BOARD OF DIRECTORS	REGISTERED AND PRINCIPAL BUSINESS OFFICE	AUDITORS	SECRETARY
G. L. Rees, Chairman R. Rees, Managing Director D. G. Rees, Director	C/- Cook's Body Works P/L 140-144 Cochranes Road Moorabbin Vic. 3189 Phone : (03) 9553 5740	Hayes Knight Audit Pty Ltd Registered Audit Company Level 12/31 Queen Street Melbourne Vic 3000	R. Rees, B. Comm., CA
SOLICITORS	**BANKERS**		**SHARE REGISTRY**
ATA Lawyers Lvl 3, 2 Brandon Park Drv Wheelers Hill VIC 3150	National Australia Bank Ltd 330 Collins Street Melbourne VIC 3000	Commonwealth Bank Ltd 385 Bourke St Melbourne VIC 3000	Boardroom Pty Ltd Lvl 12, 225 George St Sydney NSW 2000
Casonato Lawyers Lvl 2, 88 Pelham St Carlton VIC 3053	Australia and New Zealand Banking Group Ltd 1/533 Blackburn Road Mount Waverley VIC 3149	Bank of Melbourne Ltd 424 Warrigal Rd Moorabbin VIC 3189	Sietel Limited ACN 004 217 734 ABN 75 004 217 734
The JRT Partnership Lvl 3, 173 Queen St Melbourne VIC 3000			

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Sietel Limited will be held at the Registered Office of the Company, C/- Cook's Body Works Pty Ltd, 140-144 Cochranes Road Moorabbin VIC 3189, on Friday 22nd January 2016 at 1:00 pm, for the purpose of transacting the following business:

1. To receive, consider and adopt the financial report of the company and of the consolidated group for the year ended 30 September 2015 and the reports by directors and auditors thereon.

2. To receive, consider and adopt the remuneration report of the company and of the consolidated group for the year ended 30 September 2015 (Refer P.4. Annual Report).

3. Mr D. G. Rees retires in accordance with the company's constitution and, being eligible, offers himself for re-election.

4. To transact any other business which may be lawfully brought forward.

By Order of the Board.

R. Rees B. Comm., CA
Director, Company Secretary

Moorabbin, 16 December 2015

NOTES

VOTING
Individual members who are registered shareholders as at 20th January 2016 at 1:00pm are entitled to vote in person or by proxy. In accordance with the Corporations Act 2001, the vote will be carried out via a show of hands unless a poll is requested.

Under the Company's Constitution Ordinary Shareholders are entitled to one vote per share, Preference Shareholders are entitled to a vote of four (4) votes for each share at this meeting if dividends are in arrears.

PROXIES
A member entitled to attend and vote is entitled to appoint no more than two other persons to attend the Meeting and to act on his behalf. Where a member appoints two proxies, the proportion of the members' voting rights given in favour of each proxy must be specified. An additional proxy form will be supplied by the Company on request. The proxy must be lodged at the registered office of the company not less than 48 hours before the timing of the Meeting. A proxy may, but need not be a member of the company, but should be a natural person over the age of 18 years.

QUESTIONS
As provided for by the Corporations Act 2001, reasonable opportunity will be provided during the meeting for members to raise questions about the management of the company. In addition any member may submit a written question to the auditors concerning the content of the auditor's report or the conduct of the audit on the current financial report. Any written questions to the auditors must be submitted to Sietel no later than 5 working days before the day of the AGM.

VOTING EXCLUSION STATEMENT
Pursuant to the Corporations Act 2001, Sietel will disregard any votes cast on resolution 2 (in any capacity) by or on behalf of any key management personnel or their closely related parties. The vote will not be excluded, however, if the above mentioned person is acting as a proxy for another, who has been delegated voting authority in writing, and it has been specified how the proxy will vote on the resolution. If a vote is cast by proxy, which originates from key management personnel or related party, it will also be disregarded.

SIETEL LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT FOR YEAR ENDED 30 SEPTEMBER 2015

In accordance with a resolution of the Directors dated 16 December 2015, the Directors of the Company have pleasure in reporting on the Statements of Account of the Chief Entity and the Economic Entity for the financial year ended 30 September 2015 and the state of affairs as at 30 September 2015.

The Directors of the Chief Entity in office at the date of this report are as follows:
Geoffrey Rees – Non-executive Chair (appointed Chair on 27 February 2015)
Delwyn Garland Rees – Non-executive Director (resigned Chair on 27 February 2015)
Richard Rees – Managing Director
The directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Refer to table "Directors Meetings" page 3 of this report.

PRINCIPAL ACTIVITIES:
The Chief Entity is engaged principally in investment in industrial, commercial, retail real estate and listed company securities, provision of finance and lease facilities and plant and management services to its controlled entities and management, evaluation and expansion of these and other business opportunities.

The wholly owned controlled entity Cook's Body Works Pty Ltd continued trading as a commercial vehicle body builder.

The wholly owned controlled entity, The Cylinder Company Pty Ltd, is trading as a property maintenance company, mainly servicing the Chief Entity's properties as well as investigating new product, importation & research & development opportunities.

The wholly owned controlled entity, A.B.N. 17 006 852 820 Pty Ltd is non-operating.

The 80% owned subsidiary, Alliance Appliances Australia Pty Ltd (AAA) operated as a product development and design company.

There were no other significant changes in the nature of the economic entity's activities during the year.

DIVIDENDS:
Dividends paid or declared for payment during the financial year are as follows:

Preference dividend of $2.80 per share paid on 7 Jan 2015	$210,000
Preference dividend of $0.05 per share paid on 7 Jul 2015	$3,750
Preference dividend of $0.05 per share to be paid on 7 Jan 2016 per announcement on 10 Dec 2015	$3,750

REVIEW OF OPERATIONS:
Four investment properties owned by the Chief Entity have experienced vacancies during the year with two office tenancies presently vacant.

Cook's Body Works Pty Ltd, continued to occupy one of the Chief Entity's properties in the Moorabbin area.

Cook's Body Works Pty Ltd has experienced varied and at times weak demand for its products which has hindered management's efforts to return the business to profitability.

The Company's management assisted by the non-executive directors have considered various investment opportunities in real estate, ASX listed shares, venture capital funds and other direct investment opportunities during the year and have generally allocated funds to a spread of top 50 ASX listed company share investments.

The recently acquired subsidiary AAA has continued to design and develop products for manufacture by third party offshore manufacturers for import and distribution into the Australian market.

AAA has initiated a trial shipment of gas water heaters for field testing and market review by prospective customers.

The Cylinder Company has operated profitably during the year.

REVIEW OF FINANCIAL POSITION
The directors refer readers to the financial statements including, statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows, in relation to the Group's financial position and comparison.

OPERATING RESULTS:
The consolidated loss of the Economic Entity, after providing for an income tax expense of $185,055 (2014 $150,706), amounted to $245,906 (2014 $809,986 profit).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:
There have been no significant changes in the state of affairs of the Economic Entity during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE:
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Economic Entity and the results of those operations or the state of affairs of the Economic Entity in financial years subsequent to the financial year ended 30 September 2015.

ENVIRONMENTAL ISSUES:
The Economic Entity is not subject to significant environmental regulation in respect of its activities.

ASIC CLASS ORDER 98/100 ROUNDING OF AMOUNTS
The company is an entity to which ASIC Class Order 98/100 applies and in accordance with this class order, amounts have been rounded to the nearest whole dollar unless otherwise stated.

FUTURE DEVELOPMENTS:
No information has been included on the likely developments of the Chief Entity or the Economic Entity as the directors are of the opinion that to include such comments would be unreasonably prejudicial to the interests of the Economic Entity.

INFORMATION ON DIRECTORS:

MR. DELWYN G. REES	**DIRECTOR Age 89**
Qualifications	Diploma of Commerce (Melbourne University) Member of CPA Australia Certified Practising Accountant
Experience and Special Responsibilities	Board Member since 1967 Appointed Chairman in 1970, resigned chair 2015 An accountant in public practice for over 30 years
Interests in Contracts	Director of a company which provides financial and management services to the Chief Entity. Consultant to Garland Consulting Services which has on occasions provided consulting and secretarial services to the Chief Entity.
Interests in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 23 which is to be read as forming part of this report.
MR. RICHARD REES	**MANAGING DIRECTOR Age 65**
Qualifications	Bachelor of Commerce (Melbourne University) Member of Chartered Accountants Australia and New Zealand
Experience and Special Responsibilities	Board Member, Company Secretary and Managing Director of Chief Entity since 1981.
Interests in Contract	Has a service and share option agreement with the Chief Entity dated March 1984. The full share option has already been exercised pre 1987.
Interest in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 23 which is to be read as forming part of this report.
MR. GEOFFREY REES	**DIRECTOR (CHAIRMAN) Age 61**
Qualifications	Bachelor of Law and Commerce (Melbourne University) Member of the Law Institute of Victoria and accredited business law specialist
Experience and Special Responsibilities	Board Member since August 2009 Appointed Chairman in 2015
Other Directorships and Appointments	Current Director of UoMC Limited, the commercialisation entity of the University of Melbourne. Former member of the Uniseed board, a $60 million preseed fund of Westscheme and three of the leading research universities. Former member of the Legal Practice Liability Committee, the professional indemnity insurer for Australian legal practitioners. Former Chairman of the advisory board for Melbourne University Sport.
Interest in Contracts	Director of JRT Partnership Pty Ltd, which provides legal services for the Chief Entity.
Interest in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 23 which is to be read as forming part of this report.

DIRECTORS' MEETINGS
During the financial year the attendance at Directors' meetings was as follows:

	Meetings held	Meetings attended
D.G. Rees	8	8
R. Rees	8	8
G. L. Rees	8	8

INDEMNIFICATION OF OFFICERS AND AUDITORS
During the financial year, the company paid a premium of $14,970 in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent of the policy limits with a current $7,500,000 in aggregate for all claims per twelve months.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2015 is included on page 6 of the Annual Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to begin 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.

OPTIONS

No options over shares or interest in the group have been taken up during the period, or are outstanding at the end of the period.

CORPORATE GOVERNANCE STATEMENT

Our corporate governance statement can be found on our website at www.sietel.com.au

REMUNERATION REPORT

The Board policy for determination of the nature and amount of remuneration for directors and senior executives is based on the yearly Chairman and Managing Director's assessment of individual's performance and the general overall performance of the company.

It is the stated policy that depending on this assessment, the level of remuneration may be increased or decreased after a review from its previous level.

The criteria on which individual performance is assessed are:-

- technical knowledge and skills in light of current levels for the applicable occupation or profession
- application by the individual of their knowledge and skills to their tasks
- the ability and success in imparting their knowledge, skills and work ethic to personnel assigned to them
- the ability to complete assignments successfully and in the allocated time
- the ability to assist the company and or subsidiary achieve profitable short, medium and long term performance and growth by delivering customers with quality, competitively priced and innovative products and services.

The table below sets out the remuneration paid during the year to Directors and executives with a breakdown into salaries/bonuses, superannuation and non-monetary benefits.

No equity component of remuneration is provided but Board policy is to encourage directors and executives to purchase shares in the company on the stock exchange with the objective of long term investment.

		Short Term Benefits				Post-Employment Benefits			
Name	Office	Salary/Bonus [1]		Non-Monetary Benefits		Superannuation		Total	
		2015 ($)	2014 ($)	2015 ($)	2014 ($)	2015 ($)	2014 ($)	2015 ($)	2014 ($)
D.G. Rees	Director	70,000	70,000	-	-	6,650	6,519	76,650	76,519
R. Rees	Director	268,500	278,000	40,000	40,000	54,425	28,591	362,925	346,591
G.L. Rees	Director	70,000	70,000	-	-	-	-	70,000	70,000
G. Nanscawen	Director	20,000	-	2,307	-	-	-	22,307	-
Total		428,500	418,000	42,307	40,000	61,075	35,110	531,882	493,110

[1] R. Rees' salary for 2015 includes bonuses totalling $83,500 (2014: $93,000). The six monthly bonuses with grant dates of 26 March 2015 and 25 August 2015 were paid with the intent of retaining the competitiveness of the managing director's salary with directors of a similar responsibility level in businesses of similar size and complexity while having regard for the current liquidity of the company. The bonuses totalling $83,500 have been fully paid as at 30 September 2015.

Signed, in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Board

Mr. G. L. Rees
Director

Mr. R. Rees
Director

Moorabbin,
16 December 2015

Hayes Knight Audit
chartered accountants · your partners in success

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Registered Audit Company 291969

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIETEL LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Sietel Limited, which comprises the consolidated statement of financial position as at 30 September 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 company and the consolidated entity.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 about whether the financial report is free from material misstatement.

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

the financial report of Sietel 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 September 2015 and of its performance for the year ended on that date; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 September 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 Sietel Limited for the year ended 30 September 2015 complies with section 300A of the *Corporations Act 2001*.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Richard S. Cen
Director

Dated this 16 day of December 2015

DIRECTORS' DECLARATION

The directors declare that:

a) The attached financial statements and notes as set out on pages 7-22 thereto comply with Australian Accounting Standards;

b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the economic entity;

c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001;

d) 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; and

e) The directors have been given a declaration required by s.295A of the Corporations Act 2001 by the Managing Director.

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

On behalf of the Directors

Mr. G. L. Rees
Director

Mr. R. Rees
Director

Moorabbin,
16 December 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SIETEL LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2015 there have been:

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

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

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Richard S. Cen
Director

Dated this 16 day of December 2015

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

Note		Economic Entity 2015 $	Economic Entity 2014 $
	Continuing Operations:		
13	Revenues	7,985,182	8,895,072
13	Other income	54,578	4,275
14	Other expenses	(6,489,166)	(7,501,632)
14	Finance costs	-	-
	Operating profit/(loss) before income tax	1,550,594	1,397,715
17	Impairment of goodwill	-	(318,424)
14	Impairment of available for sale financial assets	(1,611,445)	(118,599)
	Profit/(loss) before income tax	(60,851)	960,692
18	Income tax revenue/(expense)	(185,055)	(150,706)
	Profit/(loss) after income tax	(245,906)	809,986
	Other Comprehensive Income or Loss:		
	Items that may be reclassified subsequently to profit or loss		
13	Net gain/(loss) on available for sale financial assets	(802,171)	126,554
	Other comprehensive income/(loss) for the year	(802,171)	126,554
	Total comprehensive income/(loss) for the year	(1,048,077)	936,540
29	Earnings per share (EPS) - Basic (cents per share)	(3.07)	10.12
	EPS - Basic (cents per share) - continuing operations	(3.07)	10.12
29	Earnings per share (EPS) - Diluted (cents per share)	(3.04)	10.02
	EPS - Diluted (cents per share) – continuing operations	(3.04)	10.02
	Profit/(loss) for the year attributable to:		
	Non-controlling interest	(20,276)	(5,923)
	Owners of the Parent	(225,630)	815,909
		(245,906)	**809,986**
	Total comprehensive income/(loss) for the year attributable to:		
	Non-controlling interest	(20,276)	(5,923)
	Owners of the Parent	(1,027,801)	942,463
		(1,048,077)	**936,540**

Notes to and forming part of the accounts are set out on pages 10 to 22.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

Note		Economic Entity 2015 $	Economic Entity 2014 $
	Current Assets		
28(i)	Cash and cash equivalents	7,357,509	10,521,330
3	Trade and other receivables	657,154	704,720
	Financial assets	-	-
4	Inventories	348,897	392,197
5	Other current assets	209,511	252,351
6	Current tax receivables	-	-
	Total Current Assets	8,573,071	11,870,598
	Non-Current Assets		
	Trade and other receivables	-	-
7	Financial assets	22,324,440	19,884,483
8	Property, plant and equipment	2,937,718	2,736,893
9	Investment property	27,192,184	28,231,940
	Other non-current assets	-	-
19	Deferred tax assets	704,946	657,212
	Total Non-Current Assets	53,159,288	51,510,528
	Total Assets	61,732,359	63,381,126
	Current Liabilities		
10	Trade and other payables	537,085	643,879
11	Financial liabilities	187,436	220,476
21	Current tax liabilities	53,678	132,563
12	Provisions	1,040,733	993,355
	Total Current Liabilities	1,818,932	1,990,273
	Non-Current Liabilities		
	Financial liabilities	-	-
20	Deferred tax liabilities	838,661	1,054,260
	Total Non-Current Liabilities	838,661	1,054,260
	Total Liabilities	2,657,593	3,044,533
	Net Assets	59,074,766	60,336,593
	Equity		
25	Issued capital	4,257,129	4,257,129
	Reserves	2,267,093	3,069,264
	Retained earnings	52,597,599	53,036,979
		59,121,821	60,363,372
	Non-controlling interest	(47,055)	(26,779)
	Total Shareholders' Equity	59,074,766	60,336,593

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 SEPTEMBER 2015

Economic Entity	Issued Capital	Reserves	Retained Earnings	Non-Controlling Interest (NCI)	Total Equity
Balance at 1 October 2013	4,257,129	2,942,710	52,221,070	-	59,420,909
Net profit (loss) for the period	-	-	815,909	(5,923)	809,986
Other comprehensive income	-	126,554	-	-	126,554
Additional NCI arising on the acquisition of AAA P/L	-	-	-	(20,856)	(20,856)
Balance at 30 September 2014	4,257,129	3,069,264	53,036,979	(26,779)	60,336,593
Net profit (loss) for the period	-	-	(225,630)	(20,276)	(245,906)
Other comprehensive income	-	(802,171)	-	-	(802,171)
Dividends paid	-	-	(213,750)	-	(213,750)
Balance at 30 September 2015	4,257,129	2,267,093	52,597,599	(47,055)	59,074,766

* 'Reserves' refers to a financial assets reserve, which includes all of the unrealised gains over cost on our available for sale financial assets, net of capital gains tax. Reversal of unrealised losses are transferred to Reserves at the gross value.

Notes to and forming part of the accounts are set out on pages 10 to 22.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 SEPTEMBER 2015

Note		Economic Entity 2015 $	2014 $
	Cash flows from Operating Activities		
	Receipts from customers	6,637,026	7,498,304
	Payments to suppliers & employees	(5,180,658)	(6,417,064)
	Income tax paid	(312,675)	(700,915)
	Interest received	270,313	384,446
	Dividends received	1,125,408	803,979
	Finance costs	-	-
28(ii)	**Net cash provided by/(used in) operating activities**	2,539,414	1,568,750
	Cash flows from Investing Activities		
	Proceeds from sale of property, plant and equipment	-	24,000
	Proceeds from sale of investment properties	-	-
	Proceeds from sale of financial assets	155,274	83,845
	Purchase of share in Alliance Appliances Australia Pty Ltd	-	(235,000)
	Purchase of property, plant & equipment	(469,693)	(285,398)
	Purchase of investment properties	(6,200)	(33,967)
	Purchase of financial assets	(5,168,866)	(2,964,858)
	Net cash provided by/(used in) investing activities	(5,489,485)	(3,411,378)
	Cash flows from Financing Activities		
	Dividends paid	(213,750)	-
	Net cash provided by/(used in) financing activities	(213,750)	-
	Net increase/(decrease) in cash held	(3,163,821)	(1,842,628)
	Cash and cash equivalents at beginning of financial year	10,521,330	12,363,958
28(i)	**Cash and cash equivalents at end of financial year**	7,357,509	10,521,330

Notes to and forming part of the accounts are included on pages 10 to 22.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of Sietel Limited and controlled entities incorporated and domiciled in Australia.

The financial report of Sietel Limited and controlled entities complies with Australian Accounting Standards, which at present are considered equivalent to the International Financial Reporting Standards. Material accounting policies adopted in the preparation of these statements are stated below and were consistently applied unless otherwise stated.

The financial report has been prepared for a for-profit entity, with the Australian Dollar as presentation currency and amounts rounded to the nearest whole dollar.

The financial statements were authorised for issue on 16 December 2015 by the directors of the company.

(A) Significant Accounting Policies

Accounting policies are selected and applied in a manner which helps ensure that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

(B) Property, Plant and Equipment

Depreciation has been charged in the accounts using either the reducing balance or straight line method on all classes of depreciable assets so as to write off their book value over the estimated useful life of the asset including buildings classified as investments. The economic entity's land and buildings leased to third parties have been classified as Investment Property and land and buildings occupied by the economic entity have been classified as Property, Plant and Equipment. The following estimated useful lives are used in the calculation of depreciation. Buildings: 20 – 40 years and Plant and Equipment 4 - 8 years.

(C) Investment Property

Investment properties are held for long term rental yields and are not used by the consolidated entity. Investment property purchased before 1998 are carried at fair value re the directors 1998 valuation (deemed cost), while the remainder is carried at cost. The policy of the company is to review its valuations of land and buildings annually. There has also been no capital gains tax taken into account in determining revalued amounts.

(D) Inventories

All entities in the economic entity have:

(i) Valued stocks at the lower of cost and net realisable value

(ii) Calculated costs by including all variable manufacturing cost, and an appropriate portion of fixed manufacturing cost, but excluding selling, distribution and administration expenses, and

(iii) Assigned cost to inventory quantities on hand at balance date on a first in first out basis.

(E) Research and Development Expenditure

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 will deliver future economic benefits and these benefits can be measured reliably.

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

(F) Employee Entitlements

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.
Provisions made in respect of annual leave and long service leave, expected to be settled within 12 months and after 12 months are measured at their nominal values plus related on costs.

(G) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity and classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated to the reduction of the lease liability. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The Economic Entity as a landlord adopts general commercial lease terms and conditions. The rents charged are based on market rates and include market reviews at the time of option or renewal of lease.

(H) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(I) Receivables
Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(J) Recoverable Amount of Non-Current Assets
Non-current assets are written down to recoverable amounts where the carrying value of any non-current assets exceeds recoverable amounts. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

Investments in subsidiary companies are valued at cost although in the case of one subsidiary the net assets are less than the company's investment. The Directors have written down this investment as they believe there is a permanent diminution in value.

(K) Accounts Payable
Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(L) Principles of Consolidation
The consolidated accounts comprise the accounts of Sietel Limited and all of its controlled entities. A controlled entity is any entity controlled by Sietel Limited. Control exists where Sietel Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Sietel Limited to achieve the objectives of Sietel Limited. A list of controlled entities is contained in Note 26 to the financial statements.

All intercompany balances and transactions between entities in the economic entity, including any unrealised profit or losses, have been eliminated on consolidation.

(M) Revenue
Revenue from the sale of goods is recognised upon the delivery and invoicing of goods to customers.
Revenue from rent, interest revenue & dividend revenue is recognised on invoice date, when accrued and at ex-dividend date respectively.
Revenue from the rendering of a service is recognised upon the delivery and invoicing of the service to the customers.

(N) Provision for Warranties
Provision is made in respect of the economic entity's estimated liability on products under warranty at balance date.

(O) Income Tax
The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Sietel Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from October 1, 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(P) Business Combination
The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.
Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(Q) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(R) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires 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 either discharged, cancelled or expire. 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.

Classification and Subsequent Measurement

(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, where they are derivatives not held for hedging purposes, or 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. Realised and unrealised gains and losses arising from change in fair value are included in profit or loss in the period in which they arise.

(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 using the effective interest rate method.

(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 using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Impairment

At each reporting date, 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 an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(S) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Calculations performed in assessing impairment include changes in market value, changes in asset use and other factors outside of the Entity's control. Insurance recoveries are not considered part of impairment.

(T) Discontinued Operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographic area of operations, is part of a single coordinated plan to dispose of such a line of business or operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income and the assets and liabilities are presented separately on the face of the statement of financial position.

Note 2 PARENT INFORMATION

The following information, extracted from the books of the parent, has been prepared in accordance with accounting standards.

STATEMENT OF FINANCIAL POSITION

	Chief Entity	
	2015	**2014**
	$	**$**
ASSETS		
Current Assets	8,340,462	11,487,895
TOTAL ASSETS	**64,044,762**	**65,448,587**
LIABILITIES		
Current Liabilities	1,468,197	1,525,432
TOTAL LIABILITIES	**2,293,846**	**2,566,247**
EQUITY		
Issued Capital	4,257,129	4,257,129
Reserves	2,260,420	3,063,919
Retained Earnings	55,233,367	55,561,292
TOTAL EQUITY	**61,750,916**	**62,882,340**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total Profit	(114,175)	1,625,377
TOTAL COMPREHENSIVE INCOME	**(917,674)**	**1,750,518**

Guarantees

Sietel Ltd has not entered into any guarantees, in the current or previous financial year in relation to the debts of its subsidiaries, except as disclosed in Note 25.

Contingent Liabilities

As at 30 Sept 2015, Sietel Ltd did not have any contingent liabilities. (2014: None)

Contractual Commitments

At 30 Sept 2015 Sietel Ltd had contractual commitments totalling $508,517 (2014: $495,000). See Note 21 for details.

	Economic Entity	
	2015	**2014**
	$	**$**
Note 3 CURRENT RECEIVABLES		
Trade receivables	650,295	705,344
Provision for doubtful debts	(35,000)	(35,000)
	615,295	670,344
Other receivables	41,859	34,376
	657,154	704,720
Trade Receivables Summary*		
Amounts due	206,913	145,708
Amounts not yet due	443,382	559,636
	650,295	705,344

*Please note that not all customers are offered the same credit terms
Credit terms range from 0 to 60 days.

Note 4 CURRENT INVENTORIES		
Raw materials	134,984	181,645
Work in progress	104,553	203,352
Finished goods	109,360	7,200
	348,897	392,197
Note 5 OTHER CURRENT ASSETS		
Tenant bonds – Fixed deposits	175,670	215,171
Prepayments	33,841	37,180
	209,511	252,351
Note 6 CURRENT TAX RECEIVABLES		
Current tax receivables	-	-
	-	-
Note 7 NON-CURRENT FINANCIAL ASSETS		
Available for sale assets		
- Listed Shares (at market value)	22,282,957	19,884,483
- Unlisted Investments	41,483	-
	22,324,440	19,884,483

Note 8 PROPERTY PLANT AND EQUIPMENT *

	Economic Entity 2015 $	Economic Entity 2014 $
Plant and Equipment at cost	3,651,769	3,182,076
Less Accumulated depreciation	(2,913,381)	(2,697,449)
Total Plant and Equipment	738,388	484,627
Property		
Land at Cost	1,273,568	1,273,568
Total Land	1,273,568	1,273,568
Buildings at Cost	415,491	415,491
Building Additions at Cost	907,909	907,909
Less Accumulated depreciation	(397,638)	(344,702)
Total Buildings	925,762	978,698
Total Property	2,199,330	2,252,266
Total Property Plant and Equipment	2,937,718	2,736,893

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year 2015. The term 'P&E' refers to plant and equipment.

Economic Entity	Land ($)	Buildings ($)	P&E ($)	Leased P&E($)	Total ($)
Balance at 1 October 2014	1,273,568	978,698	484,627	-	2,736,893
Additions	-	-	469,693	-	469,693
Depreciation expense	-	(52,936)	(215,932)	-	(268,868)
Disposals	-	-	-	-	-
Balance at 30 September 2015	1,273,568	925,762	738,388	-	2,937,718

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the previous year 2014. The term 'P&E' refers to plant and equipment.

Economic Entity	Land ($)	Buildings ($)	P&E ($)	Leased P&E($)	Total ($)
Balance at 1 October 2013	1,273,568	1,031,634	422,136	-	2,727,338
Additions	-	-	285,398	-	285,398
Depreciation expense	-	(52,936)	(203,181)	-	(256,117)
Disposals	-	-	(19,726)	-	(19,726)
Balance at 30 September 2014	1,273,568	978,698	484,627	-	2,736,893

Note 9 INVESTMENT PROPERTY *

	Economic Entity 2015 $	Economic Entity 2014 $
Property		
Land at Directors Valuation 1998 (Deemed cost)	3,702,937	3,702,937
Land at Cost	7,031,318	7,031,318
Total Land	10,734,255	10,734,255
Buildings at Directors Valuation 1998 (Deemed cost)	1,989,750	1,989,750
Buildings at Cost	21,269,957	21,269,957
Building Additions at Cost	43,712	37,512
Less Accumulated depreciation	(6,845,490)	(5,799,534)
Total Buildings	16,457,929	17,497,685
Total Investment Property	27,192,184	28,231,940

Movement in the carrying amounts for investment property:

	2015	2014
Opening Balance	28,231,940	29,267,235
Additions	6,200	33,967
Depreciation expense	(1,045,956)	(1,069,262)
Sales	-	-
Disposals	-	-
Closing Balance	27,192,184	28,231,940

*** Note 8 & 9 PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTY**

The Directors have reviewed and established a market value of all properties, including investment properties. Valuations adopted include reference to recently signed leases, research from commercial real estate agencies, the discounted cash flow and income capitalisation methodologies, as well as information received from real estate agents and recent sales information.

Valuation year end 2015		$44,450,000
WD Book Value as at 30 September 2015		
Note 8: Land and Buildings	$2,199,330	
Note 9: Investment Property	$27,192,184	$29,391,514
Unrealised Net Gain		$15,058,486
Applicable Capital Gains tax at 30%		$4,517,546

	Economic Entity 2015 $	Economic Entity 2014 $
Note 10 CURRENT ACCOUNTS PAYABLE		
Unsecured :		
Trade Creditors	161,808	299,563
Sundry Creditors	375,277	344,316
	537,085	643,879
Note 11 FINANCIAL LIABILITIES		
Unsecured :		
Tenant bonds	187,436	220,476
	187,436	220,476

Note 12 CURRENT PROVISIONS

	Annual Leave ($)	Long Service Leave ($)	Directors' Fees ($)	Provision for Warranty ($)	Total ($)
Opening Balance at 1 Oct 2014	632,997	194,358	101,000	65,000	993,355
Additional provisions	124,550	23,493	160,000	-	308,043
Amounts used	(119,569)	-	(140,000)	-	(259,569)
Amounts paid out on resignation	(1,096)	-	-	-	(1,096)
Amounts transferred out	-	-	-	-	-
Balance at 30 September 2015	636,882	217,851	121,000	65,000	1,040,733

	Economic Entity 2015 $	Economic Entity 2014 $
Note 13 REVENUE		
Operating:		
Sales Revenue	3,098,381	3,909,853
Dividends		
- Other Corporations	1,120,140	857,755
Interest Received		
- Other Corporations	247,552	396,509
Rent Revenue		
- Other Corporations	3,064,134	3,134,739
Other Revenue	454,975	596,216
	7,985,182	8,895,072
Non Operating:		
Gain on disposal		
- Property, plant and equipment	-	4,275
- Investments	54,578	-
	54,578	4,275
Total Revenue	8,039,760	8,899,347
Other Comprehensive Income or Loss		
Net gain/(loss) on revaluation of available for sale financial assets	(802,171)	126,554
Other comprehensive income/(loss) for the year	(802,171)	126,554

	Economic Entity 2015 $	Economic Entity 2014 $
Note 14 EXPENSES		
(a) Operating profit before income tax has been determined after:		
Cost of goods sold	2,099,497	2,873,095
Overheads	3,630,872	3,782,667
Administration expenses	686,469	709,033
Selling expenses	72,328	125,532
Loss of disposal of investments	-	11,305
Bad debts and other	-	-
Total other expense	6,489,166	7,501,632
Impairment of available for sale financial assets*:		
Impairment Loss	1,611,445	118,599

*Note: Unrealised losses on available for sale financial assets are impaired through P&L once their carrying amount has dropped below cost. Any subsequent reversal of that unrealised loss is taken back through equity.

	2015 $	2014 $
Depreciation included above:		
- Buildings	52,936	52,936
- Plant and equipment owned	215,932	203,181
- Investment properties	1,045,956	1,069,262
	1,314,824	1,325,379
Employee benefits included above:		
- Short term benefits	1,740,722	1,727,794
- Post-employment benefits	204,105	173,303
	1,944,827	1,901,097
(b) Finance costs/(borrowings):		
- Interest paid		
Other corporations	-	-
Finance leases	-	-
	-	-
(c) Net transfers to/(from) provisions for:		
- Employee entitlements	(259,569)	(235,132)
(d) Research and Development Costs	248,492	320,729
(e) Costs in relation to the holding of rental properties:		
- Council rates	156,440	143,589
- Congestion levy	12,579	-
- Water rates	52,639	49,510
- Insurance	78,489	77,481
- Land tax	433,215	425,880
- Repairs & maintenance	218,629	225,013
- Other	70,194	57,169
	1,022,186	978,642

	Economic Entity 2015 $	Economic Entity 2014 $
Note 15 AUDITORS REMUNERATION		
Amount received or due and receivable by the Chief Entity Auditors for:		
- Audit and Review	43,750	42,000
- Other services	-	-
	43,750	42,000
Note 16 CAPITAL AND LEASING COMMITMENTS		
Finance Leasing Commitments		
Total finance lease liability	-	-
Capital Commitments		
- Less than 1 year		
Managed investment fund – OneVentures Innovation and Growth Fund II	468,713	495,000
Managed investment fund – OneVentures Nominees Vaxxas Bare Trust - B	39,804	-
- Longer than 1 years, not longer than 5 years	-	-
- Longer than 5 years	-	-
	508,517	495,000
Note 17 GOODWILL		
Opening balance	-	-
Acquired through business combination	-	318,424
Impairment loss recognised	-	(318,424)
Closing balance	-	-
Note 18 INCOME TAX EXPENSE		
a) The prima facie tax on operating profit is reconciled to the income tax expense (benefit) in the accounts as follows:		
Continuing profit (loss) before income tax	(60,851)	960,692
Prima Facie income tax expense/(refund) applicable to		
Operating Profit/(loss) at 30% (2014 30%)	(18,255)	288,208
Add/Deduct tax effect of:		
Amounts not depreciable for tax	56,906	63,961
Legal Expenses	2,607	(10,108)
Research and Development Expenditure	(65,077)	(48,109)
Impairment loss on available for sale financial assets	483,433	35,580
Impairment of goodwill	-	95,527
Tax offsets/rebates	(318,063)	(229,783)
Timing differences	1,580	(16,133)
Reclassification of brought forward differences and over provision for tax in previous years	(1,002)	(37,321)
Tax losses which do not offset the consolidated group	42,926	8,884
Income Tax Expense per Accounts	185,055	150,706
Income tax expense related to continuing operations	185,055	150,706
The applicable weighted average effective tax rates	N/A	16%
Adjusted Franking Account Balance	14,730,008	13,964,132
Note 19 DEFERRED TAX ASSETS		
Deferred Tax Assets	704,946	657,212
	704,946	657,212
Note 20 DEFERRED TAX LIABILITES		
Deferred Tax Liabilities	838,661	1,054,260
	838,661	1,054,260
Note 21 CURRENT TAX LIABILITIES		
Current – Income Tax	53,678	132,563
	53,678	132,563

	Economic Entity 2015 $	Economic Entity 2014 $
Note 22 RELATED PARTY TRANSACTIONS		
Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.		
(a) Transactions with directors and director-related entities -		
- Legal fees are paid to a firm of which Mr. G. Rees is a Director for legal services	6,642	10,038
- R&D consulting fees paid to Mr G. Nanscawen	20,000	-
- Sale of motor vehicle to Mr D. G. Rees	-	24,000
- Mrs H. J. Rees (Spouse, Mr R. Rees) salary including superannuation	84,525	62,553
- Mr C. A. Rees (Adult Son, Mr R. Rees) salary including superannuation	12,879	23,800
- Mr M. J. Rees (Adult Son, Mr R. Rees) salary including superannuation	-	6,583
- Directors of entities within the economic entity are able to receive goods and services at discounted prices and participate in field testing of new products.		
(b) Controlling entities		
Guarantees and indemnities given by chief entity to controlled entities banker for facilities.		
- Cooks Body Works Pty Ltd	50,000	50,000
Note 23 DIVIDENDS		
Paid		
Unfranked preference dividend of 280 (2014: Nil) cents per share	210,000	-
Unfranked preference dividend of 5 (2014: Nil) cents per share	3,750	-
	213,750	-
Declared		
Unfranked preference dividend of 5 (2014: 280) cents per share	3,750	210,000
Cumulative preference dividend in arrears at 30 September	-	206,250
Note 24 KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term employee benefits	470,807	458,000
Post-employment benefits	61,075	35,110
	531,882	493,110

For details of the remuneration paid to individual key management personnel, please refer to the remuneration report on page 4.

Note 25 ISSUED CAPITAL	Economic Entity 2015 $	Economic Entity 2014 $
Issued and Paid Up Capital 8,007,479 Ordinary Shares fully Paid (2014: 8,007,479)	4,107,129	4,107,129
75,000 Preference Shares 5% Cumulative fully paid (2014: 75,000)	150,000	150,000
	4,257,129	4,257,129

The directors of the chief entity have no current plans to alter the capital structure of the business in the foreseeable future. Sietel Limited is not subject to any externally imposed capital requirements and currently has no debt obligations.

Movements in Ordinary Shares	**2015 (No.)**	**2014 (No.)**
Opening Balance	8,007,479	8,007,479
Shares Issued	-	-
Closing Balance	8,007,479	8,007,479

Under the Company's Constitution Ordinary Shareholders are entitled to one vote per share, Preference Shareholders are entitled to a vote of four (4) votes for each share at the meeting if dividends are in arrears.

Note 26 SUPERANNUATION COMMITMENTS

Sietel Ltd, Cook's Body Works Pty Ltd and The Cylinder Company Pty Ltd each pay the employer's contribution required by the Superannuation Guarantee Charge Act and any further salary sacrifice amounts or employee contributions, if instructed, to complying superannuation funds as selected by their employees.

The amount and time of payment of benefits by these various superannuation funds will be in accordance with the terms and conditions negotiated by each individual employee and are not guaranteed in any way by the company or its subsidiaries.

The relevant company has a legal obligation to contribute to these superannuation funds in accordance with relevant requirements of the Superannuation Guarantee legislation.

Note 27 CONTROLLED ENTITIES AND SEGMENT REPORTING

(a) Entities controlled by ultimate parent entity Sietel Ltd and contribution to Consolidated Profit(Loss)

Name of Controlled Entity of Sietel Limited	Beneficially Owned by Sietel Ltd		Contribution to consolidated operating Profit/(loss) after income tax attributable to members of the chief entity		Investment by Sietel Ltd at cost	
	2015	2014	2015	2014	2015	2014
	%	%	$	$	$	$
Continuing operations						
Cooks Body Works Pty Ltd[(1)]	100	100	(193,033)	(259,317)	290,000	290,000
The Cylinder Co Pty Ltd[(1)]	100	100	1,304	2,501	60	60
ABN 17 006 852 820 Pty Ltd[(1)]	100	100	2,148	5,913	481,713	481,713
Alliance Appliances Australia P/L[(1)]	80	80	(101,383)	(348,038)	235,000	235,000
Sietel Limited[(1)]	N/A	N/A	45,058	1,408,927	-	-
Total			(245,906)	809,986	1,006,773	1,006,773

[(1)]Companies incorporated in Australia.

(b) Segment Reporting

	Revenue		Results		Assets		Liabilities		Depreciation	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Continuing operations										
Investments	4,929	4,980	48	1,414	59,957	61,945	2,339	2,611	1,282	1,290
Operations	3,111	3,919	(294)	(604)	1,775	1,436	319	434	33	35
TOTAL	8,040	8,899	(246)	810	61,732	63,381	2,658	3,045	1,315	1,325

Please note the segments have been re-defined since the 2014 annual report, after conducting an analysis of the previously disclosed segments, the board has decided some segments were immaterial and did not justify a separate disclosure.

The board considers it more appropriate to split the business into two segments, one containing it's listed share and property investment activities labelled 'Investments', and the other encompassing the group's manufacturing, importation and services activities labelled 'Operations'.

	Economic Entity	
	2015	**2014**
	$	$
Note 28 NOTES TO THE STATEMENT OF CASH FLOWS		
(i) Reconciliation of Cash		
For the purpose of the statement of cash flows cash includes:		
(a) Cash on hand and at call deposits with banks or financial institutions		
(b) Investments in money market instruments with less than 14 days to maturity		
Cash at the end of the year is shown in the statement of financial position as:		
Cash on hand	7,357,509	10,521,330
Bank overdrafts	-	-
	7,357,509	10,521,330
(ii) Reconciliation of cash flows from operations with Operating Profit after Income Tax		
Operating Profit after Income Tax	(245,906)	809,986
Non-cash flows in operating profit after income tax		
Depreciation	1,314,825	1,325,380
Impairment of available for sale financial assets	1,611,445	118,599
Impairment of goodwill	-	318,424
(Profit)/Loss on sale of plant and equipment	-	(4,275)
(Profit)/Loss on sale of investments	(54,578)	11,305
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	47,566	(208,342)
(Increase)/Decrease in other current assets	42,839	(11,427)
(Increase)/Decrease in inventories	43,300	178,550
Increase/(Decrease) in provisions	47,378	81,869
Increase/(Decrease) in trade creditors	(139,835)	(501,110)
Movements in taxation balances	(127,620)	(550,209)
Net cash provided by operating activities	2,539,414	1,568,750

Note 29 EARNINGS PER SHARE

	2015	2014
Basic earnings per share (cents per share)	(3.07)	10.12
Diluted earnings per share (cents per share)	(3.04)	10.02
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	8,007,479	8,007,479

$$\text{Basic EPS} = \frac{\text{Profit/(loss) for the period}}{\text{No. Of ordinary securities}} = \frac{(245,906)}{8,007,479} = (3.07¢)$$

$$\text{Diluted EPS} = \frac{\text{Profit/(loss) for the period}}{\text{No. Of ordinary securities + Preference securities}} = \frac{(245,906)}{8,007,479+75,000} = (3.04¢)$$

Note 30 FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

The group's financial instruments consist mainly of deposits with banks, local money market instruments, available for sale financial assets, accounts receivable and payable and preference shares.

(b) Interest Rate Risk

The following details the group's exposure to interest rate risk as at the reporting date.

	Economic Entity			
	2015 Average Interest Rate (%)	2015 Total ($)	2014 Average Interest Rate (%)	2014 Total ($)
Financial Assets				
Cash	2.02	7,357,509	3.05	10,521,330

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The company's policy is to manage its interest risk using floating interest rates and interest cap rates based on the bank bill rate.

At 30 September 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows for interest revenue.

	Economic Entity	
	2015 $	2014 $
Change in profit		
- Increase in interest rate by 1%	93,507	121,002
- Decrease in interest rate by 1%	(90,431)	(115,281)
Change in equity		
- Increase in interest rate by 1%	93,507	121,002
- Decrease in interest rate by 1%	(90,431)	(115,281)

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures credit risk on a fair value basis.

(d) Market risk

The following details the group's exposure to market risk as at the reporting date.

	2015 Total $	2014 Total $
Financial Assets		
Assets available for sale	22,324,440	19,884,483
	22,324,440	19,884,483

The group has performed sensitivity analysis relating to its exposure to market risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Note 30 FINANCIAL INSTRUMENTS (CONTINUED)

At 30 September 2015, the effect on profit and equity as a result of changes in the market index, with all other variables remaining constant would be as follows for asset values.

	2015	**2014**
	$	$
Change in profit		
- Increase in index by 10%	583,221	69,776
- Decrease in index by 10%	(795,480)	(408,525)
Change in equity		
- Increase in index by 10%	1,743,029	1,521,059
- Decrease in index by 10%	(1,804,581)	(1,595,187)

(e) Liquidity risk
Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debt or otherwise meeting its obligations related to its financial liabilities. The group's low borrowings $0 (2014 $0), greatly reduces the liquidity risk faced by the entity.
All financial liabilities are current and therefore have a maturity of less than one year.

(f) Net Fair Value
The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

Note 31 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

The table below breaks down which category each asset measured at fair value is grouped into based on the following criteria:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

	2015 Total	**2014 Total**
	$	$
Financial Assets		
Assets available for sale		
Level 1	22,282,957	19,884,483
Level 2	41,483	-
Level 3	-	-
	22,324,440	19,884,483

Note 32 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

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 the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contracts(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group’s financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2014-4: Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016).

This amendment clarifies that the use of revenue-based methods to calculate depreciation of an asset are not appropriate and hence not allowable. The amendment is not expected to significantly impact the Group’s financial statements.

STATEMENT IN COMPLIANCE WITH THE AUSTRALIAN SECURITIES EXCHANGE LISTING REQUIREMENTS

DIRECTORS' INTEREST IN ORDINARY SHARES AS AT 30 SEPTEMBER 2015 & 30 NOVEMBER 2015

Director	Direct Interest Nov 2015	Direct Interest Sep 2015	Direct Interest Sep 2014	Indirect Interest Nov 2015	Indirect Interest Sep 2015	Indirect Interest Sep 2014
D. G. Rees	66,211	66,211	66,211	5,310,694	5,310,694	5,310,694
R. Rees	529,239	527,030	527,030	6,034,339	6,034,339	6,034,339
G. Rees	2,000	2,000	2,000	4,594,063	4,594,063	4,594,063

Substantial Shareholders
Triple Two Investments Pty Ltd, Lyntina Pty Ltd, Siderfin Holdings Pty Ltd, Delvest Pty Ltd, Merben Pty Ltd and The Three Pumpkins Pty Ltd. of Suite 3, 15 Tintern Avenue Toorak are shown in the Substantial Shareholder Register as holding 2,319,866; 808,776; 676,895; 692,187; 615,365 and 560,000 Ordinary shares respectively.

20 Largest Shareholders at November 30, 2015

The twenty largest Ordinary Shareholders of the Company held 7,039,349 Ordinary Shares representing 88% of the voting shares of the Company. The twenty largest Preference Shareholders of the Company held 73,366 Preference Shares which attract votes on the basis of four for each $2 Preference Share held while there are dividends in arrears.

List of the twenty largest Shareholders for each class of Shares have been supplied to the Australian Securities Exchange Ltd.

Directors

There were no loans to any Chief Entity Directors during the financial year nor do any loans to Directors of the Chief Entity exist. The Company has not entered into any service agreement with any Director or with a Company in which a Director has a direct or indirect interest, except for a service and option agreement with the Managing Director. There is no contingent liability or termination under this agreement.

Distribution of Shareholding as at November 30, 2015

Number of Shareholders Ord	Number of Shareholders Pref	Number of Shares Held
113	28	**Up to 250**
104	4	**251 to 500**
53	0	**501 to 1,000**
155	1	**1,001 to 5,000**
14	3	**5,001 to 10,000**
39	3	**10,001 and over**

The number of shareholders holding less than marketable parcels is: 12 Ordinary
31 Preference

Security Holders Privacy Statement

Information about our privacy policy can be found at http://www.boardroomlimited.com.au/privacy.html
Or you can contact us by:

Correspondence: The Privacy Officer
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
Website: www.boardroomlimited.com.au; Share Enquiries
Email: privacyofficer@boardroomlimited.com.au