



ADVANCED BRAKING TECHNOLOGY LTD

AND CONTROLLED ENTITIES

ABN 66 099 107 623

**ANNUAL REPORT
2015**

**ADVANCED BRAKING TECHNOLOGY LTD
AND CONTROLLED ENTITIES
ABN 66 099 107 623**

CORPORATE DIRECTORY

Directors

Bruce Grey
David Slack
Adam Levine
Graeme Sumner

Company Secretary

Neville Walker

Registered Office

Unit 1, 3 McDonald Street
Osborne Park, WA 6017
Telephone: + 61 8 9273 4800
Facsimile: + 61 8 9201 9986

Bankers

National Australia Bank Ltd
13 / 100 St Georges Terrace
Perth, WA, 6000

Manufacturing Partners

Harrop Engineering
Preston, Vic.
Connect Source
Midvale, WA
Parker Hannifin
Dandenong South, Vic.

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth, WA, 6000
Telephone: + 61 8 9323 2000
Facsimile: + 61 8 9323 2033

Auditors

Moore Stephens
Level 3, 12 St Georges Terrace
Perth, WA, 6000

Solicitors

HopgoodGanim
Level 11, 172 St Georges Terrace
Perth, WA, 6000

ASX Home Branch

Australian Securities Exchange (ASX)
Level 8, Exchange Plaza
2 The Esplanade
Perth, WA, 6000

Country of Incorporation

Australia

ASX Code

ABV – Ordinary shares and options

Legal form of entity

Listed public company

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CHAIRMAN'S REPORT

CHAIRMAN'S REPORT

Dear Shareholder,

The 2014/15 financial year has proved to be a year in which ABT has embraced the challenges of the market and undertaken a transformational change.

To date, the board is very pleased with the progress that has been made toward a sustainable business model. Particularly noteworthy was the combination of cost reductions and trading revenue improvement that delivered ABT's first positive operating cash flow since becoming a listed entity.

As I noted in last year's report, management and the board have determined that ABT is primarily an application engineering company, which has benefited from a lot of foundation research and development into wet brake technology. Many of the opportunities that this research has identified have not been fully developed, particularly in the mining sector. While the Company's existing products in the mining sector offer compelling cost and safety benefits to our customers, the market is now demanding more cost effective solutions, as the industry passes its peak. ABT's significant investment in research and development will allow it to produce these solutions over the next year.

Once again I would like to express my gratitude to existing shareholders for their support. I trust that shareholders share the view of the board that considerable progress has been made thus far.

Finally, I would like to thank Graeme Sumner and the management team for their considerable efforts in turning ABT around. The board looks forward to seeing further progress in the coming year.



Bruce Grey
Chairman

CHIEF EXECUTIVE OFFICER OPERATING AND FINANCIAL REVIEW

Chief Executive Officer's Operational Review.

The 2015 financial year proved to be a year of significant change for ABT. In last year's report I defined a set of objectives for the company which were to

- Become Cash flow Positive
- Broaden our Distribution Channels
- Develop our Trailer Brake Solution
- Broaden Our Product Range
- Bed Down our Local Manufacturing Partnerships

In each of these areas we made good progress.

Cash Flow Improvements

ABT was able to achieve a \$3.67m turnaround in its operating cash flow performance for the 2014/15 financial year, ending with \$0.049m operating cash surplus. This result was achieved by reducing costs by 38% and lifting trade revenues by 32%.

Distribution Channels Expanded

ABT significantly expanded its global footprint during the year, moving from just 3 international distributors to 14 covering South Africa, North Africa via our partner in the Netherlands, Germany, Poland & Eastern Europe, Canada, Indonesia and New Zealand. Good progress was also made toward establishing partnerships in Ireland, United Kingdom, Chile and PNG.

Development of ABT's Trailer Brake Solution

ABT has now produced a fully working and field tested brake that has significant market potential. The design has now been patented in the United States, South Africa and Australia with all other major jurisdictions pending. It is worth noting that this design can also be applied to light vehicles and will form the basis of our polymer brake range for release in the second half of the 2015/16 year.

Product Range Broadened

During the year, ABT was able to overhaul its failsafe brake product line with the release of SIBS 4 which introduced improved functionality and a smaller form factor. We also released a model for the Ford Ranger which has now being deployed at BHP's Olympic Dam site.

Local Manufacturing Partnerships

The closure of our Thailand factory and the associated outsourcing of manufacturing to Australian providers were completed during the first half of the year. All of the costs associated with the closure are recognised in this year's financial result. The number of suppliers was reduced by over 80%, vastly simplifying our delivery model.

CHIEF EXECUTIVE OFFICER OPERATING AND FINANCIAL REVIEW

Outlook

ABT is exposed to a mining industry that is going through a difficult transition, however we expect our innovative approach to the market can both maintain safety standards on mine sites and reduce the operating costs of our customers. We therefore remain confident that we can grow the business to a sustainable future.

Acknowledgements

Finally I would like to thank the board and ABT staff members for their continued support.



Graeme Sumner
Managing Director

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Advanced Braking Technology Ltd has adopted the following set of principles for the corporate governance of the Company. These principles establish the framework of how the Board carries out its duties and obligations on behalf of the Shareholders.

ASX BEST PRACTICE RECOMMENDATIONS

The ASX Listing Rules require listed companies to include in their annual report a statement disclosing the extent to which they have complied with the ASX Best Practice Recommendations in the reporting period. These recommendations are guidelines designed to produce an efficiency, quality or integrity outcome. The recommendations are not prescriptive so that if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to follow it. Where a company has not followed all the recommendations, the annual report must identify which recommendations have not been followed and give reasons for not following them.

Details have been included at the end of this statement setting out the ASX Best Practice Recommendations with which the Company has and has not complied in the reporting period.

Details of the Company's corporate governance practices in the relevant reporting period are set out below.

THE BOARD OF DIRECTORS

Role of the Board

The primary responsibilities of the Board are set out in a written policy and include:

- the establishment of the long term goals of the Company and strategic plans to achieve those goals;
- monitoring the achievement of these goals;
- the review of management accounts and reports to monitor the progress of the Company;
- the review and adoption of budgets for the financial performance of the Company and monitoring the results on a regular basis to assess performance;
- the review and approval of the annual and half-year financial reports;
- nominating and monitoring the external auditor;
- approving all significant business transactions;
- appointing and monitoring senior management;
- all remuneration, development and succession issues; and
- ensuring that the Company has implemented adequate systems of risk management and internal control together with appropriate monitoring of compliance activities.

The Board evaluates this policy on an ongoing basis.

Board composition

The Directors' report contains details of the Directors' skill, experience and education. The Board seeks to establish a Board that consists of Directors with an appropriate range of experience, skill, knowledge and vision to enable it to operate the Company's business with excellence. In particular the Board seeks a cross section of experience in commerce, technology and in related industry sectors as well as experience on Boards of other public listed companies. To maintain the balance of skills and experience, the Company's policy is that non-executive Directors should serve at least 3 years. At the completion of the first 3 years, the position of the Director is reviewed to ascertain if circumstances warrant a further term.

The Board normally comprises three non-executive Directors and one executive Director but for a period from 30 June 2014 to the date of this report it comprised four non-executive directors. Details of the Directors are set out in the Directors' Report.

The Board requires that the Chairperson should be an independent director and that the role of Chairperson and Chief Executive Officer should not be exercised by the same individual. The role of the Chairperson has been fulfilled by Mr Bruce Grey and the role of Chief Executive Officer has been fulfilled by Mr Graeme Sumner during the financial year ended 30 June 2015.

Appointment of Directors

The Board is primarily responsible for identifying potential new Directors but has the option to use an external consulting firm to identify and approach possible new candidates for Directorship. The Directors may at any time appoint a person to be a Director,

CORPORATE GOVERNANCE STATEMENT

but the total number of Directors may not at any time exceed the maximum number specified in the Constitution of the Company (currently nine) and any Director so appointed holds office only until the next following Annual General Meeting when they are eligible for re-election.

Retirement and re-election of Directors

The Constitution of the Company requires one third of Directors, other than the Managing Director, to retire from office at each Annual General Meeting. Directors who have been appointed by the Board are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of Directors to retire at that Annual General Meeting. Retiring Directors are eligible for re-election by Shareholders.

Independence of Directors

The Board of Directors are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. In the context of director independence, “materiality” is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangement governing it and other factors that point to the actual ability of the director in question to shape the direction of the Company’s loyalty.

In accordance with the definition of the independence above, and the materiality threshold set, the following directors of Advanced Braking Technology Ltd are considered to be independent:

Name	Position
Mr Bruce Grey	Non-executive Director & Chairman
Mr Adam Levine	Non-executive Director
Mr David Slack	Non-executive Director

Independent professional advice

With the prior approval of the Chairperson, each Director has the right to seek independent legal and other professional advice at the Company’s expense concerning any aspect of the Company’s operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Board performance review

The performance of all Directors is assessed through review by the Board as a whole. A Director’s attendance at and involvement in Board meetings, his contribution and other matters identified by the Board or other Directors are taken into consideration. Significant issues are actioned by the Board. Due to the Board’s assessment of the effectiveness of these processes, the Board has not otherwise formalised measures of a Director’s performance.

The Company has not conducted a performance evaluation of the members of the Board during the reporting period, however the Board conducts a review of the performance of the Company against budgeted targets on an ongoing basis.

DIRECTORS’ REMUNERATION

Details of the Company’s remuneration policies are included in the Remuneration Report section of the Directors’ Report.

Non-executive Directors will be remunerated by cash or share benefits alone and will not be provided with retirement benefits (except in exceptional circumstances) other than statutory superannuation contributions. Executive Directors may be remunerated by both fixed remuneration and equity performance based remuneration plus statutory superannuation contributions but no termination payments will be agreed other than a reasonable period of notice of termination as detailed in the executive’s employment contract.

CORPORATE GOVERNANCE STATEMENT

SENIOR EXECUTIVES

The Board has delegated the operation and administration of the group to the Managing Director and the senior executive team. Their performance is assessed formally by the Board on an annual basis both subjectively and by measuring performance against Key Performance Indicators. Performance evaluations were completed in 2015 in accordance with the policy.

DIVERSITY POLICY

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. Accordingly, the Company has established a diversity policy which is provided to all staff with responsibility for recruitment.

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives as positions become vacant and appropriately qualified candidates become available:

	Actual 2015		Objectives 2016	
	No.	%	No.	%
Women on the Board	-	-	-	-
Women in senior executive positions	-	-	-	-
Women employees in the Company	2	13%	3	19%

MANAGING BUSINESS RISK

The Company maintains policies and practices designed to identify and manage significant business risks, including:

- regular budgeting and financial reporting;
- procedures and controls to manage financial exposures and operational risks;
- the Company's business plan;
- corporate strategy guidelines and procedures to review and approve the Company's strategic plans; and
- insurance and risk management programmes which are reviewed by the Board.

The Board reviews these systems and the effectiveness of their implementation annually and considers the management of risk at its meetings. The Company's management has reported to the Board on the effectiveness of the Company's management of its material business risks. The Company's risk profile is reviewed annually. The Board may consult with the Company's external auditors on external risk matters or other appropriately qualified external consultants on risk generally, as required.

The Board receives regular reports about the financial condition and operating results of the consolidated group. The Managing Director / Chief Executive Officer and the Chief Financial Officer annually provide a formal statement to the Board that in all material respects and to the best of their knowledge and belief:

- the Company's financial reports present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and
- the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

INTERNAL CONTROLS

Procedures have been established at the Board and executive management levels that are designed to safeguard the assets and interests of the Company, and to ensure the integrity of reporting. These include accounting, financial reporting and internal control policies and procedures. To achieve this, the non-executive Directors perform the following procedures:

- ensure appropriate follow-up of significant audit findings and risk areas identified;
- review the scope of the external audit to align it with Board requirements; and
- conduct a detailed review of published accounts.

CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

The Audit Committee consists of three non-executive Directors. On 20 August 2014 the structure of the Audit Committee changed to the following; Mr Adam Levine - Chairman, Mr Bruce Grey - Member, Mr David Slack - Member. The Audit Committee has a formal charter. Meetings are held as required between the Audit Committee, the Company's Chief Executive Office, Chief Financial Officer and the auditors to discuss the Company's ongoing activities and to discuss, where appropriate, any proposed changes prior to their implementation and to seek advice in relation thereto.

The Board has no formal procedures for the selection, appointment or rotation of its external auditor but reviews this matter on an ongoing basis and implements changes as required. Proposals for the financial year 2016 external audit and other accounting services were sought from Moore Stephens and Pitcher Partners, with the board resolving to retain the services of Moore Stephens at the 17 September 2015 board meeting.

REMUNERATION COMMITTEE

In financial year 2013, the Board established a Remuneration Committee. This role was previously performed by the Board. The Remuneration Committee has a formal charter. The role of the remuneration committee is to assist the Board in the general application of the remuneration policy. In doing so, the remuneration committee is responsible for:

- developing remuneration policies for Directors and Key Management Personnel, with the assistance, as necessary, of independent external consultants;
- reviewing Key Management Personnel remuneration packages annually and, based on these reviews, making recommendations to the Board on remuneration levels for Key Management Personnel; and
- assisting the Chair in reviewing KMP performance and reporting to the Board on Key Management Personnel performance.

During the year ended 30 June 2015, the Remuneration Committee comprised all three non-executive Directors, Mr David Slack (Chairperson), Mr Bruce Grey and My Adam Levine.

Their qualifications and their attendance at meetings of the committee are included in the Directors' report.

There are no schemes for retirement benefits for Directors other than statutory superannuation arrangements for non-executive/independent Directors.

NOMINATIONS COMMITTEE

In financial year 2013, the Board established a Nominations Committee. This role was previously performed by the Board. The Nominations Committee has a formal charter.

The role of the Nominations Committee is to assist the Board in ensuring that the Board comprises directors with a range and mix of attributes appropriate for achieving its objective. The committee assists the Board by:

- reviewing the skills and expertise of directors and identifying potential deficiencies;
- identifying suitable candidates for the Board, with the assistance of independent recruiting agencies;
- overseeing Board and Director reviews; and
- establishing succession planning arrangements.

During the year ended 30 June 2015, the Nominations Committee comprised two non-executive Directors, Mr David Slack (Chairperson) and Mr Bruce Grey.

Their qualifications and their attendance at meetings of the committee are included in the Directors' report.

The Nominations Committee did not meet during the year ended 30 June 2015, as all material issues were addressed at the Directors' Meetings.

ETHICAL STANDARDS

In pursuit of the highest ethical standards, the Company has adopted a Code of Conduct which establishes the standards of behaviour required of Directors and employees in the conduct of the Company's affairs. This Code is provided to all Directors and employees. The Board monitors implementation of this Code. Unethical behaviour is to be reported to the Company's Managing Director (or in his place the Chairperson of the Board) as soon as practicable.

CORPORATE GOVERNANCE STATEMENT

The Code of Conduct is based on respect for the law, and acting accordingly, dealing with conflicts of interest appropriately, using the consolidated entity's assets responsibly and in the best interests of the Company, acting with integrity, being fair and honest in dealings, treating other people with dignity and being responsible for actions and accountable for the consequences.

TRADING IN THE COMPANY'S SECURITIES BY DIRECTORS AND EMPLOYEES

The Board has adopted a policy in relation to dealings in the securities of the Company which applies to all Directors, employees, contractors and consultants ("personnel"). Under the policy, personnel are prohibited from dealing in the Company's securities whilst in possession of price sensitive information. Directors and key management personnel are also prohibited from trading except during specific trading windows and are required to advise the Company Secretary of their intention to do so before dealing in the Securities. In exceptional circumstances, such as severe financial hardship, trading may be permitted in a prohibited trading period, with the prior written consent of the Chairman of the Board or, if being sought by the Chairman of the Board, of the Chairperson of the Audit Committee. An updated Securities Trading Policy was lodged with the ASX on 2 July 2014.

This policy is provided to all personnel. Compliance with it is reviewed on an ongoing basis in accordance with the Company's risk management systems.

CONTINUOUS DISCLOSURE

The Company has in place a continuous disclosure policy, a copy of which is provided to all Company officers and employees who may from time to time be in the possession of undisclosed information that may be material to the price or value of the Company's securities.

The continuous disclosure policy aims to ensure timely compliance with the Company's continuous disclosure obligations under the Corporations Act 2001 (Cth) and ASX Listing Rules and ensure officers and employees of the Company understand these obligations. The procedure adopted by the Company is essentially that any information which may need to be disclosed must be brought to the attention of the Chairperson, who in consultation with the Board (where practicable) and any other appropriate personnel, will consider the information and whether disclosure is required and prepare an appropriate announcement.

At least once in every 12 month period, the Board will review the Company's compliance with this continuous disclosure policy and update it from time to time, if necessary.

SHAREHOLDERS

The Board aims to ensure that Shareholders are kept informed of all major developments affecting the Company. Information is communicated to Shareholders as follows:

- as the Company is a disclosing entity, regular announcements are made to the Australian Stock Exchange in accordance with the Company's continuous disclosure policy, including quarterly cash flow reports, half-year audit reviewed accounts, year-end audited accounts and an Annual Report;
- the Board ensures the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments;
- any proposed major changes in the Company's affairs are submitted to a vote of Shareholders, as required by the Corporations Act 2001;
- the Board encourages full participation of Shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals. All Shareholders who are unable to attend these meetings are encouraged to communicate or ask questions by writing to the Company; and
- the external auditor is requested to attend the annual general meetings to answer any questions concerning the audit and the content of the auditor's report.

The Board reviews this policy and compliance with it on an ongoing basis.

ASX BEST PRACTICE RECOMMENDATIONS

Pursuant to the ASX Listing Rules, the Company advises that based upon the information set out above, it does comply with the Best Practice Recommendations, issued by the ASX Corporate Governance Council, with the exception of the following:

CORPORATE GOVERNANCE STATEMENT

Recommendation 2.1: A majority of the Board should be independent Directors.

As one of the non-executive directors is a major Shareholder in the Company, and one of the directors is an executive of the Company, the Board is not normally comprised of a majority of independent directors, which is a departure from ASX Corporate Governance Council best practice recommendation. The Board considers its current composition is the most appropriate blend of skills and expertise, relevant to the Company's business. The Board will review this on an on-going basis.

Recommendation 2.4 The Nominations Committee should be structured so that it:

- *consists of a majority of independent directors*
- *is chaired by an independent director*
- *has at least three members*

The Nominations Committee comprises only two Directors, one of whom is considered to be independent (see "Independence of Directors" above). Consequently the committee does not fully comply with the ASX's *Corporate Governance Principles and Recommendations* during the period.

Having regard to the number of members currently comprising the Company's Board, the Board considers the size and composition of the Nominations Committee to be appropriate. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Recommendation 4.2: The Audit Committee should be structured so

- *it consists only of non-executive directors*
- *consists of a majority of independent directors*
- *is chaired by an independent Chair who is not Chair of the Board*
- *has at least three members*

The Audit Committee (as of 1 September 2015) comprises the three non-Executive Directors, all of whom are considered to be independent (see "Independence of Directors" above).

Recommendation 8.1: The Remuneration Committee should be structured so that it

- *consists of a majority of independent directors*
- *is chaired by an independent director*
- *has at least three members*

During the year ended 30 June 2015, the remuneration committee comprised three non-executive Directors, Mr David Slack (Chairperson), Mr Bruce Grey and Mr Adam Levine (effective 4 October 2014).

Having regard to the number of members currently comprising the Company's Board, the Board considers the size and composition of the Remuneration Committee to be appropriate. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

DIRECTORS' REPORT

The Directors of Advanced Braking Technology Ltd submit herewith the annual financial report for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Mr Graeme Sumner *Executive Director and CEO, Appointed 28 January 2014*

Mr. Sumner was appointed Executive Director and CEO on 28 January 2014. He is a highly experienced Managing Director specialising in developing and expanding companies in a broad range of sectors and across a number of geographical regions. Previous roles have included being the Chief Executive Officer and Managing Director of Service Stream Ltd, Chief Executive Officer of Transfield Services (New Zealand) Limited and Managing Director of Siemens Ltd in New Zealand. He served in senior positions at IBM, Telecom New Zealand, Contact Energy, New Zealand Post and its subsidiary companies, SkyRoad and Kiwimail. Mr Sumner was also the Chairman of New Zealand Post's joint venture airfreight company, AirPost Ltd. Mr. Sumner has a Master of Business Administration and Bachelor of Commerce from Auckland University.

Mr Bruce Grey *Chairman and Non-Executive Director, Appointed 30 June 2013*

Mr Grey was Managing Director of Advanced Manufacturing CRC Limited until April 2014. He is a Non-Executive Director of CAP XX listed on the London Stock Exchange. He is also a Director of the Murdoch Children's Research Institute and a Director of the Victorian Clinical Genetics Services. He has been an Executive Director of two Australian public companies, was Chairman of a German JV between Bishop Technology Group Limited and Mercedes-Benz Lenkungen GmbH for 10 years and was Chairman of the Federal Government's Advanced Manufacturing Action Agenda. Mr Grey also served as a member of the Federal Government's Future Manufacturing Industry Innovation Council until June 2012.

Mr Grey is a Fellow of the Australian Academy of Technological Sciences and Engineering. He is a member of the Expert Advisory Panel for the Victorian Government's Technology Voucher Program and served as Chairman until June 2014. In March 2012 he was appointed a member of the Federal Government's Clean Technology Investment Committee. He is a Member of the Australian Institute of Company Directors.

Mr David Slack *Non-Executive Director, Appointed 9 September 2009*

Mr Slack is the founding Managing Director of Australian equity fund manager Karara Capital Pty Ltd. Karara was established in 2007 and now has around \$3.4Billion in funds under management. Over the past 30 years, Mr Slack has made a significant contribution to the Australian funds management industry. Notably, he was co-founder and joint managing director of Portfolio Partners Limited, which was sold to Norwich Union in 1998. Prior to that, Mr Slack was a founding executive director of County Nat West Investment Management, where he was head of Australian Equities. He was a non-executive director of the Victorian Funds Management Corporation until 2007, holding positions of deputy Chairman and Chair of the Board Investment Committee. David has a Bachelor of Economics with Honours and is a fellow of FINSIA. He is a member of the Australian Institute of Company Directors.

Mr Adam Levine *Non-Executive Director, Appointed 9 April, 2013*

Mr Levine, a lawyer by profession, has over 20 years national and global experience in structuring and executing private equity investments and corporate finance transactions both as legal advisor and a principal investor.

The founder and Executive Chairman of law firm R.B. Flinders, Mr Levine has grown the Melbourne based legal firm from a boutique M&A practice established during the height of the 2008 GFC, into Private Client 2.0 - a next generation, relationship driven, client centric law firm.

Mr Levine is also the Executive Chairman and founder of Rockwell Group Holdings, the head principal investment vehicle of the Rockwell Group which undertakes investments into regulated financial, professional and healthcare service businesses. Mr Levine's extensive private equity experience and proactive investment practice have been the major contributory factor to the Rockwell Group's success with a portfolio IRR return in excess of most leading national and global private equity funds.

His current directorships include Rockwell Group Holdings Pty Ltd, Rockwell Financial Services Group Pty Ltd, Rockwell Bates Pty Ltd, Rockwell Investments Pty Ltd, RLDO Pty Ltd, FMD Financial Pty Ltd, and a number of other private companies. Mr Levine is also the founder (with his wife) and Chair of the Rockwell Foundation, a private ancillary fund, which focuses on supporting opportunities for under privileged youth.

DIRECTORS' REPORT

Directorships of other listed companies

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year, or at date of retirement if earlier, are as follows:

Name	Company	Period of Directorship
Mr Bruce Grey	CAP-XX Ltd (listed on the Alternative Investment Market of the London Stock Exchange)	2012 to date
Mr Graeme Sumner	Kordia Ltd (NZ State-owned Enterprise)	2014 to date

Company Secretary

Neville Walker was appointed Company Secretary on 26 August 2014. Mr Walker is a Fellow Certified Practising Accountant and a Graduate member of the Australian Institute of Company Directors.

Principal activities

The principal activity of the Consolidated Group during the course of the year was the commercialisation, research, development and manufacture of the SIBS[®] braking systems.

Operating results

The results of the Consolidated Group for the year ended 30 June 2015 were a loss from continuing activities, after income tax, of \$2,758,000 (2014: loss of \$7,543,000) and a total comprehensive loss of \$2,585,000 (2014: loss of \$7,548,000). The results for the year ended 30 June 2015 are stated after a write-down of inventory of \$1,150,00, Impairment of property, plant and equipment of \$217,000, costs associated with closing down of the operations in Thailand of \$301,000 and property relocation costs of \$90,000. Revenues from trading activities were \$5,860,000 for the year ending 30 June 2015 compared with \$4,451,000 for the year ending 30 June 2014. Revenues from other activities were \$1,038,000 for the year ended 30 June 2015 compared with \$1,813,000 for the year ended 30 June 2014.

Dividends

There have been no dividends paid or declared by the Company in the last two years.

Summary of material transactions

- Initial Substantial Holder

Singaporean company Cashel Capital Partners Fund 1 Pte Ltd acquired a total of 80,375,613 shares on 7 and 8 August 2014. This included the issue of 77,000,000 fully paid ordinary shares.

- Legal proceedings

On 23 August 2012 the Company announced that it had successfully defended an action taken against the Company in the NSW District Court. The litigation began in 2009 and was successfully concluded by a judgement in the Company's favour on 22 August 2012. The proceedings dealt with an allegation that a Mr Roger Cowan had loaned \$300,000 to the Company in 2003 and that this money had not been repaid. The action was taken by two companies associated with Mr Cowan, MSPR Pty Ltd and Phyro Holdings Pty Ltd. Advanced Braking Technology's position was that it had never recorded the amount in its books as a loan and the funds received by the Company were related to the subscription of shares arising out of a fully underwritten rights issue in 2003. Costs were awarded by the court in favour of Advanced Braking Technology Ltd. Subsequent to this, the Plaintiffs appealed and lost. A judgement of costs of \$130,950 was awarded to Advanced Braking Technology on 25 August 2014 and paid the following month.

- Closure of the Thailand manufacturing operation

A review of Advanced Braking Technology's Thailand operation was completed in July 2014 and a decision was taken and announced to the market on 28 July 2014, to contract out our manufacturing requirements to full service third

DIRECTORS' REPORT

party providers. Our own assembly and manufacturing activities ceased and the operation will be totally closed in November 2014.

ABT's four major partners are;

- Harrop Engineering, Preston Vic.
- Connect Source, Midvale WA
- Parker Hannifin, Dandenong South Vic.
- Bendix Brakes, Ballarat Vic.

The net costs associated with the closure of ABT's Thailand operation of \$301,000 were recognised as at 31 December 2014.

- Inventory and Property, plant and equipment impairment write-downs

Following strategic decisions, following the closure of the Thailand operation and the move to the new generation of higher quality SIBS™4-brakes an inventory impairment review was conducted, which resulted in a \$1,150,000 inventory and a \$217,000 property, plant and equipment write-down, effective 31 December 2014.

- Property relocation

A strategic requirements review of ABT's premises in Osborne Park, WA was undertaken in December 2014. The outcome was that the premises were considered no longer fit for purpose and that over \$100,000 per annum could be saved over the remaining two-and-a-half year lease term. A sub-leasing contract was signed with a local agent. As a consequence, a \$90,000 accrual was raised to cover costs associated with the relocation. Unfortunately, to date, we have not been able to sub-let the entire premises, but continue to actively seek a sub-tenant. The lease expires 31 July 2017.

Significant changes in the state of affairs

Other than as described elsewhere in this report there were no significant changes in the state of affairs of the Company during the financial year.

Events subsequent to balance date

Nil

Unissued Shares

At the date of this report there are 22,950 convertible notes on issue. 17,950 of these may be converted to shares at any time prior to the maturity date of 15 August 2016 and 5,000 of these may be converted to shares at any time prior to the maturity date of 19 November 2016 at the request of the note holder, or will automatically be converted into shares on the maturity date. The number of shares issued under each convertible note will be calculated by dividing the face value of \$100 by \$0.0098. If the note holders convert the maximum number of 22,950 convertible notes, then assuming the conversion price remains at \$0.0098, then 234,183,673 shares would be issued.

Future developments

The Economic Entity will continue to commercialise the Wet Brake Technology business in Australia and expand into overseas markets.

Directors' interests

The relevant interest of each Director in the share capital of the Company, as notified by the Directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary shares
D Slack	217,177,181
A Levine	2,666,667
B Grey	6,000,000

DIRECTORS' REPORT

The relevant interest of each Director in share options of the Company as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Listed Options	Unlisted Convertible Notes
D Slack	26,022,150	5,000
A Levine	333,334	
B Grey	1,500,000	

Directors' meetings

During the financial year there were 17 meetings of Directors, including committees of Directors but excluding circulating and written resolutions.

The attendances of the Directors at these meetings were:

	Directors' Meetings		Audit Committee		Nomination Committee		Remuneration Committee	
	Number eligible to attend	Number attended						
B Grey	12	12	2	2	-	-	3	3
D Slack	12	12	2	2	-	-	3	3
A Levine	12	12	2	1	-	-	2	2
G Sumner	12	12	-	-	-	-	-	-

REMUNERATION REPORT

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company.

- **Individual key management personnel disclosures**

Details of KMP of the Parent and Group are set out below.

Details of Key Management Personnel

Specified Directors

Name	Position	Appointment Date	Retirement Date
B Grey	Non-Executive Chairman	30 June 2013	-
D Slack	Non-Executive Director	9 September 2009	-
A Levine	Non-Executive Director	9 April 2013	-
G Sumner	Executive Director & CEO	28 January 2014	-
D Humann	Ex-Chairman	28 August 2006	13 September 2013
K Johnsen	Ex-Executive Director & CEO	30 April 2007	23 January 2014

Specified Executives

Name	Position	Appointment Date	Resignation Date
M Johnston	General Manager, Engineering	1 July 2014	
D Robinson	International Sales Director	1 September 2014	
N Walker	CFO & Company Secretary	26 August 2014	
C Madelin	Ex-CFO & Company Secretary	11 January 2011	27 August 2014
S Leighton	Ex-General Manager	12 April 2010	28 August 2014

DIRECTORS' REPORT

- **Board Oversight of Remuneration**

Remuneration Committee

During the year, the Remuneration Committee met three times to make recommendations to the Board on remuneration policy and to recommend salary reviews and short and long term incentives for the executive Director and specified executives.

Remuneration Policy

The remuneration policy of the Company is to pay executive Directors and specified executives at market rates which are sourced from average wage and salary publications are subject to periodic reviews by external consultants and which may include a mix of short and long term incentives linked to performance and aligned with market practice. In addition, Directors and employees may be issued shares and share options to encourage loyalty and to provide an incentive through the sharing of wealth created through equity growth which is linked to Company performance. The Remuneration Committee members believe the remuneration policy to be appropriate and effective and tailored to increase congruence between Shareholders and Directors and executives.

- **Non-executive Director remuneration arrangements**

Remuneration policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to Shareholders.

The amount of aggregate remuneration sought to be approved by Shareholders and the fee structure is reviewed against fees paid to non-executive directors of comparable companies. The Company's Constitution and the ASX listing rules specify that the non-executive Directors' fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2005 Annual General Meeting (AGM) held on 1 November 2005 when Shareholders approved an aggregate fee pool of \$300,000 per year.

The Board will not seek any increase for the non-executive Directors' pool at the 2015 AGM.

Structure

The remuneration of non-executive Directors consists of directors' fees. There are no schemes for retirement benefits for non-executive Directors other than statutory superannuation and non-executive Directors do not participate in any incentive programs. Other than the Chairman, each non-executive Director received a base fee of \$55,000 per annum plus the superannuation guarantee contribution. The Chairman received a base fee of \$85,000 plus the superannuation guarantee contribution.

- **Executive remuneration arrangements**

Remuneration level and mix

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and aligned with market practice. Advanced Braking Technology Ltd undertakes an annual remuneration review to determine the total remuneration positioning against the market.

- **Remuneration of Directors and Executives**

Executive Contracts

Mr Graeme Sumner, Mr Martin Johnston, Mr Dean Robinson and Mr Neville Walker are employed through employment contracts. Under the terms of the Employment Contract with Mr Sumner, Advanced Braking Technology and the Executive are required to provide six months' notice to terminate the agreement. The Employment Contracts for Mr Johnston, Mr Robinson and Mr Walker require both parties to provide three months' notice to terminate the contract.

DIRECTORS' REPORT

Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares of Advanced Braking Technology Ltd held, directly, indirectly or beneficially, by each specified Director, including their personally-related entities, is as follows:

<i>Specified Directors</i>	Held at 1 July 2014 or at date of appointment	Movement during year	Held at date of resignation	Held at 30 June 2015
B Grey	2,666,667	2,333,333	n/a	5,000,000
D Slack	208,177,181	5,000,000	n/a	213,177,181
A Levine	2,666,667	-	n/a	2,666,667
G Sumner	-	-	n/a	-
Total	213,510,515	7,333,333	-	220,843,848

Options held directly by Directors were as follows:

	Vested	Acquired	Expired	Acquisition Date	Terms and condition of acquisition	
	No.	No.	No.		<i>Exercise price</i>	<i>Expiry Date</i>
					\$	
Specified Directors						
B Grey	-	333,334	-	26/05/2014	0.012	15/08/2016
D Slack	-	256,399	-	26/05/2014	0.012	15/08/2016
A Levine	-	333,334	-	26/05/2014	0.012	15/08/2016
	-	923,067	-			

Options acquired during the year were issued as loyalty options at \$nil cost in connection with the rights issue. See Non-Renounceable Rights Issue note in the Directors' Report.

Options in which Directors held an indirect interest were as follows:

	Total Vested	Total Acquired	Expired	Director's potential share	Acquisition Date	Terms and condition of each acquisition	
	No.	No.	No.			<i>Exercise price</i>	<i>Expiry Date</i>
						\$	
Specified Directors							
D Slack	-	25,765,751	-	100%	26/05/2014	0.012	15/08/2016
	-	25,765,751	-				

Options acquired during the year were issued as loyalty options issued at \$nil cost in connection with the rights issue. See Non-Renounceable Rights Issue note in the Directors' Report.

DIRECTORS' REPORT

Convertible notes held directly by Directors were as follows:

On 15 August 2013 the Company issued 5,000 convertible notes to a Related Party, being an entity associated with Mr David Slack, a Director of the Company, and the issue of these convertible notes was subject to Shareholder approval which was sought and provided at the 2013 Annual General Meeting on 29 October 2013. The unlisted convertible notes have a face value of \$100 per note, bearing interest at 12% per annum, convertible into shares at \$0.0098 per share up to three years after the issue date, raising an amount of \$500,000 before costs.

Structure

In the 2015 financial year, the executive remuneration framework consisted of the following components:

- Fixed remuneration; and
- Variable remuneration

The table below illustrates the structure of Advanced Braking Technology Ltd.'s executive remuneration arrangements:

Remuneration component	Payment Vehicle	Purpose	Link to performance
Fixed remuneration	Represented by total employment cost (TEC). Comprises base salary, plus superannuation contributions.	Set with reference to role, market and experience.	Based on annual appraisal and reference to market rates.
Short term incentive component (STI)	Paid in cash or share based incentives for KMPs. During FY15 year a share based scheme was put in place for all four executives, commencing 1 January 2015. Employee share grant of up to \$1,000 in shares (excluding executive and non-executive Directors).	Rewards executives for their contribution to achievement of Group and business unit outcomes.	Linked to specified key performance indicators including group performance such as sales revenue, profit targets, and cash performance against budget and individual targets such product commercialisation. At judgement and discretion of the Board of Directors.
Long term incentive component (LTI)	Paid in cash or share based incentives for KMPs. During FY15 year a share based scheme was put in place for three executives, commencing 1 January 2015. The CEO's LTI runs for four years commencing 28 January 2014.	Rewards executives for their contribution to achievement of Group.	Linked to Total Shareholder Return and discretion of the Board of Directors.

DIRECTORS' REPORT

- **Details of emoluments**

The details of the nature and amount of emoluments of each Director and Specified Executive (Key Management Personnel) of the Company are:

Directors	Year	Primary Salary & Fees \$000's	STI Cash bonus \$000's	Post-Employment Super \$000's	Total \$000's
B Grey	2015	85	-	8	93
	2014	79	-	7	86
D Slack	2015	55	-	5	60
	2014	55	-	5	60
A Levine	2015	55	-	5	60
	2014	55	-	5	60
G Sumner	2015	356	-	19	375
	2014	152	-	12	164
D Humann	2015	-	-	-	-
	2014	19	-	-	19
K Johnsen	2015	-	-	-	-
	2014	454	34	25	513
Total	2015	551	-	37	588
Total	2014	814	34	54	902

Executives	Year	Primary	STI	STI	LTI	Post Employ- ment	Equity	Total
		Salary & Fees \$000's	Sales Commission \$000's	Cash Bonus \$000's	Cash Bonus \$000's	Super \$000's	Shares \$000's	\$000's
M Johnston	2015	201	-	-	-	19	-	220
	2014	170	-	-	-	16	1	187
D Robinson	2015	118	43	-	-	15	-	176
	2014	-	-	-	-	-	-	-
N Walker	2015	157	-	-	-	38	-	195
	2014	-	-	-	-	-	-	-
C Madelin	2015	71	-	-	-	23	-	94
	2014	189	-	35	-	21	1	246
S Leighton	2015	78	-	-	-	3	-	81
	2014	196	1	13	-	19	1	230
D Waters	2015	-	-	-	-	-	-	-
	2014	100	-	-	-	9	-	109
Total	2015	625	-	-	-	98	-	766
Total	2014	655	1	48	-	65	3	772

Bonuses to Directors and Executives are recognised above in the year in which they are paid. STI's relating to the period 1 January to 30 June 2015 of \$147,000 were accrued in the in financial year 2015 but not disclosed until paid in the above tables. These STI's will be paid in the form of performance rights to ordinary shares in 2016. No LTI for the CEO was accrued in 2015, as it was considered unlikely to be payable. Cash and share bonuses paid in 2014 and relating to 2013 were approved by the Board on 22 August 2013 and were accrued at 30 June 2013. Sales commissions were earned in 2014 and in 2015. Commissions for the final quarters of 2014 and 2015 were paid in first quarters of the following financial years.

DIRECTORS' REPORT

- **Securities Received that are not Performance Related**

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package, other than up to \$1000 of shares under an employee share grant (ESG shares). In 2014 ESG shares were issued to 25 employees (1,562,500 at \$25,000) during the year. These shares were issued to qualifying employees in respect of 2014, as approved by the Board on 22 August 2013. Qualifying employees included executives but excluded all Directors.

- **Cash Bonuses, Performance-related Bonuses and Share-based Payments**

As stated above, the Board approved performance based STI's for all four executives, plus a LTI's for the three executives other than the CEO, whose LTI commenced 28 January 2014.

The commencement dates are as follows;

- STI's 1 January 2015,
- LTI's 1 July 2015

The STI's and LTI's are currently payable in performance rights to ordinary shares, but may revert to cash in future, subject to Board approval.

The value of performance rights to be issued under the 2015 STI scheme is \$147,331, which has been fully accrued in the 2015 year and will be issued into the Advanced Braking Technology Limited Rights Share Trust managed by Trinity Management Group Pty Ltd. No accrual has been raised for the LTI scheme as at 30 June 2015. The trust was established on 15 April 2015, with a maximum valuation of \$321,493.50, based on the Black Scholes valuation methodology. Details of the maximum valuation break-down are included below;

STI 25,960,000 @ \$0.006 = \$155,760.00

LTI 16,425,000 @ \$0.006 = \$98,550.00 (KMP)

15,624,070 @ \$0.0022 = \$34,372.95 (CEO Tranche 1)

15,624,070 @ \$0.0021 = \$32,810.55 (CEO Tranche 2)

Total \$165,733.50

All bonuses paid to Key Management Personnel in the Financial Year 2014 were in relation to Financial Year 2013. Refer to the above Details of emoluments for details by individual.

Environmental regulation

The Consolidated Entity is not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and Insurance of Directors, Officers and Auditor

During the course of the year the Company has paid \$10,365 in premiums for Directors and Officers liability insurance for costs and expenses incurred by them in defending legal proceedings arising out of their conduct whilst acting in the capacity of Director or Officer of the Company other than conduct involving wilful breach of duty in relation to the Company. The Company has not during or since the end of the financial year, in respect of an auditor of the Consolidated Group, paid a premium to indemnify an auditor against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings.

Proceedings on behalf of the Company

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

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

DIRECTORS' REPORT

Auditor's Independence Declaration

The Auditor's independence declaration is included after this Directors' Report.

Non-Audit Services

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Details of the amounts paid to the auditor for audit and non-audit services provided in respect of the year are set out below:

	CONSOLIDATED GROUP	
	2015 \$'000	2014 \$'000
AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Consolidated Group for:		
Auditing the financial statements	51	44
Other services	22	19
	<hr/>	<hr/>
	73	63
	<hr/>	<hr/>
Remuneration of the auditor of Safe Effect (Thailand) Co. Ltd	2	4
	<hr/>	<hr/>

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars.

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



Graeme Sumner
Chief Executive Officer and Managing Director
30 September 2015

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Perth, WA 6000

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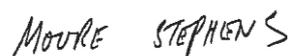
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
ADVANCED BRAKING TECHNOLOGY LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTES	CONSOLIDATED GROUP	
		2015 \$'000	2014 \$'000
Revenues from trading activities		5,860	4,451
Cost of sales	3	(2,832)	(1,969)
Gross Profit		3,028	2,482
Revenues from other activities	2	1,038	1,813
Expenses			
Amortisation of Intellectual Property		(199)	(199)
Bad and doubtful debts	3	(40)	(68)
Computer related expenses		(24)	(55)
Consulting and contract labour expenses		(229)	(430)
Consumables and minor equipment		(52)	(383)
Depreciation expense	3	(167)	(389)
Employee expenses		(2,301)	(4,635)
Finance expenses	3	(434)	(364)
Insurance		(154)	(185)
Legal fees		(36)	(131)
Marketing and advertising expenses		(81)	(98)
Patents		(34)	(98)
Property expenses		(327)	(398)
Share Options Cost		-	(3)
Telephone and other communication		(35)	(41)
Travel and accommodation		(346)	(284)
Other expenses		(607)	(563)
Overheads recovered in production		-	193
Total expenses		(5,066)	(8,131)
Loss from continuing operations		(1,000)	(3,836)
Significant expenses	3	(1,758)	(3,707)
Loss before income tax		(2,758)	(7,543)
Income tax	4	-	-
Loss after income tax		(2,758)	(7,543)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation		173	(5)
Total comprehensive loss for the period		(2,585)	(7,548)
		Cents	cents
Basic profit / (loss) per share (cents)	7	(0.19)	(0.67)

A diluted earnings per share has not been shown for either 2015 or 2014, as it would dilute the actual loss per share attributable to existing Shareholders.

Notes to the financial statements are included on pages 28 to 57.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	NOTES	CONSOLIDATED GROUP	
		2015 \$'000	2014 \$'000
CURRENT ASSETS			
Cash and Cash equivalents	8	1,509	1,989
Trade and other Receivables	9	1,162	535
Inventories	10	712	1,614
Other current assets	11	835	1,638
Total current assets		4,218	5,776
NON-CURRENT ASSETS			
Trade and other Receivables	9	-	31
Property, plant and equipment	13	279	736
Intangibles	14	1,194	1,392
Total non-current assets		1,473	2,159
TOTAL ASSETS		5,691	7,935
CURRENT LIABILITIES			
Trade and other Payables	15	1,669	819
Interest bearing liabilities	16	202	943
Provisions	17	183	233
Total current liabilities		2,054	1,995
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	16	2,270	2,472
Provisions	17	29	26
Total non-current liabilities		2,299	2,498
TOTAL LIABILITIES		4,353	4,493
NET ASSETS		1,338	3,442
EQUITY			
Issued Capital	20	47,812	47,331
Foreign Currency Reserve	21	-	(173)
Other Reserves	21	-	744
Accumulated losses	22	(46,474)	(44,460)
TOTAL EQUITY		1,338	3,442

Notes to the financial statements are included on pages 28 to 57.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

		CONSOLIDATED GROUP	
		2015	2014
		\$'000	\$'000
NOTES			
Net cash flows from operating activities			
		5,596	5,048
		(6,924)	(10,020)
		(434)	(278)
		29	34
		1,782	1,599
		<hr/>	<hr/>
	25	49	(3,617)
Cash flows from investing activities			
		125	53
		(140)	(165)
		<hr/>	<hr/>
		(15)	(112)
Cash flows from financing activities			
			3,123
		(943)	(452)
		539	1,943
		(58)	(84)
		<hr/>	<hr/>
		(462)	4,530
		(428)	801
		(52)	(9)
		<hr/>	<hr/>
		1,989	1,197
		<hr/>	<hr/>
	8	1,509	1,989

Notes to the financial statements are included on pages 28 to 57.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Attributable to equity holders of the parent			
	Issued Capital	Accumulated Losses	Other Reserves	Total
	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED GROUP				
At 1 July 2014	47,331	(44,460)	571	3,442
Option premium and foreign currency translation	-	744	(571)	173
Loss for the year	-	(2,758)	-	(2,758)
Total comprehensive income / (loss) for the year	-	(2,014)	(571)	(2,585)
Cost of share-based payment	(58)	-	-	(58)
Issue of ordinary shares	539	-	-	539
Total transactions with owners	481	-	-	481
At 30 June 2015	47,812	(46,474)	-	1,338
CONSOLIDATED GROUP				
At 1 July 2013	45,447	(36,917)	573	9,103
Foreign currency translation	-	-	(5)	(5)
Loss for the year	-	(7,543)	-	(7,543)
Total comprehensive income / (loss) for the year	-	(7,543)	(5)	(7,548)
Cost of share-based payment	-	-	3	3
Issue of ordinary shares	1,884	-	-	1,884
Total transactions with owners	1,884	-	3	1,887
At 30 June 2014	47,331	(44,460)	571	3,442

Notes to the financial statements are included on pages 28 to 57.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial report is presented in Australian dollars. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Advanced Braking Technology Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed as incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

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

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and balances

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

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

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments, net of any bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

(f) Income Tax

The income tax expense / (revenue) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Financial Instruments

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 Company 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.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

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

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

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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 and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current assets.

iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current assets.

v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative Instruments

The Group designates certain derivatives as either:

- i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii) hedges of highly probable forecast transactions (cash flow hedges).

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

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

i) *Fair value hedge*

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognised in profit or loss together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

ii) *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item will affect profit or loss.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

De-recognition

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.

(h) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

(i) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

(j) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Interest revenue is recognised using the effective interest rate method.

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

Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

(k) 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. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset.

Where it is expected that a grant will be repaid if certain conditions are met, the liability to repay the grant is recognised as the conditions are met and the liability crystallises.

R&D Tax incentives have been accounted for as government grants.

(l) Intangibles Other than Goodwill

Technology Assets / Patents

Such assets are recognised at cost of acquisition. The cost of technology assets are amortised over the average life of the patents granted for each technology asset on a straight line basis. The average life of a patent varies between 10 and 20 years and technology assets in the Intellectual Property purchased from Safe Effect Technologies International Ltd (SETI) are amortised over 15 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributed to the intangible asset during its development.

Capitalised development costs will be amortised over their expected useful lives once commercial sales commence.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Such costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Finance leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(o) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed periodically 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. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials and externally supplied services. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed to profit and loss during the financial period in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following estimated useful lives are used in the calculation of depreciation:

Class of Fixed Asset

Plant and equipment	2-5 years
Motor vehicles	3-15 years
Office equipment and furniture	3-5 years
Software	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(p) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Equity-settled compensation

The Group operates an employee share/option ownership plan. Share-based payments to employees and Directors are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(r) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and Directors' report have been rounded off to the nearest \$1,000.

(s) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Fair value less cost to sell and value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(t) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

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

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

(u) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

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

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(v) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
2 REVENUES FROM OTHER ACTIVITIES		
Other activities		
- interest received	29	35
- net foreign exchange gain	-	-
- income from sale of fixed assets	30	53
- Export Market Development Grant	43	87
-R&D Tax Incentive	729	1,630
-Other income	207	8
Total revenue from other activities	1,038	1,813
3 PROFIT / (LOSS) BEFORE INCOME TAX		
Profit / (Loss) before income tax has been determined after deducting the following expenses:		
Cost of sales	2,832	1,969
Finance expenses	434	364
Depreciation of non-current assets		
- plant and equipment	91	271
- motor vehicle	48	72
- office equipment and furniture	19	28
- leasehold improvements	9	18
Total depreciation	167	389
Bad and doubtful debts		
-trade debtors	40	68
Total bad and doubtful debts	40	68
Operating leases		
- property rental expense	280	363
- motor vehicle lease	-	22
- office equipment lease	5	4
Total operating leases	285	389
Significant expenses comprise;		
Write-off of development and pre-production costs capitalised	-	2,906
Write-down of inventory	1,150	801
Costs associated with closing down operations in Thailand	301	-
Impairment of property, plant and equipment	217	-
Property relocation	90	-
	1,758	3,707

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

4: INCOME TAX EXPENSE	CONSOLIDATED GROUP	
	2015 \$'000	2014 \$'000
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Recoupment of prior year tax losses not previously recognised	-	-
Income tax	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2014: 30%)	(828)	(2,263)
Add tax effect of:		
- Non-allowable items	797	1,184
- Revenue losses and other deferred tax balances not recognised	288	1,568
	257	489
Less tax effect of:		
- Non-allowable items	(39)	-
- R&D tax incentive/offset	(218)	(489)
Income tax	-	-
c. Deferred tax recognised:		
Deferred tax liabilities:		
Grants receivable	(19)	(25)
Interest receivable	-	(1)
Deferred tax assets:		
Carry forward revenue losses	19	26
Net deferred tax	-	-
d. Unrecognised deferred tax assets:		
Carry forward revenue losses	5,555	3,888
Carry forward capital losses	91	-
Capital raising costs	73	73
Provisions and accruals	144	260
Plant and Equipment	96	1,305
Other	8	26
	5,967	5,552

The tax benefits of the above deferred tax assets will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Company in utilising the benefits.

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

5. Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2015	2014
	\$000	\$000
Short-term employee benefits	1,176	1,552
Post-employment benefits	135	119
Other long-term benefits	-	-
Share-based payments	-	3
Total KMP compensation	1,311	1,674

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

6. AUDITOR'S REMUNERATION

Remuneration of the auditor of the Consolidated Group for:

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Auditing the financial statements	51	44
Other services	22	19
	<u>73</u>	<u>63</u>
Remuneration of the auditor of Safe Effect (Thailand) Co. Ltd.	2	4

7. EARNINGS PER SHARE

Basic Earnings per share	\$'000	\$'000
Net (loss) (\$'000's)	(2,758)	(7,543)
	Number	Number
	('000's)	('000's)
Weighted average number of ordinary shares during the year used in calculation of basic EPS (in '000's)	1,468,053	1,129,150
	cents	cents
Basic (loss) per share (cents)	<u>(0.19)</u>	<u>(0.67)</u>

A diluted earnings per share has not been shown for either 2015 or 2014 as it would dilute the actual loss per share attributable to existing Shareholders.

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

	CONSOLIDATED GROUP	
	2015	2014
8 CASH AND CASH EQUIVALENTS	\$'000	\$'000
Cash at bank	1,509	1,989

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flows Statement is reconciled to items in the Balance Sheet as follows:

Cash at bank	1,509	1,989
--------------	-------	-------

Advanced Braking Pty Ltd has an invoice finance facility agreement with NAB under which it may borrow up to \$1.0m secured against debtors. The amount which may be borrowed at any time varies depending on the debtor balance.

At 30 June 2015 the borrowing facility available was \$406,000 (2014: \$445,000) and the amount borrowed was \$nil (2014: \$nil).

Borrowings are secured by a general security agreement over the assets of Advanced Braking Pty Ltd and are guaranteed by Advanced Braking Technology Ltd.

9 TRADE AND OTHER RECEIVABLES

Current

Trade debtors	1,192	678
Less: provision for doubtful debts	(30)	(143)
	<u>1,162</u>	<u>535</u>

Non-current

Other receivables	-	31
	<u>-</u>	<u>31</u>

Receivables Ageing and Impairment losses

The aging of receivables for the consolidated group at the reporting date was:

	CONSOLIDATED GROUP			
	Total Receivables		Gross Impairment	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Not past due	1,055	530	-	-
Past due 0 – 30 days	100	5	-	-
Past due 31 – 60 days	14	-	-	-
Over 60 days	23	143	-	(143)
	<u>1,192</u>	<u>678</u>	<u>-</u>	<u>(143)</u>

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

The movement in the provision for impairment of trade receivables during the year is as follows:

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Balance at 1 July	(143)	(143)
Impairment provision recognised / reversed during the year	(30)	-
Bad debts written off	143	-
Closing balance at 30 June	<u>(30)</u>	<u>(143)</u>

The provision account for receivables is used to record impairment losses unless the Company is satisfied that there is no possibility of recovery of the amount, at which point it is directly written off against the amount owing.

10 INVENTORIES

Current

Finished Goods	175	675
Components and WIP	537	939
	<u>712</u>	<u>1,614</u>

11 OTHER CURRENT ASSETS

Prepayments	15	139
Refundable deposits paid	9	-
Staff advances	20	-
Grants receivable	62	84
Accrued Income - R&D Tax incentive	729	1,415
	<u>835</u>	<u>1,638</u>

12. CONTROLLED ENTITIES

(a) Advanced Braking Pty Ltd ACN 088 129 917 (Incorporated in WA)	Parent Entity	
	2015	2014
	Number	Number
Class and number of shares: ordinary	<u>200,002</u>	<u>200,002</u>

On 28 May 2002 the parent entity acquired 100% of Advanced Braking Pty Ltd for a purchase consideration of \$200,002. The principal activity of the Company is brake research, design, engineering and commercialisation, and sales of brakes and brake parts.

(b) Safe Effect (Thailand) Co. Ltd Registration No. 10154601984 (Incorporated in Thailand)	Advanced Braking Pty Ltd	
	2015	2014
	Number	Number
Class and number of shares: ordinary	<u>-</u>	<u>876,600</u>

Advanced Braking Pty Ltd closed down its 100% owned subsidiary in Thailand, namely Safe Effect (Thailand) Co. Ltd with effect from 2 November 2014.

Manufacturing has been progressively moved to Australian based companies.

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

13	PROPERTY, PLANT AND EQUIPMENT	CONSOLIDATED GROUP	
		2015	2014
		\$'000	\$'000
	Plant and equipment at cost	287	1,138
	Less: accumulated depreciation	(197)	(749)
		<u>90</u>	<u>389</u>
	Motor vehicles at cost	293	487
	Less: accumulated depreciation	(208)	(262)
		<u>85</u>	<u>225</u>
	Office equipment and furniture at cost	121	320
	Less: accumulated depreciation	(97)	(234)
		<u>24</u>	<u>86</u>
	Software at cost	80	-
	Less: accumulated depreciation	-	-
		<u>80</u>	<u>-</u>
	Leasehold improvements at cost	-	78
	Less: accumulated depreciation	-	(42)
		<u>-</u>	<u>36</u>
	Total at net written down value	<u>279</u>	<u>736</u>

Certain assets are secured in terms of Finance Lease and Hire Purchase Agreements as disclosed in Note 16(c).

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

Reconciliation

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

CONSOLIDATED GROUP	Plant & Equipment	Motor Vehicles	Office Equipment & Furniture	Leasehold Improvements	Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015						
Balance at the beginning of year	388	226	86	36	-	736
Additions	75	53	6	-	80	214
Disposals	-	(145)	-	-	-	(145)
Written-off	(316)	-	(45)	(27)	-	(388)
Depreciation expense	(57)	(49)	(23)	(9)	-	(138)
Carrying amount at the end of year	90	85	24	-	80	279
2014						
Balance at the beginning of year	518	297	105	54	-	974
Additions	145	-	20	-	-	165
Disposals	-	-	-	-	-	-
Depreciation expense	(262)	(71)	(38)	(18)	-	(389)
Foreign exchange translation	(13)	-	(1)	-	-	(14)
Carrying amount at the end of year	388	226	86	36	-	736

14. INTANGIBLES

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Wet Brake technology assigned from Safe Effect Technologies International Ltd	2,984	2,984
Less - Accumulated amortisation	(1,790)	(1,592)
Carrying amount at the end of year	1,194	1,392
Development and Pre-Production Costs capitalised	-	2,906
Less - Write-off	-	(2,906)
Carrying amounts at the end of year	-	-
Total carrying amount at the end of year	1,194	1,392

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

Reconciliation

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year:

CONSOLIDATED GROUP	Wet Brake Technology	Development and pre-production costs capitalised	Total
2015	\$'000	\$'000	\$'000
Balance at the beginning of year	1,392	-	1,392
Additions-internally developed	-	-	-
Write-off	-	-	-
Amortisation expense	(198)	-	(198)
Carrying amount at the end of year	1,194	-	1,194
2014			
Balance at the beginning of year	1,591	2,906	4,497
Write-off	-	(2,906)	(2,906)
Amortisation expense	(199)	-	(199)
Carrying amount at the end of year	1,392	-	1,392

Impairment Disclosure

An impairment assessment was performed in 2014, in which it was decided to write-off the Capitalised Development and Pre-Production costs. No impairment assessment of intangibles was performed in 2015, as there were no impairment triggers.

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
15 TRADE AND OTHER PAYABLES		
Current (unsecured)		
Trade creditors	1,272	654
Accrued expenses	397	165
	1,669	819
16 INTEREST BEARING LIABILITIES		
(a) Current and non-current		
Current (secured)		
Lease and Hire purchase agreements	166	215
Unexpired interest charges	(21)	(30)
	145	185
Interest due on Convertible note	57	58
Loan repayable out of R&D Tax Incentive receipt	-	700
	-	700
Total	202	943

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

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Non-current (secured)		
Lease and Hire purchase agreements	15	297
Unexpired interest charges	12	(22)
	<u>27</u>	<u>275</u>
Convertible Notes (i)	2,243	2,197
Total	<u>2,270</u>	<u>2,472</u>
<p>(i) These may be converted to shares at any time prior to the maturity date of 15 August 2016 for \$1,795,000 and 19 November 2016 for \$500,000, at the request of the note holder, or will automatically be converted into shares on the maturity date. The number of shares issued under each convertible note will be calculated by dividing the face value of \$100 by \$0.0098.</p>		
(b) Total of current and non-current		
Lease, hire purchase, loans payable and convertible notes	2,481	3,466
Unexpired interest charges	(9)	(51)
	<u>2,472</u>	<u>3,415</u>
(c) The carrying amounts of non-current assets pledged as security are:		
Plant and equipment	-	95
Motor vehicles	40	225
Office equipment	-	14
	<u>40</u>	<u>334</u>
17 PROVISIONS		
Current		
Warranties	60	115
Employee entitlements	123	118
Total	<u>183</u>	<u>233</u>
Non-Current		
Employee Entitlements	29	16
Other	-	10
Total	<u>29</u>	<u>26</u>
(b) Number of Employees	Number	Number
Number of employees at year-end		
Australia	15	16
Overseas	-	17
Total	<u>15</u>	<u>33</u>

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

20 ISSUED CAPITAL

(a) Issued Capital

The Parent Entity had issued 1,476,074,530 (2014: 1,399,033,479) fully paid ordinary shares as at the 30 June 2015.

	2015		2014	
	Number of shares	\$'000	Number of shares	\$'000
Ordinary shares				
Balance at beginning of the financial year	1,399,033,479	47,331	1,105,504,889	45,447
Shares issued under an Employee share scheme 20 December 2013	-	-	1,562,5000	25
Shares issued under rights issue on 20 May 2014	-	-	170,627,282	1,195
Shares issued shortfall of rights issue on 19 June 2014	-	-	121,338,808	849
Shares issued shortfall of rights issue on 7 August 2014	77,000,000	539	-	-
Exercise of options on 8 August 2014	14,459	-	-	-
Exercise of options on 22 August 2014	26,592	-	-	-
	<u>1,476,074,530</u>	<u>47,870</u>	<u>1,399,033,479</u>	<u>47,516</u>
Transaction costs relating to share issues		(58)		(185)
Balance at end of financial year	<u>1,476,074,530</u>	<u>47,812</u>	<u>1,399,033,479</u>	<u>47,331</u>

(b) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the Shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. Advanced Braking Pty Ltd has a finance agreement with NAB under which it may borrow up to \$1.0m secured against debtors. The amount which may be drawn down at any time is dependent on the debtor balance - see note 9.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to Shareholders, share issues and convertible note issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. Management aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The gearing ratios for the years ended 30 June 2015 and 30 June 2014 are as follows:

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	CONSOLIDATED GROUP	
	2015	2014
Gearing ratio	41.8%	29.3%

21 RESERVES

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Foreign Exchange Translation Reserve	-	(173)
Option premium reserve	-	744

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

	CONSOLIDATED GROUP	
	2015	2014
22 ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	(44,460)	(36,917)
Transfers from option premium reserve	744	-
Net loss attributable to members of the parent entity	(2,758)	(7,543)
Accumulated losses at the end of the financial year	<u>(46,474)</u>	<u>(44,460)</u>
23 CONTRACT AND LEASING COMMITMENTS		
(a) Hire purchase and Finance Lease commitments		
Payable		
- not later than 1 year	166	215
- later than 1 year but not later than 5 years	15	297
	<u>181</u>	<u>512</u>
Less future finance charges	(9)	(52)
Total hire purchase and finance lease liability	<u>172</u>	<u>460</u>
(b) Operating lease commitments		
Non-cancellable operating lease contracted for but not capitalised in the financial statements		
Payable		
- not later than 1 year	264	265
- later than 1 year but not later than 5 years	254	459
	<u>518</u>	<u>724</u>

24 SEGMENT REPORTING

The Consolidated Group's principal activities are research and development, commercialisation and manufacture of SIBS braking systems, predominantly in Australia and via distribution arrangements to other countries.

For management purposes the Group is organised into one main operating segment. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. The financial results from this segment are equivalent to the financial statements of the group.

Revenue by geographical region

Revenue attributable to external customers is disclosed below based on the location of the external customer.

Australia	4,372	3,407
Canada	778	542
Germany	20	5
Indonesia	66	-
Netherlands	88	40
New Zealand	32	30
Poland	34	-
Singapore	41	-
South Africa	267	290
Turkey	118	110
USA	44	27
Total revenue from trading activities	<u>5,860</u>	<u>4,451</u>

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

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

Australia	5,691	6,892
South Africa	-	16
Thailand	-	1,027
Total assets	5,691	7,935

Major customers

The Group has a number of customers to whom it provides both products and services. The three most significant customers are :

Significance	2015 % of total revenue from trading activities	2014 % of total revenue from trading activities
1st	17.6%	13.6%
2nd	13.4%	12.2%
3rd	13.3%	9.6%

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

		CONSOLIDATED GROUP	
		2015	2014
		\$'000	\$'000
25	CASH FLOW INFORMATION		
(a)	Reconciliation of Cash Flow from operations with profit / (loss) after income tax		
	Profit / (Loss) from ordinary activities after income tax	(2,758)	(7,543)
	(Profit) / loss on disposal of property, plant and equipment	(30)	(53)
	<i>Non-cash flows in loss from ordinary activities</i>		
	Cost of share options	-	3
	Depreciation and impairment	355	389
	Write-off of prototype fixed assets consumed in product development	-	-
	Unrealised foreign exchange (profit) / loss on Fixed Assets	-	14
	Amortisation of IP	198	199
	Write-off of Capitalised development and pre-production costs	-	2,906
	Recognition of deferred grant	-	106
	Shares issued to employees	-	25
	Foreign exchange (gain)/loss	-	(5)
	<i>Changes in assets and liabilities</i>		
	(Increase) / decrease in trade and other receivable	579	303
	(Increase) / decrease in inventories	902	480
	(Increase) / decrease in other current assets	-	(214)
	Increase / (decrease) in deferred income	-	(106)
	Increase / (decrease) in trade and other payables	850	(72)
	Increase / (decrease) in provisions	(47)	(49)
	Cash inflows / (outflows) from operations	49	(3,617)

(b) Non-cash financing and investing activities

2015

During the year to 30 June 2015, no shares were issued to Directors.

2014

During the year to 30 June 2014, no shares were issued to Directors other than shares acquired by them under the rights issue - See Non-Renounceable Rights Issue note in the Directors' Report.

Under the rights issue they also received their entitlement to options. All issues were on the same terms and conditions as all other investors under this issue.

26 RELATED PARTY TRANSACTIONS

(a) Intercompany transactions

Transactions between related parties are on normal commercial terms and conditions except for intercompany loans which are provided at no interest and are treated by the Parent Entity as an investment in the subsidiary. Related party transactions are eliminated on consolidation.

(b) Directors and Key Management Personnel

During 2015, no shares were issued to directors.

During 2014, no shares were issued to directors.

During 2015, Advanced Braking Technology was charged \$9,000 for office rental at the offices of RB Flinders, Non-Executive Directors Adam Levine's law firm.

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

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Company and its Subsidiaries ("Group") have exposure to the risks below from financial instruments:

- i) Market risk;
- ii) Liquidity risk;
- iii) Credit risk.

The Directors have responsibility for the development and control of the risk management framework. The Audit Committee, established by the Directors, is responsible for development and monitoring of risk management policies. The Group's principal financial instruments comprise cash, interest bearing deposits, lease and hire purchase finance and an invoice finance facility (see note 8). The purpose of these financial instruments is to finance the growth of the Group and to provide working capital for the Group's operations.

The Group has various other financial instruments including trade debtors and trade creditors which arise directly out of its operations and through the negotiation of trading terms with customers and suppliers. During the period under review the Group has not traded in financial instruments. However, it is Group policy to hedge foreign currency against fluctuations where appropriate, which may result in exchange losses.

The main risks arising from the Group's financial instruments are market risk, including interest rate risk and foreign currency risk, liquidity risk and credit risk. The Directors review and agree policy for managing each of these risks and they are summarised as follows:

(a) Market Risk

Interest rate risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Average Interest Rate %	Floating Interest Rate \$'000	Within 1 Year \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
2014						
Financial assets						
Cash	2.4%	1,989	-	-	-	1,989
Receivables - current	-	-	-	-	535	535
Accrued Income (note 11)						
Government Grants	-	-	-	-	84	84
R&D Tax incentive	-	-	-	-	1,415	1,415
Receivables - non-current	-	-	-	-	31	31
Total financial assets		1,989	-	-	2,065	4,054
Financial liabilities						
Payables	-	-	-	-	819	819
Interest Payable	-	-	-	-	58	58
Hire purchase and finance lease liabilities	8.2%	-	185	275	-	460
Loan Repayable out of R&D tax incentive receipt	14%	-	700	-	-	700
Convertible notes	12%	-	-	2,198	-	2,198
Total financial liabilities		-	885	2,473	877	4,235
Net Financial Assets / (Liabilities)		1,989	(885)	(2,473)	1,188	(181)

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

	Average Interest Rate %	Floating Interest Rate \$'000	Within 1 Year \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
2015						
Financial assets						
Cash	1.8%	1,509	-	-	-	1,509
Receivables - current	-	-	-	-	1,162	1,162
Accrued Income (note 11)						
Government Grants	-	-	-	-	62	62
R&D Tax incentive	-	-	-	-	729	729
Total financial assets		1,509	-	-	1,953	3,462
Financial liabilities						
Payables	-	-	-	-	1,669	1,669
Interest Payable	-	-	-	-	57	57
Hire purchase and finance lease liabilities	6.8%	-	160	12	-	172
Convertible notes	12.0%	-	-	2,243	-	2,243
Total financial liabilities		-	160	2,255	1,726	4,141
Net Financial Assets / (Liabilities)		1,509	(160)	(2,255)	227	(679)

As at 30 June 2015 Advanced Braking Pty Ltd was entitled to interest on deposits at various banks at rates up to 2.80% per annum (2014: 3.80% per annum).

The sensitivity analysis below is based on the interest rate risk exposure in existence at the balance sheet date. The 1.0% (2014: 1.0%) interest rate sensitivity is based on reasonable possible changes, over a financial year, using an observed range of historical Australian Reserve Bank rate movement over the last two years.

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Possible movements before tax:		
+0.5% (2014: 1.0%) per annum	1	7
-0.5% (2014: -1.0%) per annum	(1)	(7)

Reconciliation of net financial assets to net assets

Net financial (liabilities)/assets as above	(679)	(180)
Non-financial assets and liabilities		
-Inventories	712	1,614
-Property, plant & equipment	279	736
-Intangible Assets	1,194	1,392
-Other current assets-prepayments (note 11)	15	139
-Refundable deposits	9	-
-Staff advances	20	-
-Provisions-Current	(183)	(233)
-Provisions-Non current	(29)	(26)
Net (liabilities)/assets as per the Balance Sheet	1,338	3,442

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

The Directors' objective is to earn the highest rate of interest on deposits with minimum risk. The Directors' policy therefore is to place deposits with recognised banks which offer the highest variable and/or fixed rates. Similarly loans and asset finance contracts are shopped to find the lowest rates of interest expense.

Foreign Currency Risk

As a consequence of the closure of the subsidiary Safe Effect (Thailand) Co Ltd (SETT) in Thailand, the Company's Balance Sheet is no longer affected by movements in the Thai Baht/ AUD exchange rates. The Company currently has minimal foreign exchange exposure with regard to both the receivables and payables and currently has no offshore assets.

At 30 June 2015, the Company does not have any forward foreign exchange contracts in place. As at 30 June 2015 the Group had the following exposure to foreign currency:

	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
Financial Asset		
Cash and cash equivalents	-	130
Trade and other receivables	1	36
	1	166
Financial Liabilities		
Payables	32	371
Net Exposure	(31)	(205)

The following sensitivity analysis is based on the foreign currency risk exposure in existence at the balance sheet date. The 7% (2014: 7%) sensitivity is based on reasonable possible changes, over a financial year, using an observed range of actual historical rates in foreign exchange movements over the last two years.

In the year to 30 June 2015 if the Australian Dollar had moved, as illustrated in the table below, with all other variables held constant, the results before tax relating to financial assets and would have been affected as shown below:

Possible movements before tax:		
Pre Tax Profit – higher/(lower)		
+7% (2014: +7%) per annum	2	14
-7% (2014: -7%) per annum	(2)	(16)
		(16)

(b) Liquidity Risk

The Group's objective is to fund new product development and commercialisation through Shareholder equity, convertible notes, government grants, R&D tax incentives, lease and hire purchase finance and bank funding where available.

The Group manages liquidity risk by maintaining adequate cash reserves through share issues, convertible note issues, debtor finance, secured bank lending and asset finance. Future funding requirements are determined through the monitoring of regular cash flow forecasts, which reflect management's expectations in respect of future turnover, development of new markets and products, capital investment and the settlement of financial assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
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	CONSOLIDATED GROUP	
	2015	2014
	\$'000	\$'000
The following are the contractual maturities of financial liabilities, including estimated interest payments:		
0 – 6 months	73	1,903
6 – 12 months	38	184
1 – 5 years	61	642
	172	2,729
Potential payment in August 2016 if Convertible Note holders elect to be paid out rather than converting notes to shares. See note 16(a).	1,795	1,795
Potential payment in November 2016 if Convertible Note holders elect to be paid out rather than converting notes to shares. See note 16(a).	500	500
	2,467	5,023

The following table discloses maturity analysis of financial assets and liabilities based on management expectation:

CONSOLIDATED GROUP AS AT 30 JUNE 2015

	< 6 Mths	6 - 12 Mths	1 - 5 Years	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	1,509	-	-	1,509
Trade and other receivables	1,162	-	-	1,162
Accrued Income				
Government grants	40	22	-	62
R&D tax incentive	729	-	-	729
	3,440	22	-	3,462
Financial Liabilities				
Payables	1,669	-	-	1,669
Hire purchase and finance lease liabilities	73	38	61	172
Convertible Note accrued interest	57	-	-	57
Convertible notes	-	-	2,243	2,243
Total financial liabilities	1,799	38	2,304	4,141
Net exposure	1,641	(16)	(2,304)	(679)

CONSOLIDATED GROUP AS AT 30 JUNE 2014

Financial Assets				
Cash and cash equivalents	1,981	-	-	1,981
Trade and other receivables	535	-	31	566
Accrued Income				
Government grants	-	84	-	84
R&D tax incentive	1,415	-	-	1,415
	3,939	84	31	4,054

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

Financial Liabilities

Payables	819	-	-	819
Hire purchase and finance lease liabilities	93	92	275	460
Convertible note accrued interest	58	-	-	58
Convertible notes	-	-	2,198	2,198
Bank loan repayable out of R&D Tax Incentive	700	-	-	700
Total financial liabilities	<u>1,670</u>	<u>92</u>	<u>2,473</u>	<u>4,235</u>
Net exposure	<u>2,270</u>	<u>(8)</u>	<u>(2,442)</u>	<u>(181)</u>

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the Consolidated Group which has been recognised on the Balance Sheet is the carrying amount, net of any provision for doubtful debts. At year end the Consolidated Group's exposure to credit risk arises primarily from the mining industry.

The Consolidated Group is not materially exposed to any individual overseas country or individual customer.

The Company's policy is to manage credit risk by ensuring that all customers who wish to trade on credit terms subject themselves to credit worthiness checks, and to obtain agreement to a "retention of title" clause where possible. The Directors believe that the Company's exposure to bad debts is not significant and adequately covered by the estimated bad and doubtful debt accrual of \$30,000 as at 30 June 2015.

Other than the concentration of credit risk described, the economic entity does not have any significant risk exposure to any counterparty or group of parties. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the economic entity's maximum exposure to credit risk.

(d) Net fair values

The financial assets and liabilities included in current asset and current liabilities in the Balance Sheet position are carried at amounts that approximate net fair values or recoverable amount. Impairment assessments in financial year 2015 resulted in;

- a) A write-down of inventory of \$1.150 million, and
- b) An impairment of property, plant and equipment of \$0.217 million.

Intangible assets as at 30 June 2015 only comprises the Wet Brake technology assigned from Safe Effect Technologies International Ltd on 27 June 2006, which is amortised over 15 years being the average life of patents which underpin the carrying value.

28 EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any significant events since the end of the reporting period.

29 CONTINGENT LIABILITIES

There are no contingent liabilities.

30 SHARE BASED PAYMENTS

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

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

31 PARENT INFORMATION

The following information has been extracted from the books and records of the parent company and has been prepared in accordance with Accounting Standards.

	2015	2014
	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	9	1,087
TOTAL ASSETS	3,758	17,576
LIABILITIES		
Current Liabilities	142	212
TOTAL LIABILITIES	2,385	2,409
EQUITY		
Issued Capital	47,812	47,331
Other reserves	-	744
Accumulated losses	(46,439)	(32,908)
TOTAL EQUITY	1,373	15,167
	2015	2014
	\$'000	\$'000

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total profit/(loss) after tax	(14,275)	(1,020)
Total Comprehensive Income/(Loss)	(14,275)	(1,020)

Guarantees

At 30 June 2015 Advanced Braking Technology Ltd had granted a guarantee and indemnity in relation to the obligations of Advanced Braking Pty Ltd in favour of NAB in connection with an invoice finance facility which was established during the 2013 financial year.

Advanced Braking Technology Ltd has provided guarantees to a number of suppliers of Advanced Braking Pty Ltd in connection with the subsidiary negotiating finance under lease or HP agreements. The Directors have also resolved that the Company will continue to provide financial support to its subsidiaries for as long as it is required.

Contingent Liabilities

There are no contingent liabilities.

Contractual Commitments

As at 30 June 2015, Advanced Braking Technology Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: Nil).

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28 to 57, are in accordance with the Corporations Act 2001:
 - a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group.
2. The Chief Executive Officer and Chief Finance Officer have each given the declarations required by s295A of the Corporations Act 2001.
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:



G SUMNER
Director

Melbourne, Victoria
30 September 2015

Level 3, 12 St Georges Terrace,
Perth, WA 6000

PO Box 5785, St Georges Terrace,
WA 6831

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED BRAKING TECHNOLOGY LIMITED

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Report on the Financial Report

We have audited the accompanying financial report of Advanced Braking Technology Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 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 International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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*.

Auditor's Opinion

In our opinion:

- a. the financial report of Advanced Braking Technology Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of 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 the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

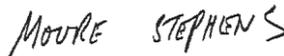
We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Advanced Braking Technology Limited for the year ended 30 June 2015 complies with s 300A of the *Corporations Act 2001*.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2015

STOCK EXCHANGE INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

1. Statement of issued capital at 31 August 2015.

(a) Distribution of fully paid ordinary shares

Size of Holding		Number of Shareholders	Shares Held
1	- 1,000	60	4,080
1,001	- 5,000	18	61,087
5,001	- 10,000	146	1,388,453
10,001	- 100,000	568	26,702,466
100,001	and Over	676	1,447,918,444
Total		1,468	1,476,074,530

(b) There are 673 Shareholders with less than a marketable parcel.

(c) There are no restrictions on voting rights attached to the ordinary shares on issue. On a show of hands, every member present in person shall have one vote and upon a poll, every member present in person or by proxy shall have one vote for every share held.

2. Substantial Shareholders

The Company has the following substantial Shareholders at 14 September 2015:

- Mr David Slack	217,177,181 shares
- Cashel Capital Partners Fund	108,348,467 shares
- Mr Richard Andrew Palmer	103,838,929 shares

Mr David Slack also has an indirect holding of 5,000 convertible notes (see note 5 below) which could be converted to 51,020,408 shares.

Mr Richard Andrew Palmer also has an indirect holding of 1,700 convertible notes (see note 5 below) which could be converted to 17,346,939 shares.

3. Shareholders

The twenty largest Shareholders hold 44.49% of the total issued ordinary shares in the Company as at 14 September 2015.

4. Share Options

Listed Options expiring 15 August 2016 exercisable at \$0.012

Number of Options	145,942,031
Number of Holders	271

5. Convertible Notes

Unlisted convertible notes with face value \$100 per note, bearing interest at 12% per annum, convertible into shares at \$0.0098 per share up to the maturity date of 15 August 2016 for 17,950 of the shares and 19 November 2016 for 5,000 of the shares.

Number of Convertible Notes	22,950
Number of Holders	21

6. On-market buy-back.

There is no current on-market buy-back.

7. Quotation

Shares in Advanced Braking Technology Ltd are listed on the Australian Securities Exchange.

STOCK EXCHANGE INFORMATION

Largest Fully Paid Ordinary Shareholders

The names of the twenty largest Shareholders at 14 September 2015, who hold 44.49% of the fully paid ordinary shares in the Company, are:

	Number of shares	% of Issued Shares
1. CASHEL CAPITAL PARTNERS FUND 1 PTE LTD <CASHEL CAPITAL PARTNERS A/C>	108,348,467	7.34
2. WINDPAC PTY LTD	97,866,334	6.63
3. DASI INVESTMENTS PTY LTD	69,059,662	4.68
4. RP INVEST PTY LTD <PALMER FAMILY RETIRE A/C>	46,500,000	3.15
5. MR PETER RODNEY BOWER	43,000,000	2.91
6. MR DALE ALBERT MONSON + MRS DAGMAR ERNA MONSON <DALE MONSON S/F NO2 A/C>	30,186,458	2.05
7. SCINTILLA STRATEGIC INVESTMENTS LIMITED	29,000,000	1.96
8. M/S TRACEY-ANN PALMER	24,144,893	1.64
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,050,000	1.63
10. WINDPAC PTY LTD <THE DAVID EARL SLACK SUPERANNU>	23,333,334	1.58
11. KIZOGO PTY LTD <BERGAN EXEC RETIREMENT A/C>	22,767,402	1.54
12. WINDPAC PTY LTD <THE SLACK FAMILY A/C>	19,866,667	1.35
13. MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	19,300,000	1.31
14. MONDAL INVESTMENTS PTY LTD	18,230,747	1.24
15. SOUTHBANK PROMENADE PTY LTD <ENTERPRISE SUPER FUND A/C>	16,285,714	1.10
16. ONMELL PTY LTD <ONM BPSF A/C>	14,000,000	0.95
17. HONNE INVESTMENTS PTY LIMITED	13,500,000	0.91
18. KITTREDGE PTY LTD	12,862,733	0.87
19. MR RICHARD ANDREW PALMER	12,334,036	0.84
20. RP INVEST 2 PTY LTD <PALMER SMSF 2 A/C>	12,000,000	0.81
Total	656,636,447	44.49



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