to 52.4%.

Our research and product development program has also delivered results. Indeed the team has registered two patent applications and launched the "game-changing" LaserBond DTH Hammer product on 1 May 2015. This is a timely product for the mining industry as the independently supervised trials demonstrated a 3.05 times life extension, (a component saving of over 50%), which delivers an overall reduction in total drilling costs of 7.5%.

We now have a number of drilling companies in advanced field trials, one internationally. The results they are achieving are consistent with the earlier trials and are expected to be converted into repeat sales throughout FY2016. There is also a number of other projects progressing through the R&D programs that impact resource and other industry sectors.

Also arising from the success of our R&D program has been international interest in licensing LaserBond's surface engineering technologies. While the board does not forecast any significant revenue for FY2016, we will invest in a packaging and promoting our technology offering, which targets non-competitive international markets.

To enable respective parts of the business to leverage our R&D in their own way, apply appropriate strategies and resources to best fit their markets, the Board recently announced the establishment of three divisions; 'Services', 'Products' and 'Technology'.

Supporting the above we have also invested in new skilled and experienced sales team, people who are well versed in communicating the key technical and economic benefits that our surface engineering offers.

A new website and corporate identity is being launched within the next few days..

LaserBond has an enviable 23-year history of innovation and leadership in surface engineering. This converts to productivity gains for our customers. Our new corporate image is designed to introduce the new divisions of the business by sharing success in what we offer, what we make, our technology and our philosophy with all our stakeholders.

Conservation of resources and the wider environment is also a core mission of the company. In FY2016 more of our customers (and potential customers) will recognise LaserBond for its contribution in Productivity, Innovation and Conservation.

Looking to FY2016, in this Annual Report we are sharing some sales and profit targets we set as part of our strategic planning process. I believe the changes we are making will firmly establish a new growth phase in LaserBond's 23 years of surface engineering knowledge, proficiency and capability.

Finally I would like to thank the management team and employees for their support and contributions to our future success.

Yours sincerely

Allan Morton
Executive Chairman

Corporate Directory

Directors:	Mr. Allan Morton *Chairman / Non-Executive Director* Mr. Wayne Hooper *Executive Director* Mr. Gregory Hooper *Executive Director* Mr. Philip Suriano *Non-Executive Director*
Company Secretary:	Mr. Matthew Twist
Principal Registered Office:	2 / 57 Anderson Road SMEATON GRANGE NSW 2567 Phone: 02 4631 4500 Fax: 02 4631 4555
Website Address:	www.laserbond.com.au
Share Registry:	Boardroom Pty Ltd Grosvenor Place Level 12, 225 George Street SYDNEY NSW 2000 Phone: 1300 737 760
Auditor:	Lachlan Nielson Partners Pty Ltd Level 11, 60 Castlereagh Street SYDNEY NSW 2000
Solicitor:	Equius Legal Pty Ltd Level 57, MLC Centre 19-29 Martin Place SYDNEY NSW 2000
Bankers:	Commonwealth Bank of Australia Corporate Financial Services Sydney South-West Suite 2.01 Centric Park Central CAMPBELLTOWN NSW 2560

Stock Exchange Listing: LaserBond Ltd shares are listed on the Australian Securities Exchange (ASX) under LBL.

The Directors present their report on the consolidated entity for the financial year ended 30th June 2015.

Principal Activities

LaserBond specialises in the manufacture, reclamation and surface engineering of industrial components and assemblies used in a broad range of capital intensive industries and environments, including mining, minerals processing, primary metals, manufacturing, construction and transport. Typically the components are for critical applications where LaserBond's focus is to reduce costs for its customers. The specialised and unique technologies employed by LaserBond allow it to reclaim almost any industrial component, whilst improving critical surface properties for longer service life. LaserBond also manufactures new replacement components incorporating its surface enhancing technologies to provide a multiple increase in the service life of the part over what could be achieved with traditional designs and manufacturing methods.

These services are currently provided from facilities in New South Wales and South Australia.

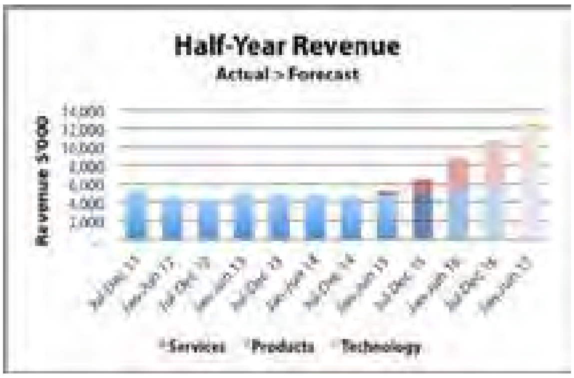
Review of Continuing Operations & Results

FY2015 was a year of investment in both research and development and other activities to direct and support future growth. This investment has resulted in increased expenditure in a number of areas which has impacted reported profitability for the fiscal year.

In summary, compared to FY2014:

- Despite the challenging business environment surrounding LaserBond's markets in the heavy industry sectors, revenue from continuing operations exhibited only a small decline of 1.3%. The services LaserBond provides allow its customers to realise cost reductions and productivity gains, so with targeted sales, marketing and development activities, the company is able to obtain new customers even in a challenging market.
- Through a focus on costs and efficiencies, particularly within the NSW division from our Lean Manufacturing project, the company has increased gross margins within continuing operations from 50.1% to 52.4% of revenue. As a consequence, gross profit in dollar terms was increased by 3.1%, despite the decline in revenue.
- As investment to allow future growth, the company has increased expenses in certain areas, particularly research & development, consultant fees supporting growth initiatives, advertising and promotional expenses, and human resources. These form the major components of a total increase in expenses of $719,547.
- EBITDA from continuing operations decreased by <40.5%>, essentially as a direct consequence of the above three points.
- Profit before tax declined <59.6%>, in line with forecast in the most recent Market Update. However profit after tax from continuing operations declined only <44.5%> due to the effect of the R&D Tax concession on the capitalised development costs.

Revenue from Continuing Operations



The continuing operations of the business achieved $9.55 million revenue for FY2015 compared to $9.67 million for FY2014. This represents a decrease of <1.3%>. The small size of this decrease in revenue was pleasing given the continuing challenging market conditions, particularly in the mining and minerals processing sectors, and the more recent effect from the collapse of the oil price and consequent declines in activities within the oil and gas sector. The company has continued to successfully offset these declines through growth of new customers and applications.

The graph provided on the left indicates the forecast for growing revenue for each half year period moving forward. It is based on continuing growth of new customers in the historical services provided as well as growing demand for new products recently developed through the research and development activities and being commercialised during FY2016.

Revenue results by location were:

- NSW – this facility provides services relating to the long-standing surface engineering repair, manufacturing and contract manufacturing business undertaken for a wide range of major industrial customers. NSW achieved revenue of $8.82 million for FY2015, representing a <1.3%> decline in reported FY2014 revenue of $8.94 million.
- SA - this facility was initially established to provide similar services as the NSW facility. During FY2015 there was considerable investment in infrastructure and personnel to support the Research & Development activities which has resulted in two patent applications and the recently launched LaserBond "Down-The-Hole" Hammer drilling industry product. As commercialisation advances, this facility is expected to also become our advanced manufacturing facility and distribution centre for the

manufacture of an increasing range of LaserBond products; our base for the ‘Products’ division. SA achieved revenue of $0.73 million for FY2015, similar to FY2014. Revenue for FY2015 included $0.34 million from the sale of the new LaserBond products. Services revenue was down on FY2014 due to the reduction in spending from one major client in the oil and gas sector. However, with a focus on the growth of new service customers, our SA client base has increased three-fold in FY2015.

Profit Before Tax from Continuing Operations

The continuing operations of the business achieved a profit before tax of $0.37 million for FY2015 compared to $0.95 million for FY2014. This decline is a direct result of investment in research and development and other activities to provide and support future growth.

The graph on the left forecasts the increased profitability of the company based on the expected revenue achieved from the growth of new services customers, and revenue expectations for current, and continuing development of, LaserBond products.

*Note: Figures to FY-15 as reported. HY-16 and beyond are strategic plan forecasts based on assumptions that may change.

- NSW – this facility reports a profit before tax result of $0.85 million for FY2014, compared to $0.95 million for FY2015. Please refer to *Explanation of Results* below for more details.

- SA – this facility reports a loss before tax of <$0.47> million for FY2015, compared to essentially a breakeven result for FY2014. Please refer to *Explanation of Results* below for more detail.

<u>Explanation of Results for Continuing Operations</u>

New South Wales

This facility has maintained revenue despite continuing challenging market conditions, and continued to improve gross profit results from lean management and other shop floor efficiency improvements. The reduction in profits is directly related to the investment in activities to direct and support growth, including the following:

- Human Resources – the appointment of a full-time Business Development Manager (who has directly provided new growth opportunities with new clients and industry sectors), and the effect of the full fiscal year employment costs of two employees hired late FY2014, namely the Material Scientist (assisting in LaserBond’s in-house laboratory used to carry out testing and examination, including metallographic characterisation, hardness testing, and chemical analysis) and the Quality Control officer (to assist in ensuring LaserBond maintains its strong reputation for supplying consistently high quality products and services).
- International Opportunities – the appointment of consultants to assist LaserBond in identifying and pursuing opportunities internationally for our products and services. The company has established the ‘Technology’ division, for provision of licencing of our technology in overseas markets that do not compete with LaserBond’s existing markets.
- Business Certification under PAS 99 – the development and certification of an Integrated Management system that encompasses ISO standard for Quality, Safety and the Environment.
- Non-Executive Directors – the addition on one non-executive director to add specific experience and skill to the Board, plus consulting fees for non-executive directors to provide assistance in supporting the growth initiatives.

Further, as an unexpected consequence of our improved efficiencies resulting from our Lean Management project a small adjustment occurred in FY2015, and a restatement of FY2014, of a number of inventory items to ensure compliance with current Australian Accounting Standards, particularly AASB 102. Full detail of the FY2014 restatement can be found in Note 27 of the Financial Report on page 45.

South Australia

The ongoing business development activities has yielded a tripling of our ‘Services’ customer base. In addition there has been a heavy focus on supporting the development and commercialisation of LaserBond ‘Products’ , specifically the LaserBond Down-the-Hole (DTH) Hammers and associated parts, which were launched at the recent Drill & Blast 2015 conference. Independent testing of the LaserBond DTH Hammer has revealed a three times life extension, up to 60% reduction in DTH hammer costs, and a significant reduction in total drilling costs of 7.5%. This focus on development and commercialisation has incurred additional fixed costs for this facility, resulting in a reported loss for FY2015 of <$0.47> million. The main areas of increased fixed costs include:

- Advertising & Promotion – costs for the commercialisation and branding of the LaserBond Product range, initially with the DTH hammer.

- Human Resources – the recent employment of an experienced Product Development Manager, initially focusing on introducing the LaserBond product range to end users in the mining and drilling industries and assistance from consultants in the commercialisation and continuing development a range of LaserBond DTH parts. During FY2016 this team will work with R&D to expand our product within and beyond the resources sector.
- Research & Development – increase expense in continuing research of new products and / or applications, and continuing development of LaserBond DTH parts.
- Depreciation & Amortisation – additional costs related to the amortisation of the costs related to the development of the LaserBond DTH product range.

Divisions

LaserBond recently announced the establishment of a divisional structure to better capitalise on the ongoing success of our R&D and surface engineering activities. With a strategic focus on future growth, LaserBond has established three unique but integrated operating divisions; Services, Products and Technology.

'Services' will continue to provide its long-standing surface engineering repair, remanufacturing and contract manufacturing business for a wide range of industrial customers from both the NSW and SA facilities.

'Products' is being established out of the SA facilities, where it is close to our R&D activities, offers skilled manufacturing labour force and is a central location for national distribution.

'Technology' is being set up in response to international interest in licencing our IP and market research activities undertaken during FY2015.

Outlook

LaserBond's renewed focus throughout FY2015 on the proactive research of new technologies, techniques and applications has resulted in additional revenue growth in the last quarter of FY2015. We expect a significant impact to revenue throughout FY2016 (particularly the second half) and future fiscal years.

The improvement of efficiencies and margins within the NSW manufacturing facility has provided sustainable, ongoing positive results throughout FY2015. The plan is for this project to roll into the reengineering of our sales and administration, as well as the SA facility throughout FY2016, providing a sustainable environment for the intended development of our advanced manufacturing facility in SA.

The Half-Year Revenue graph provided on page 15 of this Report shows the clear growth in revenue expected as a result of business development activities carried out throughout FY2015 on Services (particularly from the NSW facility), as well as feedback from new clients that have obtained positive results from their initial trials of our LaserBond DTH Hammer product range.

The Half-Year Profit graph provided on page 16 of this Report shows the clear growth in profits expected from the second half of FY2016 as a result of the investment that has been incurred throughout FY2015, and expected to carry on throughout FY2016.

Directors

Details of the group's Directors during the financial year and up to the date of the report are as follows (Directors have been in office for the entire period unless otherwise stated):

Director:	*Position Held*	*In Office Since*	*Ceased to Hold Office*
Wayne Hooper	Executive Director	21 April 1994	
Gregory Hooper	Executive Director	30 September 1992	
Allan Morton	Non-Executive Chairman	18 March 2014	
Philip Suriano	Non-Executive Director	6 May 2008	
Nigel de Veth	Non-Executive Director	1 April 2015	24 August 2015

All current executive directors of the group are considered the key management personnel for the management of its affairs.

Remuneration Report

Remuneration levels for directors of the group are competitively set to attract, motivate and retain appropriately qualified and experienced directors. Remuneration levels are reviewed annually by the Board through the Remuneration Committee using a process that considers the overall performance of the group. The remuneration policy attempts to align reward with the achievement of strategic objectives and the creation of value for shareholders. Please refer to the Corporate Governance Statement on our website, http://www.laserbond.com.au/investor-relations , for details.

Currently the Directors receive fixed remuneration in the form of salaries and / or fees which are not performance-based. From FY2015 the board has implemented performance based bonuses for executive directors and additional non-cash (equity based) payments for non-executive directors who hold office for the full twelve months of a fiscal year. At 30 June 15 no performance based payments have been made to executive directors, however two non-executive directors are entitled to non-cash (equity based) payments based on their full tenure for FY2015. A provision for this has been accounted for as a share based payment as at 30 June 15.

Director's Remuneration

Amounts paid to directors during the financial year ending 30 June 15 were:

		Salaries and fees	Superannuation	Long Service Leave Accrual
Wayne Hooper	2015	151,860	14,201	7,665
	2014	138,952	13,749	6,745
Gregory Hooper	2015	280,995	23,433	3,417
	2014	284,676	-	-
Allan Morton	2015	30,000	-	-
	2014	17,000	-	-
Philip Suriano	2015	25,000	-	-
	2014	25,000	-	-
Nigel de Veth	2015	6,250	-	-
	2014	-	-	-
	2015	494,105	37,634	11,082
	2014	465,628	13,749	6,745

Directors only received a fixed salary or fee in the year ended 30 June 2015. However Allan Morton and Philip Suriano are entitled to a non-cash (equity based) payment of 150,000 shares at the share price at close of business 30 June 2015 based on their full twelve months tenure during FY2015. A provision has been allowed as at 30 June 15 as a share based payment expense for this remuneration.

Director's Shareholding

As at 30 June 2015, the number of shares held by directors was:

	Holdings Type	Holdings
Wayne Hooper	Direct	8,541,809
Wayne Hooper	Indirect	1,045,919
Gregory Hooper	Direct	5,232,343
Gregory Hooper	Indirect	3,652,564
Allan Morton	Indirect	505,405
Philip Suriano	Indirect	33,107
Nigel de Veth	Direct	3,035,488
Nigel de Veth	Indirect	571,958

Information on Directors

Allan Morton – Non-Executive Chairman

Allan is a well-qualified, experienced professional engineer and business leader. He holds degrees in engineering (B.E. Mech 1st Class Hons) and business management (Operations), and is also a graduate of Harvard Business School (Exec. MBA (PMD)). His career commenced with sixteen years with CSR Limited, working within their sugar division throughout Australia and New Zealand. In 1990 he founded a media replication and distribution company which was later public listed. Through his consultancy group, Allan works with a number of small-to-medium enterprises to effect successful business turnarounds and strategic growth initiatives. He is an experienced director and chairman.

Wayne Hooper – Executive Director

Wayne is a professional engineer with significant experience within the engineering and manufacturing industries. His engineering experience includes design, maintenance and project management. He started his career within the electricity generation industry, and branched into high volume manufacturing. Prior to joining the company in 1994, Wayne also held senior roles in marketing within the building products industry. Wayne holds degrees in Science and Engineering (Honours Class 1) and an MBA. Wayne is responsible for general management of all Company activities, managing the day-to-day operations and ensuring a smoothly functioning, efficient organisation. He is involved in technology development, engineering and administration of the group.

Gregory Hooper – Executive Director

Gregory has a mechanical engineering background with extensive hands on and sales management experience in the engineering, metallurgy, welding and thermal spray industries. With his knowledge of, and passion for these industries, and seeing the potential applications for coating technology, Gregory founded the Company assisted by other members of the Hooper family in late 1992. Gregory, utilising the in-house laboratory, developed the application parameters for the H.V.O.F. and LaserBond® processes. Gregory's main focus within the group is the research and development of applications and products that utilise LaserBond's core competencies in Laser materials processing and Thermal spray technology.

Philip Suriano – Non-Executive Director

Mr. Suriano has been a Director since 2008. Mr. Suriano began his career in corporate banking with the State Bank of Victoria (Commonwealth Bank). He holds a degree in banking & finance (B.Bus. (Bkg & Fin)). Mr. Suriano spent 16 years in senior positions within the Australian Media Industry. Mr. Suriano has gained wide knowledge & experience to give him a strong background in operations, sales and marketing in such roles as National Sales Director, MCN (Austar and Foxtel TV sales JV) and Group Sales Manager at Network Ten. Prior to joining MCN, Mr. Suriano was employed within the Victor Smorgon Group of Companies. He was also a former Director of BBX Minerals Limited, Adavale Resources Limited and Resources & Energy Group Limited. For the past 11 years Mr. Suriano has been working in corporate finance. He is currently working with Lempriere Capital Partners as Director, Equity Capital Markets.

Nigel de Veth – Non-Executive Director

Nigel is an experienced senior executive business strategist and change agent with a demonstrated ability to deliver results. Having been a director of various companies since 1993, Nigel is regarded as an industry expert offering more than 25 years experience within the mining and civil industries. Nigel has a strong focus on practicality, process, planning and delivering quality outcomes. Nigel is currently a founder and Managing Director of drilling companies Deveth Drilling Pty Ltd and Roc-Drill Pty Ltd. Previously, Nigel was a founding partner and director of the drilling company Straitline Australia and project manager for 15 years at various mine and civil sites in both open-cut and underground operations. Nigel holds diplomas in Business, Quality Auditing, Management, Project Management, Drilling Management, Integrated Risk, and Health and Safety as related to the mining and drilling industries.

Information on Company Secretary

Matthew Twist

Matthew Twist was appointed Company Secretary on 30 March 2009. Matthew also holds the position of Chief Financial Officer of the group (since March 2007), providing over 20 years financial management experience, encompassing financial and operational control and systems development in manufacturing companies. Matthew has fulfilled the academic requirements to attain the Certificate in Governance Practice from the Governance Institute of Australia, and is currently a certificated member.

Director's Meetings

During the financial year ended 30th June 2015, the number of meetings held, and attended, by each Director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Wayne Hooper	11	11
Gregory Hooper	11	10
Allan Morton	11	11
Philip Suriano	11	11
Nigel de Veth	3	3

The board have formal Audit, Risk and Remuneration committees. The audit committee met during this reporting period. Please refer to the Corporate Governance Statement at http://www.laserbond.com.au/investor-relations for further information.

Debt

At the end of the financial year, the group maintains a strong Balance Sheet with minimal debt. The current ratio of the group is 4.7:1 indicating a high financial strength. With our cash flow projections for the next fiscal year, the group is in a very sound position to capitalise on market opportunities as they become available.

Significant Changes in State of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Matters Subsequent to the End of the Financial Year

The Board of LaserBond Limited advises that it has reluctantly accepted the resignation of Nigel de Veth as a Director of the company due to the demands of a recent significant expansion of his business that have become too great for him to fulfil the requirements of his Board position at LaserBond to the extent he desired.

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental Regulation

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

2014 final dividends of 0.2 cents per share and 2015 interim dividends of 0.2 cents per share were paid during 2014-2015. In addition, since year end the directors have recommended the payment of a final dividend of 0.2 cents per fully-paid ordinary share (2014: 0.2), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend is expected to be paid on 7th October 2015 out of retained earnings at 30 June 2015.

Subject to continued growth as per expectations, the Board expects to continue to maintain future dividends.

Corporate Governance

The directors of the group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. A review of the group's corporate governance practices was undertaken during the year. As a result new practices were adopted and existing practices optimised to reflect industry best practice. Please refer to the Corporate Governance Statement at http://www.laserbond.com.au/investor-relations.

Directors' and Auditors' Information

Insurance premiums of $20,556 have been paid to insure a Director's legal liability to third parties for alleged breach of duty arising out of a claim for which the Director is not indemnified by the corporation.

No insurance premiums have been paid in respect of Auditors.

Non-Audit Fees paid to Auditor

During the financial year, there have been no fees paid to Lachlan Nielson Partners Pty Ltd for non-audit services.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of these proceedings.

The group was not party to any such proceedings during the year.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21.

Signed in accordance with a resolution of the Board of Directors.

Director
Wayne Hooper

Director
Gregory Hooper

Dated this 26th day of August 2015

Auditor's Independence Declaration

LNP Audit and Assurance

Lachlan Nielson Partners Pty Limited
ABN 65 155 188 837
Level 11, Suite 11.01, 60 Castlereagh St
Sydney NSW 2000
Australia

T +61 416 176 303

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LASERBOND LIMITED

As lead auditor of Laserbond Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Laserbond Limited and the entities it controlled during the period.

Lachlan Nielson Partners Pty Limited

Tony Rose
Director

Sydney, 26 August 2015

LNP Audit and Assurance

Lachlan Nielson Partners Pty Limited
ABN 65 155 188 837
Level 11, Suite 11.01, 60 Castlereagh St
Sydney NSW 2000
Australia

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INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF LASERBOND LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Laserbond Limited ("the Company") comprising the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profits and loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the Company and 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.

Directors' responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such relevant internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with the *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These 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 evaluation 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.

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

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

Audit Opinion
In our opinion,

(a) the financial report of Laserbond Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and with the *Corporations Regulations 2001*;

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on Remuneration Report
We have audited the Remuneration Report included in page 17 of the Directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 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.

Audit Opinion
In our opinion the Remuneration Report of Laserbond Limited for the year ended 30 June 2015, complies with s 300A of the *Corporations Act 2001*.

Lachlan Nielson Partners Pty Limited

Tony Rose
Director

Sydney, 26 August 2015

Declaration by Director's

The directors of the group declare that:

1. The financial statements and notes, as set out on pages 25 to 50 are in accordance with the Corporations Act 2001 and:

   a. Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. Give a true and fair view of the financial position as at 30th June 2015 and of the performance for the financial year ended on that date of the company and consolidated group.

2. In the directors' opinion there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Wayne Hooper

Director
Gregory Hooper

Dated this 26th day of August 2014

Consolidated Statement of Profits & Loss

Consolidated Statement of Profits and Loss and Other Comprehensive Income for the Year Ended 30th June 2015

	Note	2015	2014
		$	$
Revenue from continuing operations	2	9,546,595	9,669,960
Cost of Sales		(4,547,348)	(4,823,352)
Gross Profit from continuing operations		**4,999,247**	**4,846,608**
Other Income	3	166,152	70,084
Advertising & Promotional Expenses		(122,441)	(42,067)
Depreciation & Amortisation		(449,939)	(427,998)
Employment Expenses		(1,802,466)	(1,246,831)
Property Rental & Rates Expenses		(621,209)	(625,387)
Administration Expenses		(1,115,518)	(1,040,474)
Repairs & Maintenance Expenses		(106,045)	(148,135)
Operating Lease Expenses		(128,271)	(173,230)
Borrowing Costs		(100,950)	(146,878)
Research & Development Expenses		(108,694)	(46,497)
Other Expenses		(225,110)	(67,531)
Profit / (Loss) before income tax expense from continuing operations	4	**384,756**	**951,664**
Income tax expense	5	(17,990)	(290,720)
Profit / (Loss) from continuing operations		**366,766**	**660,944**
Profit / (Loss) from discontinued operations	6	-	(102,663)
Total comprehensive income for the period		-	-
Total comprehensive income / (loss) attributable to members of LaserBond Limited		**366,766**	**558,281**

Earnings per share for profit from continuing operations attributable to members:

	Note	2015	2014
Earnings per share (cents)		0.42	0.76
Diluted earnings per share (cents)		0.42	0.76

Earnings per share for profit attributable to members:

	Note	2015	2014
Earnings per share (cents)	7	0.42	0.64
Diluted earnings per share (cents)	7	0.42	0.64

These Audited Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30th June 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	8	2,138,084	2,559,454
Trade and other receivables	9	2,399,680	2,652,188
Inventories	10	1,332,501	1,027,490
Total current assets		**5,870,265**	**6,239,132**
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,886,695	2,120,993
Deferred tax assets	13	235,876	254,597
Intangible assets	12	384,686	212,798
Assets Held for Sale		-	40,000
Total non-current assets		**2,507,257**	**2,628,388**
TOTAL ASSETS		**8,377,522**	**8,867,520**
CURRENT LIABILITIES			
Trade and other payables	15	663,176	756,361
Provisions	17	550,939	540,253
Interest-bearing liabilities	16	156,710	407,225
Current tax liabilities	18	(112,149)	100,199
Total current liabilities		**1,258,676**	**1,804,038**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	16	692,264	837,166
Provisions	17	178,762	42,901
Total non-current liabilities		**871,026**	**880,067**
TOTAL LIABILITIES		**2,129,702**	**2,684,105**
NET ASSETS		**6,247,820**	**6,183,415**
EQUITY			
Issued capital	19	5,868,200	5,818,453
Retained earnings	20	379,620	364,962
TOTAL EQUITY		**6,247,820**	**6,183,415**

These Audited Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows
for the Year Ended 30th June 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		10,886,169	10,063,124
Payments to suppliers and employees		(10,229,870)	(8,868,534)
Interest paid		(100,950)	(146,878)
Interest received		54,539	44,734
Income taxes paid		98,178	202,743
Net proceeds from discontinued operations		-	(200,738)
Net cash inflow from operating activities	26	**708,066**	**1,094,451**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(166,317)	(333,093)
Payment for intangible assets		(219,872)	(204,823)
Proceeds from sale of plant and equipment		717	902,044
Repayments of loans to employees		3,732	-
Net cash inflow/(outflow) from investing activities		**(381,740)**	**364,128**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for issue of Shares		-	(7,768)
Payments to lessors		(395,417)	(652,355)
Dividends paid		(352,279)	(228,098)
Net cash inflow/(outflow) from financing activities		**(747,696)**	**(888,221)**
NET INCREASE/(DECREASE) IN CASH HELD		(421,370)	570,358
Net cash at beginning of period		2,559,454	1,989,096
NET CASH AT END OF PERIOD	8	**2,138,084**	**2,559,454**

These Audited Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity
for the Year Ended 30th June 2015

	Issued capital $	Retained earnings $	Total equity $
Opening Balance at 1st July 2013	**5,701,090**	**146,603**	**5,847,693**
Profit / (Loss) for the Period	-	558,281	558,281
Issue of Share Capital	117,363	-	117,363
Dividends paid during period	-	(339,922)	(339,922)
Closing Balance at 30th June 2014	**5,818,453**	**364,962**	**6,183,415**
Profit / (Loss) for the Period	-	366,766	366,766
Issue of Share Capital	49,747	-	49,747
Dividends Paid during period		(352,108)	(352,108)
Closing Balance at 30th June 2015	**5,868,200**	**379,620**	**6,247,820**

These Audited Financial Statements should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of LaserBond Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 26th August 2015 as required by the Corporations Act 2001.

This financial report includes the consolidated financial statements and notes of LaserBond Limited and controlled entities. LaserBond Limited and its subsidiaries are together referred to in this financial report as the group or consolidated entity.

LaserBond Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. LaserBond Limited is a for-profit entity for the purpose of preparing financial statements.

The consolidated financial statements of the LaserBond Ltd group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has also been prepared on an accruals basis and is based on historical cost.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

a) Comparative Information

Where necessary, comparative amounts have been reclassified and repositioned for consistency with current year accounting policy and disclosures. Further details on the nature and reason for the amounts that have been reclassified and repositioned for consistency with current year accounting policy and disclosures, where considered material, are referred to separately in the financial statements or notes thereto.

b) Principles of Consolidation

The consolidated financial report is prepared by combining the financial statements of all the entities that comprise the consolidated entity, being LaserBond Limited (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 – Consolidated and Separate Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

The consolidated financial report includes the information and results of each subsidiary from the date on which the group obtains control and until such time as the group ceases to control such entity. In preparing the consolidated financial report, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors.

d) Foreign Currency Translation

The functional and presentation currency of the group is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in the income statement, except for differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue Recognition

Revenue is recognised in the following manner:

Sale of Goods and Services

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest

Revenue from interest is recognised on the date the interest is received as shown on bank statements. Where revenue from interest is receivable but not shown on bank statements the interest is recognised on an accrual basis.

Other Income

Revenue from other income streams is recognised at the date of receipt of the income.

f) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days from end of month. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance accounts (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within administration expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other income in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Inventories

Raw materials, finished goods and work in progress are stated at the lower of cost and net realisable value. Cost of work in progress comprises direct materials, direct labour and any external sub-contract costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

i) 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.

Plant and equipment

Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation on property, plant and equipment is calculated on a reducing balance basis using the following rates:

- Plant and equipment 4.5% - 65%

- Motor Vehicles 18.75% - 30%

- Research & Development Equipment 20% - 40%

If an asset's value is adjusted to meet any deemed recoverable amount, the difference is accounted for in the Asset Revaluation Reserve account on the Balance Sheet. All other gains and losses are included in the Income Statement

j) Impairment of Assets

Assets 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Intangible assets with indefinite life are assessed for impairment annually.

k) Leases

Leases of plant and equipment, where the group as lessee has substantially all the risks and rewards of ownership, are classified as hire purchase liabilities. Hire purchase assets are capitalised at their inception at the fair value of the leased equipment or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under hire purchase agreements is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

l) Financial Instruments

Classification

The group classifies its investments in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Subsequent Measurement

Loans and receivables are carried at amortised cost using the effective interest method or cost.

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise.

Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment loss recognised as profit or loss.

m) Intangibles

Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) have a finite life and are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

The expenditure capitalised comprises all directly attributable costs, including costs of material, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for us.

n) Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised, A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

o) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

p) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 to 60 days of recognition. They are recognised as current liabilities unless payment is not due within 12 months from the reporting date.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses as they are incurred.

r) Issued Capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares (if any) are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

t) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Sick Leave

Liabilities for sick leave are accrued however no provisions are made as sick leave entitlements are not payable to an employee upon termination.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via an employee share scheme. Information relating to this scheme is set out in the accompanying notes to the financial statements. The fair value of options granted under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted, including the impact of any vesting conditions.

Vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the numbers of shares that are expected to vest based on the vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

u) Dividends

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.

v) Earnings per share

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to members of the group, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

w) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Government grants relating to assets are initially taken to deferred income and then offset against the carrying amount of the asset when construction of the asset has been completed.

x) Critical Accounting Estimates and Judgements

Estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

y) Changes in Accounting Policies

The accounting policies and methods of computation adopted in the preparation of this financial report are consistent with those adopted and disclosed in the group's 2015 annual financial report for the financial year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

z) Impact of Standards Issued but not yet applied by the Entity

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The Board believes there will be no material impact to the financial statements upon initial application.

(i) AASB 9 Financial Instruments

AASB 9 addressed the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

(ii) AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that the revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 July 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

aa) Parent entity financial information

The financial information for the parent entity, LaserBond Ltd, disclosed in the accompanying notes has been prepared on the same basis as the consolidated financial statements except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at costs in the financial statements of LaserBond Ltd. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) *Tax consolidation legislation*

LaserBond Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, LaserBond Ltd, and the controlled entities in the tax consolidated group account for their current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right.
In addition to its own current and deferred tax amounts, LaserBond Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controller entities in the consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate LaserBond Ltd for any current tax payable assumed and are compensated by LaserBond Ltd for any current tax receivable or deferred tax assets relating to unused tax losses or unused tax credits that are transferred to LaserBond Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable / payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iv) Share-based payments

The grant by the group of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of the employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

	2015 $	2014 $
NOTE 2: REVENUE (from continuing operations)		
Sales Revenue		
Sales of Goods & Services	9,546,595	9,669,960
NOTE 3: OTHER INCOME (from continuing operations)		
Interest Revenue	54,539	44,734
Other	111,613	25,350
	166,152	70,084
NOTE 4: EXPENSES (from continuing operations)		
Profit / (Loss) before Income Tax from continuing operations includes the following specific expenses		
Borrowing Costs:		
Interest Paid	100,950	146,878
Depreciation & Amortisation:		
- Plant & Equipment	329,290	331,864
- Fixtures & Fittings	26,834	29,714
- Office Equipment	13,894	6,109
- R&D Equipment	2,096	655
- Motor Vehicles	23,176	40,743
- Leasehold Improvements	7,229	8,674
- Intangible Assets	47,420	10,239
	449,939	427,998
Rental Expenses relating to Operating Leases		
- Minimum Lease Payments	128,271	173,230
Auditors Remuneration		
a) Lachlan Nielson Partners Pty Ltd		
- Audit Services – audit and review of Financial Reports	59,378	53,670
NOTE 5: INCOME TAX (from continuing operations)		
Reconciliation of Income Tax Expense from continuing operations		
Profit / (Loss) before Income Tax expense	384,756	951,664
Prima Facie Tax at the Australian tax rate of 30% (2014: 30%)	115,427	285,499
Less Deferred Tax Asset adjustments for employee entitlements and expense provisions	49,737	36,520
Less R&D Tax Concession	(147,854)	(48,080)
Less non-deductible expense	95,526	-
Less Adjustment to Prior Year Income Tax Provisions	(94,846)	16,781
Total Income Tax Expense:	17,990	290,720

NOTE 6: DISCONTINUED OPERATIONS

Discontinued operations relates to the Gladstone, Queensland subsidiary, Peachey's Engineering Pty Ltd. Trading formally ceased in October 2013 after the signing of an Asset Sale Agreement for part of the assets. Since cessation of operations all remaining assets were incorporated into the New South Wales and South Australian operations or sold by other means.

a) Financial Performance & Cash Flow Information

	2015	2014
	$	$
Revenue	-	1,243,829
Expenses	-	(1,444,567)
(Loss) Before Income Tax	-	(200,738)
Income Tax Expense	-	98,075
(Loss) after income tax of discontinued operation	-	(102,663)
Net cash provided by (used in) operating activities	-	284,369
Net cash provided by (used in) investing activities	-	852,345
Net cash provided by (used in) financing activities	-	(1,202,461)
Net increase (decrease) in cash	-	(65,747)

b) Carrying Amounts of Assets & Liabilities

As at 30 June 2015 and 30 June 2014 the discontinued operations has no carrying amounts of assets or liabilities

c) Earnings per Share from Discontinued Operations

	2015	2014
Basic earnings per share (cents)	-	(0.12)
Diluted earnings per share (cents)	-	(0.12)

NOTE 7: EARNINGS PER SHARE

Basic earnings per share (cents)	0.42	0.64
Diluted earnings per share (cents)	0.42	0.64

There are no current options to affect diluted earnings per share.

(a) Weighted Average Shares on Issue	No. of Shares	Weighted No.
Opening Balance as at 1st July 2014	87,397,357	87,397,357
Shares issued as at 15th Dec 2014	211,109	97,168
Closing Balance as at 30th June 2015	87,608,466	87,300,189

NOTE 8: CASH AND CASH EQUIVALENTS

	2015	2014
	$	$
Cash on Hand	1,200	1,200
Cash at Bank	2,136,884	2,558,254
	2,138,084	2,559,454

NOTE 9: TRADE AND OTHER RECEIVABLES

	2015	2014
	$	$
Trade Receivables	2,050,041	2,395,245
Provision – Impairment of Receivables	(19,175)	(16,337)
Loans – Key Management Personnel	50,174	50,174
Loans – Employees	1,625	5,357
Prepayments	312,713	213,176
Other Receivables	4,302	4,573
	2,399,680	2,652,188

a) Movements in the provision for impairment of receivables

	2015	2014
Opening Balance	16,337	25,132
Provision for impairment recognised during the year	4,230	14,945
Receivables written off during the year as uncollectable	-	(6,345)
Previously impaired receivables collected during the year	(1,392)	(17,395)
	19,175	16,337

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount $000	Past due and impaired $000	Past due but not impaired (days overdue) <30 $000	31-60 $000	61-90 $000	>90 $000	Within initial trade terms $000
2015							
Trade and term receivables	2,050	19	930	590	430	81	1,520
Other receivables	369	-	369	-	-	-	369
	2,419	19	1,299	590	430	81	1,889
2014							
Trade and term receivables	2,395	16	1,019	765	553	42	1,784
Other receivables	273	-	273	-	-	-	185
	2,668	16	1,292	765	553	42	1,969

NOTE 10: INVENTORIES

	2015	2014
	$	$
Stock on Hand – Raw Materials	669,525	465,359
Stock on Hand – Finished Goods	582,255	342,289
Work in Progress	80,721	219,842
	1,332,501	1,027,490

NOTE 11: PROPERTY, PLANT & EQUIPMENT

	2015	2014
Plant & Equipment, Office Equipment, etc		
At Cost	3,565,867	3,513,524
Less Accumulated Depreciation	(1,795,617)	(1,466,907)
	1,770,250	2,044,617
Motor Vehicles		
At Cost	322,021	258,876
Less Accumulated Depreciation	(210,011)	(186,836)
	112,010	72,040

NOTE 11: PROPERTY, PLANT & EQUIPMENT (cont'd)

	2015	2014
Research & Development Equipment	$	$
At Cost	30,382	28,187
Less Accumulated Depreciation	(25,947)	(23,851)
	4,435	4,336
TOTAL PLANT & EQUIPMENT	1,886,695	2,120,993

(a) Movements in Carrying Amounts

	Plant & Equipment, Office Equipment, etc	Motor Vehicles	Research & Development Equipment	Total
2015 Financial Year	$	$	$	$
Balance at the beginning of the year	2,044,617	72,040	4,336	2,120,993
Additions	100,977	63,145	2,195	166,317
Sale / Disposal of Asset	-	1,340	-	1,340
Depreciation Expense	(375,344)	(24,515)	(2,096)	(401,955)
Carrying Amount at the end of the year	1,770,250	112,010	4,435	1,886,695
2014 Financial Year	$	$	$	$
Balance at the beginning of the year	2,549,686	125,450	831	2,675,967
Additions	441,722	-	4,160	445,882
Sale / Disposal of Asset	(519,522)	(20,000)	-	(539,522)
Depreciation Expense	(427,269)	(33,410)	(655)	(461,334)
Carrying Amount at the end of the year	2,044,617	72,040	4,336	2,120,993

(b) Asset Additions financed

The above values for asset additions include some assets purchased utilising finance leases or hire purchase agreements. The values of these are:

	2015	2014
Financed assets	-	112.789

NOTE 12: INTANGIBLES

	Goodwill	Patents and Trademarks	Other Intangible Assets	Total
	$	$	$	$
2015 Financial Year				
Balance at the beginning of the year	-	7,524	205,274	212,798
Additions	-	-	219,872	219,872
Disposals	-	-	-	-
Impairment	-	-	-	-
Amortisation Expense	-	(564)	(47,420)	(47,984)
Net Book Amount at 30th June 2015	-	6,960	377,726	384,686
2014 Financial Year				
Balance at the beginning of the year	-	8,134	10,160	18,294
Additions	-	-	204,882	204,882
Disposals	-	-	-	-
Impairment	-	-	-	-
Amortisation Expense	-	(610)	(9,768)	(10,378)
Net Book Amount at 30th June 2014	-	7,524	205,274	212,798

Amortisation charges are included in depreciation and amortisation in the statement of profits and loss.

NOTE 13: DEFERRED TAX ASSETS

Deferred tax assets comprise temporary differences attributable to:

	2015	2014
	$	$
Employee Benefits	184,929	174,946
Expense Accruals	50,947	79,651
	235,876	254,597
Deferred tax assets expected to be recovered within 12 months	110,957	137,966
Deferred tax assets expected to be recovered after more than 12 months	124,919	116,631
	235,876	254,597

	Employee Benefits	Expense Accruals	PAYG Instalments	Total
At June 2013	184,418	47,105	318,263	549,786
(Charged) / credited				
- to profit or loss	-	-	(318,263)	(318,263)
- directly to equity	(9,472)	32,546	-	23,074
At June 2014	174,946	79,651	-	254,597
(Charged) / credited				
- to profit or loss				
- directly to equity	9,983	(28,704)	-	(18,721)
At June 2015	184,929	50,947	-	235,876

NOTE 14: ASSETS HELD FOR SALE

	2015	2014
	$	$
Assets Held for Sale	-	40,000

The asset held for sale related to a final asset from our Gladstone, Queensland operations unsold upon closure. The overhead cranes at one site were unable to be sold at the time. These two cranes were transferred to our NSW division for sale. Prior to 30 June 14 one crane was sold for $46,500. Prior to 30 Jun 15 the final crane was sold for $50,000.

NOTE 15: TRADE AND OTHER PAYABLES

Trade Payables	375,317	485,290
BAS Statement (GST & PAYG Withheld)	98,177	108,399
Payroll Tax	14,709	17,847
Fringe Benefits Tax	3,220	3,600
Superannuation	25,377	54,616
Dividends Payable	20,104	10,152
Accrued Expenses	126,272	76,457
	663,176	756,361

NOTE 16: INTEREST BEARING LIABILITIES

CURRENT		
Hire Purchase Liabilities (Secured)	156,710	407,225
NON-CURRENT		
Hire Purchase Liabilities (Secured)	692,264	837,166
	848,974	1,244,391

NOTE 17 : PROVISIONS

	2015	2014
CURRENT	$	$
Employee Benefits	550,939	540,253
NON-CURRENT		
Employee Benefits	178,762	42,901
	729,701	583,154

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. Where employees have completed the required period of service, this entire amount is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experiences, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

Leave obligations expected to be settled after 12 months	384,704	404,242

NOTE 18: TAX LIABILITIES

CURRENT		
Income Tax	(112,149)	100,199

NOTE 19: CONTRIBUTED EQUITY

Issued and Paid Up Capital	5,868,200	5,818,453

	2015 Shares	2015 $	2014 Shares	2014 $
Existing Shares	87,397,357	5,818,453	86,090,776	5,701,090
Issued Shares	211,109	10,747	1,306,581	117,363
Provision Unissued (Entitled) Shares		39,000		
	87,608,466	5,868,200	87,397,357	5,818,453

(a) Ordinary Shares

Date	Details	No. Shares	Issue Price (Cents per Share)	$
1st July 2013	Opening Balance	86,090,776		
21st October 2013	Dividend Reinvestment Plan	484,964	10.99	50,760
27th February 2014	Employee Share Plan	133,083	9.50	6,575
10th April 2014	Dividend Reinvestment Plan	688,534	9.74	60,028
30th June 2014	Closing Balance	87,397,357		117,363
15th December 2014	Employee Share Plan	211,109	9.00	10,747
30th June 2015	Closing Balance	87,608,466		10,747

(b) Capital Risk Management

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its financial structure in response to those risks. These responses include the management of debt levels and distributions to shareholders. The group has no borrowings and no externally imposed capital requirements. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the group does not have a limited amount of authorised capital.

(d) Dividend Reinvestment Plan

The group has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 5% discount to the market price.

(e) Employee Share Plan

Information relating to the employee share scheme is set out in note 29.

NOTE 20 : RETAINED EARNINGS

	2015	2014
	$	$
Balance 1 July	364,962	146,603
Dividends	(352,108)	(339,922)
Profit / (Loss) before Tax	384,756	819,384
Income Tax	(17,990)	(261,103)
	379,620	364,962

NOTE 21 : CAPITAL AND LEASING COMMITMENTS

(a) Hire Purchase / Finance Lease Commitments

	2015	2014
Payable:		
Within one (1) year	299,784	494,713
Later than one (1) year but not later than five (5) years	549,190	940,230
Minimum Hire Purchase / Finance Lease payments:	848,974	1,434,943
Less future finance charges	(19,527)	(190,552)
Total Hire Purchase / Finance Lease Liability	829,447	1,244,391

The group's Hire Purchase and Finance Lease commitments are in relation to Plant & Equipment and Motor Vehicles essential to the operations of the business. These are under agreements expiring currently within 1 to 3 years. Under the Terms of Agreements, the group has the option to acquire the financed assets by payment of the final instalment. This option lapses in the event of a default to the agreed Terms and Conditions to the agreements.

(b) Operating Lease Commitments

	2015	2014
Payable:		
Within one (1) year	346,475	141,873
Later than one (1) year but not later than five (5) years	-	346,475
	346,475	488,348

(c) Property Lease

The group has the following property leases:

	Expiry
112 Levels Road, Cavan SA 5094	May 2018
2 / 57 Anderson Road, Smeaton Grange NSW 2567	August 2022

Payable:	2015	2014
Within one (1) year	653,500	566,842
Later than one (1) year but not later than five (5) years	2,589,873	2,889,549
Later than five (5) years but not later than five (10) years	1,498,311	2,009,661

NOTE 22: CONTINGENT ASSETS & LIABILITIES

The directors are not aware of any contingent assets or contingent liabilities that would have an effect on these financial statements. (2014: Nil)

NOTE 23: RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Other Related Parties	2015 $	2014 $
Labour Costs		
Labour – Payroll Staff	325,629	258,329
Labour – Contract Staff	9,041	33,371
	334,670	291,700

Payroll staff relates to costs for salaries and superannuation through payroll for any persons related to the Executive Directors. Contract staff relates to Basin Enterprises, a director related entity, providing casual administration staff.

Superannuation		
Contribution to superannuation funds on behalf of employees	297,505	248,442
Loans – Other Related Parties		
Employee Loans	1,625	5,357
Employee Personal Expenses	1,572	1,846
	3,197	7,203

The Employee Loans are receivable from two (2) employees.

The Employee Personal Expenses are receivable from employee's who have used, at the approval of director's, a group's supplier expense account for purchases of a personal use. These loans are repaid as an after tax deduction from the employee's salary or wage.

(b) Key Management Personnel Transactions

Consultants		
Hawkesdale Group	21,650	23,100
Sam Holdings (Aust.)	100,625	-
Deveth drilling Qld	61,250	-
	191,025	23,100

Hawkesdale Group, a director related entity, provided consultancy services related to Sales support and strategy development.
Sam Holdings, a Director related entity, provided consultancy services related to Product Commercialisation support and Sales support and strategy development.
Deveth Drilling. a Director related entity, provided consultancy services related to Product Commercialisation and continuing development support.

Loans		
Director Loan	50,174	50,174

All Loans are classified current, unsecured and interest free. The Director Loan is receivable from Mr Greg Hooper, a director of the group.

Superannuation		
Contribution to superannuation funds on behalf of key management personnel	37,634	13,749

NOTE 24: KEY MANAGEMENT PERSONNEL

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the group.

(a) Key Management Personnel

The key management personnel of the group for management of its affairs are all current Directors.

(b) Remuneration

Details in relation to the remuneration of the key management personnel of the group for management of its affairs are included in the Directors' Report on page 18.

(c) Options Held

There were no options held at 30 June 2015 or 30 June 2014. There were no options issued during the financial year.

(d) Shares Held

	Interest	Shares Held as at 30th June 2014	Issued	Purchased / (Sold)	Shares Held as at 30th June 2015
Wayne Hooper	Direct	8,541,809	-	-	8,541,809
Wayne Hooper	In-Direct	935,919	-	110,000	1,045,919
Greg Hooper	Direct	4,969,952	-	262,391	5,232,343
Greg Hooper	In-Direct	3,652,564	-	-	3,652,564
Philip Suriano	In-Direct	33,107	-	-	33,107
Allan Morton	In-Direct	255,405	-	250,000	505,405
Nigel de Veth	Direct	-	-	3,035,488	3,035,488
Nigel de Veth	In-Direct	1,296,000	-	(724,042)	571,958
		19,684,756	-	2,933,837	22,618,593

	Interest	Shares Held as at 30th June 2013	Issued	Purchased / (Sold)	Shares Held as at 30th June 2014
Wayne Hooper	Direct	8,329,710	212,099	-	8,541,809
Wayne Hooper	In-Direct	899,736	36,183	-	935,919
Greg Hooper	Direct	4,969,952	-	-	4,969,952
Greg Hooper	In-Direct	3,652,564	-	-	3,652,564
Philip Suriano	In-Direct	31,827	1,280	-	33,107
Allan Morton	In-Direct	-	5,405	250,000	255,405
		17,883,789	254,967	250,000	18,388,756

NOTE 25: DIVIDENDS	**2014** **$**	**2013** **$**
Declared 2015 fully franked interim ordinary dividend of 0.2 (2014: 0.2) cents per share franked at the tax rate of 30% (2014: 30%)	175,217	172,130
Declared 2014 fully franked final ordinary dividend of 0.2 (2013: 0.2) cents per share franked at the tax rate of 30% (2013: 30%)	174,795	173,418
Total dividends per share for the period	0.4 cents	0.4 cents
Dividends paid in cash or satisfied by the issues of shares under the dividend reinvestment plan during the year were as follows:		
Paid in cash	350,012	228,566
Satisfied by the issue of shares	-	116,982
	350,012	345,548

a) Dividends not recognised during the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 0.2 cents per fully-paid ordinary share (2014: 0.2) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 7th October 2015 out of retained earnings at 30 June 2015, but not recognised as a liability at year end is $175,217.

The debit expected to franking account arising from this dividend is $75,093.

b) Franking credits

	2015 $	2014 $
Franking credits available for subsequent periods based on a tax rate of 30% (2014: 30%)	1,606,205	1,658,033

NOTE 26: CASH FLOW INFORMATION

	2015	2014
Reconciliation of profit after income tax to net cash flows from operating activities		
Profit / (Loss) after Income Tax for the year	366,766	558,289
Non-cash flows in operating surplus		
Depreciation, Amortisation & Impairment	511,549	471,244
(Profit) / loss on disposal of property, plant & equipment	(9,223)	(362,522)
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	252,508	263,132
(Increase) / Decrease in inventories	(305,011)	470,275
(Increase) / Decrease in deferred tax assets	18,721	295,189
(Increase) / Decrease in assets held for sale	40,000	(40,000)
(Increase) / Decrease in non-current prepayments	(500)	500
Increase / (Decrease) in trade and other payables	(93,185)	(631,279)
Increase / (Decrease) in current provisions	10,686	(24,619)
Increase / (Decrease) in current tax liabilities	(212,348)	100,199
Increase / (Decrease) in non-current provisions	135,861	(5,949)
Net cash provided by operating activities	708,066	1,094,451

NOTE 27: RESTATEMENT IN ACCOUNTING FOR INVENTORIES

An unintended consequence of our improved productivity and lean manufacturing for the NSW division has resulted in a revaluation of a number of inventory items to comply with the current Australian Accounting Standards, particularly AASB 102. The restatement has affected financial statement line items for the previous corresponding period as follows:

	2014	Increase / (Decrease)	2014 (Restated)
Balance Sheet (extract)			
Inventories	1,141,587	(114,097)	1,027,490
Deferred Tax Assets	220,368	34,229	254,597
Net Assets	6,263,283	(79,868)	6,183,415
Retained Earnings	(444,830)	79,868	(364,962)
Total Equity	(6,263,283)	79,868	(6,183,415)
Profit and Loss and Other Comprehensive Income (extract)			
Administration expenses	(926,377)	114,097	(1,040,474)
Profit Before Income Tax from continuing operations	1,065,761	(114,097)	951,664
Income Tax Expense (continuing operations)	(324,949)	34,229	(290,720)
Profit / (Loss) from continuing operations	740,812	(79,868)	660,944

Total comprehensive income / (loss) attributable to members	638,149	(79,868)	558,281

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for basic was 0.09 cents and diluted earnings was 0.10 cents per share.

NOTE 28: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Board of Directors monitors and manages financial risk exposures of the Group. The Board reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, financing risk and interest rate risk. The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance, including the review of credit risk policies and future cash flow requirements. Activities undertaken by the group may expose the group to price risk, credit risk, liquidity risk and cash flow interest rate risk. The group's risk management policies and objectives are therefore reviewed to minimise the potential impacts of these risks on the results of the group.

a) Interest rate risk

30th June 2015	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate 1 to 5 Years	Non-Interest Bearing	Total
	%	$	$	$	$	$
Financial Assets:						
Cash on Hand		-	-	-	1,500	1,500
Cash at Bank	1.5	2,117,661	-	-	18,923	2,136,584
Trade and other receivables		-	-	-	2,399,680	2,399,680
Inventories		-	-	-	1,332,501	1,332,501
Total financial assets		2,117,661	-	-	3,752,604	5,870,265
Financial Liabilities						
Trade and other payables		-	-	-	663,176	663,176
Hire Purchase / Finance Lease	8.0	-	299,784	549,190	-	848,974
Total financial liabilities		-	299,784	549,190	663,176	1,512,150

30th June 2014	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate 1 to 5 Years	Non-Interest Bearing	Total
	%	$	$	$	$	$
Financial Assets:						
Cash on Hand		-	-	-	1,200	1,200
Cash at Bank	2.75	2,523,236	-	-	35,018	2,558,254
Trade and other receivables		-	-	-	2,652,188	2,652,188
Inventories		-	-	-	1,027,490	1,027,490
Total financial assets		2,523,236	-	-	3,715,896	6,239,132
Financial Liabilities						
Trade and other payables		-	-	-	746,209	746,209
Hire Purchase / Finance Lease	8.0	-	407,225	837,166	-	1,244,391
Total financial liabilities		-	407,225	837,166	746,209	1,990,600

b) Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

c) Liquidity Risk

Liquidity risk is the risk that the group may encounter difficulties raising funds to meet commitments. The group manages this risk by monetary forecast cash flows.

d) Net fair value of financial assets and liabilities

The carrying amount of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities (e.g. accounts receivable and payable) are at approximate net fair value.

e) Price Risk

The group is not exposed to any material price risk.

f) Sensitivity Analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The group as 30th June 2015 held a quantity of cash on hand in an Interest Bearing bank account. The effect on profit and equity as a result of changes in the interest rate on Cash on Hand, with all other variables remaining constant would be as follows:

	2015 $	2014 $
Change in profit		
- Increase in interest rate by 2.0%	1,045	895
- Decrease in interest rate by 2.0%	(1,045)	(895)
Change in equity		
- Increase in interest rate by 2.0%	1,045	895
- Decrease in interest rate by 2.0%	(1,045)	(895)

Foreign Currency Risk Sensitivity Analysis

The group purchases certain raw material from overseas due to non-availability in Australia or savings due to bulk buying power overseas. The group continues to expand its operation and has some overseas customers. At 30th June 2015, the effect on profit and equity as a result of changes in the Australian Dollar to other International currencies, with all other variables remaining constant would be as follows:

	2015 $	2014 $
Change in profit		
- Improvement in AUD to International currencies by 18% (2014: 15%)	61,508	37,908
- Decline in AUD to International currencies by 18% (2014: 15%)	(61,508)	(37,908)
Change in equity		
- Improvement in AUD to International currencies by 18% (2014:15%)	61,508	37,908
- Decline in AUD to International currencies by 18% (2014: 15%)	(61,508)	(37,908)

NOTE 29: SHARE BASED PAYMENTS

a) Employee Share Plan

A scheme under which shares may be issued by the group to employees for no cash consideration was approved by shareholders through the prospectus. All Australian resident full-time employees (excluding directors and their related parties) who have been continuously employed by the group (including any 100% owned subsidiaries) for a period of at least three years are eligible to participate.

Eligibility to participate is based on an employee being a full-time employee of the group (or any of its 100% owned subsidiaries), the employee is an Australian resident for income tax purposes and the employees has been directly employed by the group (or any of its 100% owned subsidiaries) for at least as period of 36 continuous months in a permanent position.

Each eligible employee will be entitled to a maximum of $1,000 of fully-paid ordinary shares annually, with the number of shares calculated based on the closing price of the group's on the day each issue is formally passed by the Board. Offers under the scheme are at the discretion of the Board.

Shares issued are vested for a period of three years from date of issue, with one third released annually on each anniversary date of the Board approved issue date. If employment is ceased for any reason any shares still currently vested and not released will be forfeited by the employee. Shares are issued as fully-paid ordinary shares and rank equally with existing shares on issue.

	2015 $	2014 $
Number of shares issued under the plan to participating employees: (refer to Note 19 a) for detail of date of issue and issue price)	211,109	133,083

b) Non-Executive Director Remuneration (Non-Cash)

From this current fiscal year, Non-Executive Directors will be paid remuneration through both cash fees and non-cash benefits in the form of equity issues. The fees will be a fixed sum determined annually that reflects the time, commitment and responsibilities of their role, financial forecasts and cash-flow position of the company.

Where the issue of shares results in the aggregate amount of fees to exceed the sum approved last by shareholders no shares will be issued until shareholder approval is gained at the next Annual (or Extraordinary) General Meeting. The approval will be determined by the Board at the time and may be either the seeking of an increase to the approved aggregate sum or the approval of the issue of the shares.

Where the issue of shares results in a non-executive director's total remuneration for a fiscal year to be in any way deemed 'unreasonable remuneration', shares will not be issued until shareholder approval is gained at the next Annual (or Extraordinary) General Meeting. Unreasonable remuneration is defined as the aggregate amount of fees most recently approved by shareholders divided by the total number of non-executive directors.

Eligibility loss of non-cash remuneration occurs if a non-executive director does not hold a position on the Board for the full twelve months of each fiscal year.

No shares were issued during fiscal year 2015, however a Board meeting held in July has subsequently approved the issue of 150,000 shares each to two non-executive directors who held office for the full twelve months of fiscal year 2015. A provision for this share based payment has been accounted for as at 30 June 15.

c) Expense arising from share based payment transactions

Shares Issued under employee share plan	10,837	8,149
Provision Unissued (Entitled) Shares – Non-Executive Director Remuneration	39,000	-
	49,837	8,149

NOTE 30: PARENT ENTITY FINANCIAL INFORMATION

a) Summary Financial Information

The individual financial statements for the parent entity shows the following aggregate amounts:

Balance Sheet

Assets:		
Current Assets	5,870,265	6,239,132
Total Assets	8,377,522	8,867,520
Liabilities:		
Current Liabilities	1,258,676	1,804,038
Total Liabilities	2,129,702	2,684,105
Shareholders' Equity		
Issued Capital	5,868,200	5,818,453
Retained Earnings	379,620	365,133
	6,247,820	6,183,415
Profit before income tax expense	384,756	951,664
Profit after tax from continuing operations	366,766	660,944
Total comprehensive income attributable to members	366,766	558,281

b) Finance Facilities of the Parent Entity

The parent entity has given secured guarantees in respect of finance leases and hire purchase agreements:

(i) for the parent entity with a balance outstanding of $848,974 (2014: $1,244,391)
(ii) for subsidiaries with a balance outstanding of nil. (2014: nil)

A liability has been recognised in relation to these liabilities as per Note 16 of this financial report.

The parent entity has given secured guarantees in respect of operating lease agreements:

(i) for the parent entity with a balance outstanding of $346,475 (2014: $488,348)
(ii) for subsidiaries with a balance outstanding of nil (2014: nil)

The parent entity has given unsecured guarantees in respect of Rental Bonds:

(i) for the parent entity with totaling of $181,885 (2014: $181,885)
(ii) for subsidiaries with a balance outstanding of nil. (2014: nil)

The parent entity has unsecured and unused finance facilities in place in respect of:

(i) Trade finance facility with unused limit of $2,568,350 (2014: $1,868,783).
(ii) Bank Guarantee Line unused with limit of $18,115 (2014: $18,115).

The trade finance facility is subject to annual review which last occurred February 2015.

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

The parent entity had no current contractual commitments for the acquisition of property plant or equipment as at 30 June 2015 or 30 June 2014.

NOTE 31: CONTROLLED ENTITIES

Subsidiaries of LaserBond Limited

	Country of Incorporation	Percentage Owned 2015	2014
LaserBond (Qld) Pty Ltd	Aust.	100%	100%
ABN 17 114 053 431 Pty Ltd	Aust.	-	100%
Canedice Investments Pty Ltd	Aust.	-	100%

Note that LaserBond (Qld) Pty Ltd is a non trading entity.

NOTE 32: MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Board of LaserBond Limited advises that it has reluctantly accepted the resignation of Nigel de Veth as a Director of the company due to the demands of a recent significant expansion of his business that have become too great for him to fulfil the requirements of his Board position at LaserBond to the extent he desired.

NOTE 33: SEGMENT REPORTING

The group operates entirely within Australia.

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of location.

Discontinued operations relates to the Gladstone, Queensland subsidiary, Peachey's Engineering Pty Ltd. Trading formally ceased in October 2013 after the signing of an Asset Sale Agreement for part of the assets. Since cessation of operations all remaining assets were incorporated into the New South Wales and South Australian operations or sold by other means.

	LaserBond Limited (NSW Division)		LaserBond Limited (SA Division)		Total (for Continuing Operations)	
	2015	2014	2015	2014	2015	2014
Revenue	8,816,612	8,940,844	729,982	729,116	9,546,595	9,669,960
EBITDA	1,268,995	1,426,272	(387,889)	55,533	881,106	1,481,805
Interest	(46,411)	(102,143)	-	-	(46,411)	(102,143)
Depreciation & Amortisation	(368,120)	(374,794)	(81,819)	(53,204)	(449,939)	(427,998)
Profit Before Income Tax	854,464	949,335	(469,708)	2,329	384,756	951,664
Income tax expense	(269,156)	(290,021)	251,166	(699)	(17,990)	(290,720)
Profit after Income Tax	585,308	659,314	(218,542)	1,630	366,766	660,944
Assets	7,285,837	8,050,015	1,091,685	817,505	8,377,522	8,867,520
Liabilities	2,054,273	2,576,851	75,429	107,254	2,129,702	2,684,105

Economic Dependency on a single Customer

Revenues of $3,942,465 (2014 - $4,176,919) are derived from a single external customer. These revenues are attributed to the NSW segment.

NOTE 34: COMPANY DETAILS

Registered Office and Principal Place of Business:

LaserBond Ltd

NSW Division

2 / 57 Anderson Road
SMEATON GRANGE NSW 2567
Phone: 02 4631 4500
Fax: 02 4631 4555
www.laserbond.com.au

Divisions of Head Office:

SA Division

112 Levels Road
CAVAN SA 5094
Phone: 08 8262 2289
Phone: 08 8260 2238

Shareholder Information

1. Substantial Shareholders at 5th August 2015

Holder LaserBond Limited	Number of Ordinary Fully Paid Shares Held	%
Ms Diane Constance Hooper	8,541,809	9.750
Mr Wayne Edward Hooper	8,541,809	9.750
Mr Wayne Edward Hooper (W&D Hooper Investments Pty Ltd)	1,045,919	1.194
Mr Rex Hooper	7,283,916	8.314
Ms Lillian Hooper	7,137,590	8.147
Mr Gregory John Hooper	5,232,343	5.972
Mr Gregory John Hooper (Grendy Super Fund A/C)	3,652,564	4.169
Mr Nigel Francis De Veth	3,035,488	3.465
Mr Nigel Francis De Veth (DeVeth Super Pty Ltd)	315,835	0.361
Mr Nigel Francis De Veth (Deveth Drilling Pty Ltd)	256,123	0.292
Mrs Loretta Mary Peachey	2,693,344	3.074
Mrs Loretta Mary Peachey & Mr Nathan Charles Peachey <WK & LM Peachey S/Fund A/C>	2,250,000	2.568

2. Distribution of Shareholders as at 5th August 2015

Holdings Ranges	Holders	Total Units	%
1-1,000	24	4,428	0.005
1,001-5,000	53	191,189	0.218
5,001-10,000	77	614,746	0.702
10,001-100,000	268	9,883,282	11.281
100,001-9,999,999,999	93	76,914,821	87.794
Totals	**515**	**87,608,466**	**100.000**
Holdings less than a marketable parcel	50	71,625	0.082

3. Twenty Largest Shareholders as at 5th August 2015

Holder LaserBond Limited	Number of Ordinary Fully Paid Shares Held	%
Ms Diane Constance Hooper	8,541,809	9.750
Mr Wayne Edward Hooper	8,541,809	9.750
Ms Rex Hooper	7,283,916	8.314
Mr Lillian Hooper	7,137,590	8.147
Mr Gregory John Hooper	4,969,952	5.673
Mr Gregory John Hooper (Grendy Super Fund A/C)	3,652,564	4.169
Mr Nigel Francis De Veth	3,035,488	3.465
Mrs Loretta Mary Peachey	2,693,344	3.074
Mrs Loretta Mary Peachey & Mr Nathan Charles Peachey <WK & LM Peachey S/Fund A/C>	2,250,000	2.568
Mr Keith Knowles	2,074,232	2.368
Parks Australia Pty Ltd	1,999,405	2.282
Mr James Gordon Moffatt	1,248,289	1.425
Fortitude Enterprises Pty Ltd	1,085,885	1.239
W&D Hooper Investments Pty Ltd <W&D Hooper Unit A/C>	1,045,919	1.194
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	1,000,000	1.141
Wantune Pty Ltd <Trumbull Super Fund A/C>	925,000	1.056
Dixson Trust Pty Limited	869,560	0.993
Mr William Ross Fenner	773,807	0.883
Fortitude Enterprises Pty Ltd	730,937	0.834
Mr Makram Hanna & Mrs Rita Hanna	635,000	0.725
Totals for Top 20	60,494,506	69.051
Security Totals	**87,608,466**	

4. Voting Rights

The voting rights attached to each class of equity securities are:

a) Ordinary shares - on a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
b) Options – No voting rights.

5. Restricted Securities

The group has no restricted securities.

6. Securities subject to voluntary escrow

Total number of shares held in escrow	Escrow Release Date 1	Escrow Release Date 2	Escrow Release Date 3
30,100	5 Feb 2016 – 30,100 shares		
112,272	14 Feb 2016 – 56,144 shares	14 Feb 2017 – 56,128 shares	
211,109	15 Dec 2015 – 70,376 shares	15 Dec 2016 – 70,376 shares	15 Dec 2017 – 70,357 shares

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www.laserbond.com.au

Quality Environment Health & Safety

ASX:LBL

Over the past year LaserBond has developed IP and applied for patents to a "game-changing" DTH hammer for the drilling industry. Three times longer life, a highly significant 7.5% reduction in total drilling costs for mining and increased performance were key findings from the independently supervised trial.

LASERBOND
PRODUCTIVITY | INNOVATION | CONSERVATION