



Appendix 4E

Full year report for the Year Ending 31 March 2013

(the previous corresponding period is the Year Ended 31 March 2012)

Results for announcement to the market

\$A millions

Revenues from ordinary activities	Up	6.7%	to	1,499.3
Underlying profit * before unusual items attributable to members	Up	7.0%	to	237.9
Profit (loss) from ordinary activities after tax attributable to members	Up	2.2%	to	227.3
Net profit (loss) for the period attributable to members	Up	2.2%	to	227.3
Basic underlying * earnings per share	Up	5.5%	to	69.5¢
Basic earnings per share	Up	0.8%	to	66.4¢
Total dividend per share for the year (50% franked)	Up	6.7%	to	48.0¢
Directors are pleased to report that the Group achieved a record financial result in the year to March 2013. Underlying net profit after tax (attributable to equity holders of the Company, including the results from operating activities of discontinued operations and excluding unusual items) was \$237.9 million for the year in line with guidance provided to the market. The result was up 7.0% on the previous year and was generated from revenue of \$1,499.3 million (up 6.7% on the year to March 2012). Net profit after tax attributable to equity holders of the Company including unusual items was \$227.3 million. Unusual items contributed a net loss after income tax of \$10.6 million and relate to the Campbell Chemicals and Reward Distribution segments (refer summary below).				
Reconciliation of underlying profit * before unusual items attributable to equity holders of the Company:				
				\$m
Underlying profit * before unusual items attributable to equity holders of the Company				237.9
<i>Unusual items net of income tax attributable to equity holders of the Company (refer note 9 to the financial statements):</i>				
Gain on sale of Campbell Chemicals segment				5.7
Impairment loss - Reward Distribution segment				(16.1)
Income tax effect				(0.2)
Effect of unusual items after income tax				(10.6)
Net profit attributable to equity holders of the Company				227.3

* Underlying profit is a non-IFRS disclosure. It includes the results from operating activities of discontinued operations and excludes unusual items and has been presented to assist in the assessment of the relative performance of the Group from year to year. The calculation of underlying profit is based on information extracted from the Group's audited financial statements.

Dividend Disclosures

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	27.0¢	13.5¢
Interim dividend	21.0¢	10.5¢
Date the final dividend (distribution) is payable		2 July 2013
+Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)		14 June 2013

Dividend - Amount per security

	Amount per security	Amount per security of conduit foreign income
Final dividend: Current year	27.0¢	13.5¢
Previous year	26.0¢	13.0¢
Interim dividend: Current year	21.0¢	10.5¢
Previous year	19.0¢	9.5¢

Total final dividend (distribution) on all securities

	Current period \$A millions	Previous corresponding period - \$A millions
+Ordinary securities (<i>each class separately</i>)	92.8	87.8
Preference +securities (<i>each class separately</i>)	-	-
Other equity instruments (<i>each class separately</i>)	-	-
Total	92.8	87.8

Current forecasts indicate that the dividends for the next financial year will be partly franked to at least 50%.

The Company continues to operate its dividend reinvestment plan - a 5.0% discount to VWAP of the Company's shares over the 5 trading days following the dividend record date (14 June 2013) will apply for shares issued in relation to the 2013 final dividend.

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	56¢	48¢*

* Restated post 5-for-1 share split

Audit

The report is based on the attached accounts which have been audited.

Signature:



Date: 27th May 2013

Print name: **Tim Mullen**
Company Secretary



ALS Limited

(formerly Campbell Brothers Limited)

ABN 92 009 657 489

Annual Financial Report

31 March 2013

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries Annual Financial Report for the Year Ended 31 March 2013

Contents

- Directors' report (including remuneration report)
 - Profit and loss statement
 - Statement of comprehensive income
 - Balance sheet
 - Statement of changes in equity
 - Statement of cash flows
 - Notes to the financial statements
 - Directors' declaration
 - Audit report
 - Lead auditor's independence declaration
-

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report

For the year ended 31 March 2013

The directors present their report together with the financial report of the Group, comprising ALS Limited (formerly Campbell Brothers Limited) ("the Company") and its subsidiaries, for the year ended 31 March 2013 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

NEROLIE WITHNALL BA, LLB, FAICD

Chairman and Independent Non-Executive Director Age 69

Nerolie Withnall became a non-executive director of the Company in 1994 and was appointed Chairman on 31 July 2012. She is a director of PanAust Limited (appointed May 1996), Alchemia Limited (appointed Oct 2003) and Computershare Limited (appointed July 2008). She was previously a director of Redcape Property Fund Limited (formerly Hedley Leisure and Gaming Property Partners Limited (June 2007 - November 2010), QM Technologies Limited (Sept 2003 - April 2008) and the Major Sports Facilities Authority. She is a former member of the Takeovers Panel, the Corporations and Markets Advisory Committee, the Senate of the University of Queensland and the Council of the Australian National Maritime Museum. She is a former partner of Minter Ellison Lawyers. She was appointed Chairman of the Remuneration Committee effective 1 April 2012 and is a member of the Audit and Compliance Committee.

GREG KILMISTER B Sc (Hons), FRACI, MAIG

Managing Director and Chief Executive Officer Age 57

Greg Kilmister was appointed Managing Director and Chief Executive Officer of the Company effective 1 September 2005. He joined the Company in 1981 and was the General Manager of the Company's highly successful ALS Laboratory Services Group from 1992 through to 2005.

RAYMOND G HILL FAICD

Independent Non-Executive Director Age 71

Ray Hill was appointed a non-executive director of the Company in 2003. He retired in July 2002 after a career spanning thirty years with Queensland dairy company Parmalat Australia Ltd (formerly Pauls Limited) including the last 8 years as Group General Manager/Managing Director. He retired from the board of Parmalat Australia Ltd (unlisted public company), effective 7 December 2012. He is a member of the Audit and Compliance Committee.

BRUCE R BROWN B Com, AAUQ, FAICD

Independent Non-Executive Director Age 68

Bruce Brown was appointed a non-executive director of the Company on 1 October 2005. He retired as Managing Director and Chief Executive of the Company on 31 August 2005 after 30 years service. He is a director of RedFlow Limited (appointed March 2012) and was previously a director of Transpacific Industries Group Ltd (March 2005 - March 2013). He is a member of the Remuneration Committee.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries Directors' report (continued)

For the year ended 31 March 2013

MELVYN J BRIDGES B AppSc, PhD, FAICD

Independent Non-Executive Director Age 63

Mel Bridges was appointed a non-executive director of the Company in 2009. He has over 30 years experience in the life sciences, technology and healthcare industries. During this period, Mel founded and managed successful diagnostics, biotechnology and medical device businesses. He is currently Chairman of Alchemia Limited (appointed director in September 2003). He is a non-executive director of ImpediMed Limited (appointed September 1999), Benitec Limited (appointed October 2007) and Tissue Therapies Limited (appointed March 2009). He was previously Chairman of Leaf Energy Limited (August 2010 - September 2012), Genetic Technology Group Limited (January - November 2012) and Incitive Limited (November 2007 - June 2010) and a non-executive director of Genera Biosystems Limited (December 2008 - November 2010). He was appointed as a member of the Audit and Compliance Committee effective 1 April 2012.

GRANT B MURDOCH M COM (Hons), FAICD, FCA

Independent Non-Executive Director Age 61

Grant Murdoch was appointed a non-executive director of the Company in 2011. He was formerly a Partner of Ernst & Young and Divisional Director of Ernst & Young Transaction Advisory Services Limited in Queensland. He is a director of Cardno Limited (appointed January 2013) and is a director of Queensland Investment Corporation (QIC) and UQ Holdings Ltd. He is Chairman of the Endeavour Foundation and a senator of the University of Queensland, and an Adjunct Professor at the University of Queensland Business School. He has more than 37 years of chartered accountancy experience, specialising in mergers, acquisitions, takeovers, corporate restructures and share issues. He was appointed Chairman of the Audit and Compliance Committee on 1 July 2012.

JOHN F MULCAHY PhD, BE (Civil Eng) (Hons), FIE Aust

Independent Non-Executive Director Age 63

John Mulcahy was appointed a non-executive director of the Company in 2012. He is Chairman of Coffey International Limited, a non-executive Director of GWA Group Limited and Mirvac Group Limited, and a Guardian of the Future Fund of Australia. He is a former Managing Director and Chief Executive Officer of Suncorp-Metway Limited. Prior to Suncorp, John held a number of senior executive roles at the Commonwealth Bank and Lend Lease Corporation. He was appointed as a member of the Remuneration Committee effective 1 April 2012.

GEOFFREY J McGRATH MIIE.

Former Chairman and Independent Non-Executive Director

Geoff McGrath retired from the Board on 31 July 2012 having served as a non-executive director of the Company since 2003 and as Chairman from August 2004.

Company Secretary

TIM MULLEN B Bus, M Com Law, FCPA, FCIS, FCLA

Tim Mullen was appointed Company Secretary of the Company on 27 February 2007. He is a Chartered Secretary and a member of CPA Australia. He has a background in financial and commercial management and company secretarial practice. He has been with the Company for sixteen years. His main responsibilities are corporate governance and legal management of the Group.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Corporate actions

Change of name

Effective 1 August 2012, the Company changed its name from Campbell Brothers Limited to ALS Limited having received shareholder approval at the annual general meeting (AGM) on 31 July 2012.

Five-for-one share split

At the same AGM shareholders also voted in favour of a resolution to split the Company's shares on the basis of five new shares for every one share held. The split took effect on 9 August 2012.

Principal Activities

The principal activities of the Group during the course of the financial year were:

- Provision of technical testing and inspection services specifically supporting mining and mineral exploration, commodity certification, environmental monitoring, equipment maintenance, food and pharmaceutical quality assurance and industrial operations.
- Distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries.
- Distribution of cleaning agents and chemicals for both domestic and industrial customers (these businesses were divested in September 2012 – refer below and notes 9 and 35).

During the year the Group expanded and diversified its testing and inspection service capabilities through the acquisitions of:

- Eclipse Scientific Group, a food, dairy, water and pharmaceutical testing business servicing England and Ireland;
- Milana A/S, a provider of a broad range of analytical testing services to the Danish environmental market; and
- An 80% holding in the Corplab environmental testing group in Latin America with operations in Peru, Brazil, Argentina and Ecuador.

The Group divested the two remaining business units of the Campbell Chemicals segment, namely Panamex Pacific and Deltrex Chemicals, in September 2012.

Otherwise there were no significant changes in the nature of the activities of the Group during the year.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Review and results of operations

Net profit

Directors are pleased to report that the Group achieved a record financial result in the year to March 2013. Underlying net profit after tax (attributable to equity holders of the Company, including the results from operating activities of discontinued operations and excluding unusual items) was \$237.9 million for the year in line with guidance provided to the market. The result was up 7.0% on the previous year and was generated from revenue of \$1,499.3 million (up 6.7% on the year to March 2012).

Net profit after tax attributable to equity holders of the Company including unusual items was \$227.3 million. Unusual items contributed a net loss after income tax of \$10.6 million and relate to the Campbell Chemicals and Reward Distribution segments (refer summary below).

All divisions within the ALS technical services business generated higher levels of revenue than the previous year. This translated into improved contribution margins for ALS Energy and ALS industrial, whilst ALS Minerals and ALS Life Sciences experienced slight contractions in margin (refer Divisional contributions below). The Reward Distribution hospitality supplies division suffered falling revenues and profit margin during the year. The two remaining business units of the Campbell Chemical segment were divested in September 2012.

Directors have declared a final partly franked (50%) dividend for the year of 27 cents per share on a post-share split basis (2012: 26 cents partly franked on a post-share split basis) bringing the total partly franked (50%) dividend for the year to 48 cents per share (2012: 45 cents partly franked). The Company's dividend reinvestment plan will operate for the final 2013 dividend at a 5.0% discount to market price.

The consolidated result is summarised:

	2013 \$m	2012 \$m
Revenue	1,499.3	1,405.6
Underlying profit * before financing costs, income tax and unusual items	350.3	327.6
Net financing costs	(19.6)	(15.6)
Income tax expense relating to underlying profit * before unusual items	(89.6)	(87.3)
Underlying profit * before unusual items	241.1	224.7
Net profit/(loss) attributable to non-controlling interests before unusual items	(3.2)	(2.3)
Underlying profit * before unusual items attributable to equity holders of the Company	237.9	222.4
Unusual items net of income tax attributable to equity holders of the Company (refer note 9 to the financial statements):		
Gain on sale of Campbell Chemicals segment	5.7	-
Write-down to recoverable amount of goodwill in Reward Distribution segment	(16.1)	-
Income tax effect	(0.2)	-
Effect of unusual items after income tax	(10.6)	-
Profit attributable to equity holders of the Company	227.3	222.4

* Underlying profit is a non-IFRS disclosure. It includes the results from operating activities of discontinued operations and excludes unusual items and has been presented to assist in the assessment of the relative performance of the Group from year to year. The calculation of underlying profit is based on information extracted from the Group's audited financial statements.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Review and results of operations (continued)

Net profit (continued)

	2013	2012
Basic underlying earnings per share *	69.53c	65.90c
Diluted underlying earnings per share *	69.44c	65.76c
Basic earnings per share	66.44c	65.90c
Diluted earnings per share	66.35c	65.76c

* Underlying earnings per share is a non-IFRS disclosure. It includes the results from operating activities of discontinued operations and excludes unusual items and has been presented to assist in the assessment of the relative performance of the Group from year to year. Refer note 13 to the financial statements for amounts used in the calculation of underlying earnings per share.

Divisional contributions

Contributions from business segments were as follows:

ALS Minerals	2013 \$M	2012 \$M	Increase/ (Decrease)
Revenue	608.4	591.3	2.9%
Segment contribution	211.3	214.7	(1.6%)
Margin (segment contribution to revenue)	34.7%	36.3%	

ALS Minerals division experienced softening market conditions across its business streams during the second half of the financial year as global exploration activity slowed. The resultant tightening in contribution margins was closely monitored and controlled by an effective cost management program. In particular, the South American and European regions of the ALS Geochemistry stream produced strong revenue and earnings growth, benefiting from recent capital expenditure on facilities and equipment. ALS Metallurgy's North American region also performed well growing its revenue and contribution in challenging conditions.

ALS Life Sciences	2013 \$M	2012 \$M	Increase
Revenue	454.4	360.7	26.0%
Segment contribution	89.3	78.1	14.3%
Margin (segment contribution to revenue)	19.7%	21.7%	

ALS Life Sciences delivered solid revenue improvement in all its various regions during the year. This was driven by a combination of increased market share in most territories and strategic acquisitions in Europe and Latin America. Acquisition integration expenses and cost pressures associated with the prolonged northern hemisphere winter led to a mild contraction in the division's contribution margin.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries Directors' report (continued)

For the year ended 31 March 2013

Review and results of operations (continued)

Divisional contributions (continued)

ALS Energy	2013 \$M	2012 \$M	Increase
Revenue	105.0	87.8	19.6%
Segment contribution	32.6	23.7	37.6%
Margin (segment contribution to revenue)	31.1%	27.0%	

Strong organic growth in all regions of ALS Energy division resulted in significant revenue and contribution gains during the financial year. In Australia, the coal business grew its market share and in the second half of the year negotiated challenging market conditions that required a keen focus on both client service and cost management. These initiatives together with new project work in South Africa and Canada drove improved margin performance during the year.

ALS Industrial	2013 \$M	2012 \$M	Increase
Revenue	168.6	152.5	10.6%
Segment contribution	30.6	24.5	24.9%
Margin (segment contribution to revenue)	18.1%	16.0%	

Both the Asset Care and Tribology business units within ALS Industrial division reported revenue and contribution gains during the year. Asset Care revenue growth was primarily driven by a number of large outage programs for long-term clients in the oil and gas, process and power generation industries. The Tribology business delivered solid revenue growth which resulted in improved margins. With competitive markets in North America and Australia, Tribology performed well at both improving market share and containing costs.

Reward Distribution	2013 \$M	2012 \$M	Increase/ (Decrease)
Revenue	119.2	123.2	(3.2%)
Segment contribution	0.9	3.7	(75.7%)
Margin (segment contribution to revenue)	0.7%	3.0%	

The Reward Distribution hospitality supplies business experienced difficult trading conditions in its key tourism and hospitality markets and delivered disappointing results with lower levels of revenue and contribution margin.

Campbell Chemicals (discontinued)	2013 \$M	2012 \$M	Increase/ (Decrease)
Revenue	43.7	90.1	(51.5%)
Segment contribution	3.8	8.2	(53.1%)
Margin (segment contribution to revenue)	8.7%	9.1%	

Results for Campbell Chemicals comprise five months of earnings for the Panamex consumables trading business and six months for Deltrex Chemicals. Both businesses were divested during the year (refer notes 9 and 35).

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Dividends

Dividends paid or declared by the Company since the end of the previous financial year are (all dividends are shown on a post 5-for-1 share split basis):

	Cents per share	Franked amount (cents)	Total \$M
Ordinary dividends declared and paid during the year:			
Final 2012, paid 2 July 2012	26.0	13.0	87.8
Interim 2013, paid 18 December 2012	21.0	10.5	71.5
Total amount			<u>159.3</u>
Ordinary dividend declared after the end of the financial year:			
Final 2013, to be paid 2 July 2013	27.0	13.5	<u>92.8</u>

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 March 2013 and will be recognised in subsequent financial reports. The franked components of all dividends paid or declared since the end of the previous financial year were franked based on a tax rate of 30%.

State of affairs

Changes in the state of affairs of the Group during the financial year resulted from its continued strategy of business expansion and diversification in testing and inspection services. Specifically, the Group undertook the following major acquisitions:

- Eclipse Scientific Group, a food, dairy, water and pharmaceutical testing business servicing England and Ireland (acquired April 2012);
- Milana A/S, a provider of a broad range of analytical testing services to the Danish environmental market (acquired July 2012); and
- An 80% holding in the Corplab environmental testing group in Latin America with operations in Peru, Brazil, Argentina and Ecuador (acquired December 2012).

In September 2012, the Group divested the two remaining business units of the Campbell Chemicals segment, namely Panamex Pacific and Deltrex Chemicals.

In the opinion of the directors there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report

Executive Summary

The directors present the remuneration report for the Group's Key Management Personnel (KMP) including executive management, the Managing Director & CEO (the "Executives") and its Non-Executive Directors (the "Directors").

During the reporting period, a review was conducted of the company's remuneration strategy and tools as part of its annual governance program. Detailed in this report are some material adjustments that were made this year to Executive remuneration, Director's fees and the LTI Plan as a result of the significant evolution and growth of ALS over the last two years.

The adjustments were made following external benchmarking. This year fixed remuneration review processes included the use of two external specialist remuneration consultancies (both engaged directly by the Chairman) who each independently provided Executive remuneration benchmarks. The Directors pay was reviewed against relevant Ernst & Young benchmarks. The Chairman also discussed remuneration related proposals with shareholder advisory groups to gather their input. The Board is confident that fixed remuneration changes are based on sound and relevant comparisons.

The format of the remuneration report has also been updated to improve readability and to demonstrate more closely the link between Executive remuneration and shareholder wealth creation.

The STI Plan key performance indicators (KPI) and group performance are included in this report to show the link between executive performance and reward.

The LTI Plan hurdles were adjusted for the 2012-13 awards to reflect the change in the Group from one focused heavily on the resources sector to a group that has diversified into new stable and growth industries.

We believe that the remuneration outcomes for 2012-13 demonstrate that there is a close alignment of shareholders' interests and Executive incentive rewards, with Executives only rewarded for the delivery of sound financial performance and achievement of strategic plan milestones.

Finally, the outlook for next year's remuneration is provided at the conclusion of this report.

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ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Remuneration Strategy - audited

Remuneration Committee Role

The Board operates a Remuneration Committee (committee) which consists of 3 independent non-executive directors and which considers all aspects of remuneration strategy, policy and process for executive key management personnel and non-executive directors. Remuneration changes are approved by the Board after receiving recommendations from the committee.

The committee conducts annual reviews of its charter, the Group remuneration policies and plans, the structure and details of all Director's fees, remuneration packages, market trends and commentary in relation to Director and executive remuneration practices and quantum, as well as legislative and regulatory requirements.

These reviews take into consideration Group and individual business unit financial performance, the scope of the Group's global operations and the Group's longer term strategic and annual business plans. When reviewing remuneration, the market capitalisation of the Company and its place in various public indices (for example the S&P/ASX 100) are factors when gathering macro level market-based data as well as specific individual comparator benchmarks. When such data suggests that a re-alignment is required to remuneration quantum, structure or strategy, the committee takes into consideration the ability of the Company to fund, over the longer term, any changes proposed.

The committee meets regularly each year to keep these matters under review. The committee's charter is published on the Company's website.

Remuneration policy

The Board aims to set remuneration for all KMPs at levels which are reasonable but designed to attract and retain appropriately qualified people in a competitive market. In addition the aim is to provide both incentive and reward to executives, and to align a significant proportion of executive reward to growth in shareholder value, with a focus on both the short term (one year) and longer term (three years).

How does the Company's remuneration strategy take into account shareholders' interests?

Linking Remuneration Strategy to Creating Shareholder Value

The Group's five year plan drives all activities in the business. The plan is translated to the remuneration strategy that will assist the Group in achieving its financial and other business goals. Each year an annual business plan is prepared which examines the components that will need to be achieved during the year. The Short Term Incentive Plan (STI) is then used to provide incentive and reward to the annual components of the business plan. Similarly to provide incentive and reward over the longer period of the five year plan, the Long Term Incentive Plan (LTI) is the vehicle used to drive sustained performance and financial growth.

Globally, managers and senior operational staff in a position to influence the financial performance of the Group are on the Company's STI plan. Every year these managers and senior operational staff are set key performance indicators (KPIs) that are to be achieved in order to receive a payment from the plan. 70 - 90% of their STI payment is linked to financial goals for the business under their control / influence.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

External Remuneration Consultants

ALS has engaged Hay Group and Ernst & Young (Australia) to provide benchmark data as well as market practice input to remuneration strategy and mechanisms. Both consultants were engaged after a comprehensive review of the remuneration consulting firm market and both as a result of their reputations for quality and for their global reach.

Hay Group provides job evaluation and global remuneration data at middle manager to chief executive officer level. Ernst & Young provides global remuneration data at Director and executive KMP level as well as providing data for our LTI plan (calculating of TSR and EPS calculations and market based design information for the LTI Plan). Fees paid for Executive job evaluation and remuneration advice during the financial year were: Hay Group - \$43,050 (2012: nil) and Ernst & Young (Australia) - \$33,990 (2012: nil). Total fees paid for other services during the year: Hay Group - \$40,525 and Ernst & Young (Australia) - \$387,989.

These consultants are engaged directly by the Chairman and all information is provided directly back to the Chairman for discussion by the committee. The committee and the Board are satisfied that the services of these consultants are provided free from undue influence by any KMP.

How is executive pay structured at ALS?

Remuneration Structure - audited

Key Components of Remuneration

Executive remuneration is approved in advance each year by the Board and has three components:

1. Fixed Remuneration – aligned to market and to individual performance and contribution; includes superannuation and salary sacrifice items and fringe benefits tax or equivalent charges related to the executive's non-cash benefits.
2. STI – 'at risk' pay for performance, STI is based on an annual scorecard, listing the executives' annual targets and related yields from achieving them.
3. LTI – 'at risk' equity based with growth and return targets to align executives' reward with shareholder value creation.



**FIXED
PAY**



STI



LTI

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

How does ALS ensure that executives, like shareholders, benefit in good times but that executives also receive less financial benefit when the Company does not perform as well?

At Risk versus Fixed Remuneration & Cash versus Equity

Fixed remuneration for each individual executive is set having regard to that executive's duties and responsibilities, the scope of their business unit, individual performance, contribution and experience, and comparable market information.

Variable remuneration for each individual executive is set to encourage excellent performance, to focus effort on key business drivers, and to reward performance and contribution.

The graph below shows a breakdown of the potential fixed remuneration to at risk remuneration for different levels of executives, depicting maximum potential eligibility for STI and LTI. The high percentage of at risk pay provides strong evidence that executives will benefit from strong company performance but less so for commensurately weaker company performance.

Managing Director 2012-13 FY	CASH 73%		EQUITY 27%
	FIXED PAY 46%	STI 27%	LTI 27%
Executive KMPs (average) 2012-13 FY	CASH 83%		EQUITY 17%
	FIXED PAY 64%	STI 19%	LTI 17%
Other senior executives (average) 2012-13 FY	CASH 88%		EQUITY 12%
	FIXED PAY 71%	STI 18%	LTI 11%

Service Contracts

The Group has not entered into any formal service contracts with its non-executive directors. Executives have appropriate contractual arrangements. In the event of termination without cause, the Group is required to pay between three and twelve months of salary.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

How is non-executive director pay structured and how is their input related to company performance?

Non-Executive Directors

During the last three years, the Board has undertaken a renewal process in the light of the retirements of two of our long serving directors. The retirements gave the Board the opportunity to review emerging Board skill requirements and ensure the two new Directors enhanced these skills for the Board as a whole. The selection process was comprehensive, ensuring that the new Directors were chosen on merit, specifically with the abilities required to perform strongly on a global company's Board. Director experience, talent, technical skills and ability to commit the time required were all important search criteria.

In order to assist in maintaining a consistently high performing Board over the longer term, the Board has implemented an annual Board performance review process. In addition, ahead of the annual re-election process, the Board reviews the performance and contribution of the individual Directors who are coming up for re-election and decides whether to support their re-election. It is the Board's policy that directors should serve only for as long as they have the confidence of their fellow Board members. With two Directors appointed in the last three years, the Company is satisfied that independence has been achieved.

No element of Director remuneration is 'at risk', that is, fees are not based on the performance of the Company or equity-based. Directors have set fees, which are reviewed annually and increased if appropriate. Directors are paid base fees and if applicable, a fee for membership of a committee. The Chairman receives only a base fee which includes all committee memberships.

Key Management Personnel

Non-executive directors are listed with details of their committee membership below.

Nerolie Withnall	Chairman (effective 31 July 2012) Chairman of the Remuneration Committee Member of the Audit and Compliance Committee
Ray Hill	Member of the Audit and Compliance Committee
Bruce Brown	Member of the Remuneration Committee
Mel Bridges	Member of the Audit and Compliance Committee
Grant Murdoch	Chairman of the Audit and Compliance Committee (effective 1 July 2012)
John Mulcahy	Member of the Remuneration Committee
Former director:	
Geoff McGrath	Retired 31 July 2012

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Executive KMPs

The following people were Executive KMPs during the reporting period and unless otherwise stated were Executives for the whole of the period:

Executive director:

Greg Kilmister Chief Executive Officer and Managing Director (CEO)

Executives:

Brian Williams Group General Manager, ALS Minerals

Raj Naran Group General Manager, ALS Life Sciences

Paul McPhee Group General Manager, ALS Energy

Kristen Walsh Group General Manager, ALS Industrial (became a KMP effective April 2012)

Andrew Ross Group General Manager, Reward Distribution

Richard Stephens Chief Financial Officer (became a KMP effective April 2012)

Former executive KMPs:

Bruce McDonald (Executive VP Geochemistry. Following the restructure of ALS into four global divisions effective April 2012, Mr McDonald no longer meets the definition of a KMP.)

David Brown (former Group General Manager, Chemical Division – resigned August 2012)

Note: references in this remuneration report to "Executives" are references to those executives who are KMPs as listed above, including where relevant the CEO.

Are there any changes in approach this year that shareholders should be aware of?

Key Changes this year impacting Remuneration - audited

Restructure of ALS

Given the substantial share price and revenue growth of ALS over the past two years coupled with an increase of more than 25% in headcount during 2011-12 financial year, at the time of the remuneration review the Company had moved towards the centre of the S&P/ASX100 Index. Effective 1 April 2012, the ALS Group was restructured into four Divisions and ten Business Streams to facilitate the achievement of the new five year ALS strategic plan.

The responsibility and scope of the Company's key leadership roles were substantially changed as a result of the redefined focus for ALS. The restructure created four global Divisional Head roles and a number of other role changes were made at the Business Stream level. Two senior executives relocated to Brisbane during the year to take up their new Divisional Head roles in recognition of the increased synergy, cross selling opportunities and team benefits of having all senior executives in the one location.

The restructure overhaul also took into account the fact that the Company's business is no longer dominated by resource sector clients but has been consciously grown into a broader based business with the majority of acquisitions in the last two years focused on sectors outside of the resources industry. With particular emphasis now on Life Sciences and the inspection and industrial areas growing rapidly, old paradigms and structures needed to be rethought.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

During the reporting period the committee engaged our external remuneration consultants to provide market information and analysis to assist in the remuneration review of the substantially changed roles within ALS of the Executive group.

Hay Group provided initial remuneration data for the restructured Executive roles and given the scope and size of the restructure, Ernst & Young was also contracted separately to provide remuneration data for the same roles.

Both consultants were appointed by the Chairman and reported directly to the committee. Ernst & Young benchmarks for the ASX100 index were used to set Director remuneration.

It was found that our Executives required a step change in their remuneration to bring them closer in alignment with peers in the middle of the ASX100 index. The increases also recognised the fierce competition for senior executive talent in the industries in which the Company operates as once ALS became an ASX100 company its visibility increased substantially.

For similar reasons, Directors' remuneration also required a step change to approach levels of remuneration found in Board fees of companies in the same index.

Long Term Incentive Plan Hurdles – Total Shareholder Return Peer Group and Earnings Per Share thresholds

The growth and globalisation of ALS was also a stimulus for changes to the Long Term Incentive (LTI) Plan hurdles for rights issued during the March 2013 financial year. In the context of the annual review of the LTI Plan, the vehicle's purpose, components and performance were compared to their original goals.

The key goals of the LTI Plan are to:

- (a) Act as a retention tool for key, high performing executives
- (b) Align executives' financial reward more closely with shareholders reward by encouraging share ownership in ALS
- (c) Maintain fixed remuneration at a stable market level by minimising temporary remuneration fluctuations to ensure ALS continues to be a sustainable business; and
- (d) Drive teamwork and increased performance of ALS through the use of the company performance hurdles of Total Shareholder Return (TSR) and Earnings per Share (EPS).

The review included a comprehensive market analysis of the LTI Plan Hurdles and approaches of ALS' market cap peers in the ASX100 Index. As the Company has moved away from being a business that has its major focus on the resources sector to a diversified testing and inspection business, it became obvious that more relevant LTI Plan hurdles were necessary to properly reflect the Company's performance.

As a result of the review, the TSR comparator group for performance rights issued during the year was split into two components to introduce peers in the ASX100 index, replacing the previous comparator companies from the resources sector (in relation to the April 2012 to March 2015 performance period). 50% of rights granted during the year with a TSR hurdle have a comparator group of companies in the ASX100 Index at 1 April 2012. The remaining 50% of rights with a TSR hurdle continue to have a peer group of direct global competitors as it did in previous performance periods.

An updated EPS hurdle was adopted for the April 2012 to March 2015 performance period. The historical growth trajectory of the Company was based on harnessing the benefits of the high point of the cyclical resources sector which is now in the past. Unlike some peers solely focused on the resources sector, the Company has the ability to and has sought to diversify into more stable and consistent growth markets within the Life Sciences and Industrial markets. This planned diversification has been executed over the past five years in anticipation of the resources boom ending. The EPS change therefore recognised that initially ALS will need to embed and grow the new businesses sectors ahead of fully realising the benefit of the diversification.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Update to approach in Remuneration Report

The Chairman works closely with shareholders' advisory groups and their input as well as a desire to improve the readability of the remuneration report have resulted in an updated format this year.

Key changes from the previous year are clearer descriptions to demonstrating the direct link between Executives' remuneration and company performance and most importantly more information on how that links to driving shareholder value.

Actual Remuneration – FY 2012-13 - audited

Non-Executive directors

The total amount of remuneration, including superannuation, for all non-executive directors must not exceed the limit approved by shareholders. The last approval was for \$1,500,000 per annum approved at the 2012 AGM.

Directors are paid base and committee membership fees only, which are fixed by the Board. The Directors are entitled to be reimbursed for all travel and related expenses properly incurred in connection with the business of the Company.

The levels of Directors' remuneration are set having regard to independent survey data and publicly available information about fees paid to non-executive directors in a range of comparable companies. Given the substantial growth and increase in global complexity of ALS noted above, Directors' fees also required an appropriate uplift to reflect their increased workload and the Company's extended global scope during the year.

The structure current for the reporting period for annual payments, inclusive of mandatory superannuation contributions, was:

Chairman of the Board: \$330,000

(Covers all responsibilities as Chairman of the Board and the Remuneration Committee and member of the Audit and Compliance Committee)

Other non-executive directors:

Board membership: \$165,000

Committee membership:

	Audit and Compliance Committee	Remuneration Committee
	\$	\$
Chairman	25,000	n/a *
Member	12,500	12,500

* currently filled by the Chairman of the Board

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Details of the nature and amount of each major element of remuneration of each Director are set out below:

	In AUD	Short-term (Salary & fees) \$	Long term (D&O insurances) \$	Post employment (Superannuation benefits) \$	Total \$
Directors:					
Non-executive directors					
Nerolie Withnall	2013	250,442	615	22,540	273,597
	2012	130,000	619	11,700	142,319
Ray Hill	2013	151,508	615	13,636	165,759
	2012	116,250	619	10,463	127,332
Bruce Brown	2013	149,008	615	13,411	163,034
	2012	35,833	619	79,979	116,431
Mel Bridges	2013	148,383	615	13,354	162,352
	2012	103,750	619	9,338	113,707
Grant Murdoch (appointed 1 Sep 2011)	2013	160,109	615	14,410	175,134
	2012	69,583	361	6,263	76,207
John Mulcahy (appointed 1 Feb 2012)	2013	149,008	615	13,411	163,034
	2012	17,500	103	1,575	19,178
Geoff McGrath (retired 31 Jul 2012)	2013	77,729	205	6,300	84,234
	2012	157,500	619	68,675	226,794
Martin Kriewaldt (retired 26 Jul 2011)	2013	-	-	-	-
	2012	38,750	206	4,388	43,344
Total compensation:	2013	1,086,187	3,895	97,062	1,187,144
Non-executive directors	2012	669,166	3,765	192,381	865,312

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Executive KMPs

Details of the nature and amount of each major element of remuneration of each Executive KMP are set out below:

	In AUD	Short-term			Long-term		Post-employment	Termination benefits \$	Total \$
		Salary & fees \$	STI cash bonus (a) \$	Non-monetary benefits (b) \$	Value of share-based awards (c) \$	(D&O insurances) \$	Super-annuation & pension benefits \$		
Executive director:									
Greg Kilmister	2013	1,337,500	422,500	3,423	399,575	615	31,250	-	2,194,863
	2012	1,056,250	675,000	11,753	483,485	619	50,000	-	2,277,107
Executives									
Brian Williams	2013	590,288	110,000	-	84,775	304	24,998	-	810,365
	2012	397,738	200,000	7,754	89,423	347	24,866	-	720,128
Raj Naran	2013	498,929	106,558	-	72,180	304	13,256	-	691,227
	2012	341,525	161,290	-	147,510	347	11,913	-	662,585
Paul McPhee	2013	537,226	200,000	-	74,446	304	15,494	-	827,470
	2012	411,675	182,000	-	83,861	347	20,058	-	697,941
Kristen Walsh (d)	2013	401,391	75,000	16,924	23,356	304	35,744	-	552,719
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Andrew Ross	2013	285,093	-	-	-	304	25,658	-	311,055
	2012	269,265	30,000	-	-	347	24,234	-	323,846
Richard Stephens (e)	2013	377,737	62,500	18,059	32,270	304	22,954	-	513,824
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bruce McDonald (f)	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2012	441,693	191,626	4,510	154,309	347	-	-	792,485
David Brown (g)	2013	122,324	-	-	(7,679)	127	11,009	-	125,781
	2012	291,258	50,000	-	12,258	347	24,992	-	378,855
Peter Jordan (h)	2013	-	-	-	-	-	-	-	-
	2012	227,482	-	-	(40,868)	231	20,560	18,102	225,507
Total Compensation: Executives	2013	4,150,488	976,558	38,406	678,923	2,566	180,363	-	6,027,304
	2012	3,436,886	1,489,916	24,017	929,978	2,932	176,623	18,102	6,078,454

(a) STI cash bonuses are paid annually following the end of the financial year.

(b) Non-monetary benefits include payment of allowances, provision of other benefits such as motor vehicles, fringe benefits tax thereon and an amount representing commercial interest that would have been charged during the period on the executive's outstanding employee loan balances owed to the Company had these loans not been interest free.

(c) The LTI Plan was introduced in April 2008. Performance rights are granted annually to executives earning an STI payment in the previous financial year. Refer to note 37 for details. The fair value of performance rights granted is calculated using Binomial Tree (EPS hurdle) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies and allocated to each financial year evenly over the period from grant date to vesting date.

(d) Ms Walsh became a KMP effective April 2012.

(e) Mr Stephens became a KMP effective April 2012.

(f) Following the restructure of ALS into four global divisions effective April 2012, Mr McDonald no longer meets the definition of a KMP.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

- (g) Mr Brown resigned from the Group in August 2012 in connection with the disposal of the Campbell Chemicals segment. The negative value allocated to share-based awards represents the reversal of expense recorded in previous years in relation to performance rights which lapsed on cessation of employment.
- (h) Mr Jordan resigned from the Group in November 2011. The negative value allocated to share-based awards represents the reversal of expense recorded in previous years in relation to performance rights which lapsed on cessation of employment.

How is ALS' bonus program structured and how does it drive value for shareholders?

Short Term Incentive Plan - audited

The Board sets the maximum amounts which can be earned as a cash bonus for each executive, annually, and also approves their STI Plan scorecards.

Payments to the CEO may not exceed 60% of his total fixed remuneration and payments for other Executives are between 20% and 40% of their total fixed remuneration. Bonus payments are contingent on the achievement of specified financial and other performance indicators (KPIs) for the financial year, as follows:

Financial KPIs

- for the CEO 80% of the possible STI amount depends on achievement of KPIs based on Group net profit after tax;
- for other executives 35-70% depends on achievement of KPIs based on earnings before interest and tax and 20-35% on ROS targets for individual business units under their direct control.

Non-Financial KPIs

- the balance of the STI amounts for the CEO and other executives depends on achievement of KPIs measuring performance in health, safety and the environment and risk management as well as specific KPIs tailored to strategic plan delivery. Such specific KPIs for the year included but were not limited to – process automation implementations, customer service focus, new or upgraded facilities and quality related improvements.

Payments are not made to executives found to have misrepresented their financial and non-financial KPI results; misrepresentations discovered after an STI payment has been made will result in the executive having to return the payment to the Company.

All KPIs are therefore structured so that they aim to deliver shareholder value, whether it be via superior financial performance or by motivational KPIs that drive current or future value from strategic initiatives.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

What were the performance goals for 2012-13 financial year?

5 Year Strategic Plan Objectives	Key Performance Indicator	Scorecard Weighting	Comments	Outcome for Shareholders
Examples of 2012-13 financial KPIs				
Grow Revenue and Operating Profit	Operating Profit Target	35-70%	The targets for FY2012-13 were set against the previous year’s results and the FY2012-13 budget.	At risk remuneration is heavily weighted to financial performance, all executives have at least 70% of their at risk payment contingent on financial targets.
	ROS Target	20-35%	ROS targets are based on continuous improvement of ROS at each of our global facilities.	
Examples of 2012-13 non-financial KPIs				
Core Value – “Safety as a Priority”	Health, safety & environment Targets	10%	May be targeted to a specific improvement initiative or based on ALS’ PPI Index*	Protection and growth of the ALS Brand
Expansion of the range of services across all geographies	New Mongolian site operational	7.5%		Access to the growing Mongolian markets
Expansion of the range of services across all geographies	Complete the integration of all new acquisitions on time and in budget (Eclipse, AMS, Artek & Milana)	10%		Growth of the Life Sciences Division, diversification
Expansion of the range of services across all geographies	Have operational new Santiago, Chile facility.	5%		Access to the growing South American markets
Systemisation and superior information management systems	Rollout OSPrey system to Australian Asset Care Services Business Units.	10%	Faster access to data, greater efficiency for field operatives	Efficiency leading to cost savings
Develop and promote from within	Succession Plan approved for the Sub Saharan African Region	5%		Knowledge and skills grown within, and talent retained

*PPI – Positive Performance Indicator Scorecard – proactive performance targets set by the Company's Corporate Compliance Group that include a balanced scorecard of health, safety and environmental lead indicators. A minimum score of 80% is required to achieve the HSE KPI.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

How does company performance impact on executives' remuneration?

Executive STI Performance vested / forfeited

As noted above, KPI performance at the 100% level is required for the executive to achieve a financial payment for that KPI. Below are details of the vesting profile, for 2012-13 and the previous year, of the STI cash bonuses awarded as remuneration to each of the named Executives:

		Included in remuneration \$ (a)	% vested	% forfeited (b)
Executives				
Greg Kilmister	2013	422,500	50	50
	2012	675,000	100	-
Brian Williams	2013	110,000	50	50
	2012	200,000	100	-
Raj Naran	2013	106,558	50	50
	2012	161,290	100	-
Paul McPhee	2013	200,000	100	-
	2012	182,000	91	9
Kristen Walsh (c)	2013	75,000	50	50
	2012	n/a	n/a	n/a
Andrew Ross	2013	-	-	100
	2012	30,000	50	50
Richard Stephens (d)	2013	62,500	50	50
	2012	n/a	n/a	n/a
Bruce McDonald (e)	2013	n/a	n/a	n/a
	2012	191,626	100	-
David Brown (f)	2013	n/a	n/a	n/a
	2012	50,000	100	-

(a) Amounts included in remuneration for the financial year represent the amounts that vested in the financial year based on the achievement of personal goals and satisfaction of specified performance criteria.

(b) The amounts forfeited are due to the performance or service criteria not being met in relation to the financial year.

(c) Ms Walsh became a KMP effective April 2012.

(d) Mr Stephens became a KMP effective April 2012.

(e) Following the restructure of ALS into four global divisions effective April 2012, Mr McDonald no longer meets the definition of a KMP.

(f) Mr Brown resigned from the Group in August 2012 in connection with the disposal of the Campbell Chemicals segment.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

How is ALS' long term incentive program structured and how does it drive value for shareholders?

Long Term Incentive Plan - audited

Remuneration under the Long Term Incentive (LTI) Plan is in the form of equity-settled performance rights; and in jurisdictions where securities legislation does not permit this, the rights are cash settled. The performance rights are granted each year to senior managers and executives, who being entitled to receive STI payments, are invited to participate in the LTI plan by the CEO with the Board's approval.

The number of performance rights granted to an executive is calculated by dividing the amount of the executive's STI payment by the volume weighted average price (VWAP) of the Company's shares over the 20 trading days following the date of announcement of the final full year results for the financial year preceding the period to which the grant of performance rights relate. The vesting of rights is subject to the Company's achievement of cumulative performance hurdles over the three year performance period.

The performance hurdles are based on earnings per share (EPS) and on relative Total Shareholder Return (TSR) measures over the performance period. The cumulative performance hurdles are assessed at the end of the performance period and the performance rights become exercisable, in whole or in part, or are forfeited from 1 July following the end of the performance period.

Each equity-settled performance right which vests and is exercised converts to an ordinary share in the Company at nil exercise price; the amount payable per cash-settled performance right which vests is the VWAP of the Company's shares over the 20 trading days following the release of the Company's full year results for the final year of each performance period.

The LTI plan rules prohibit those who are granted performance rights from entering into arrangements that limit their exposure to share price decreases and the executive must be employed in the Group on the vesting date to be eligible for issue of the shares (equity-settled rights) or receipt of payment (cash-settled rights).

What are the performance hurdles for the LTI Plan? Why were they chosen and how do they enhance company performance?

Half of the performance rights are measured against an earnings per share (EPS) hurdle. EPS was chosen because it provides a good indicator of the shareholder value derived from earnings growth.

The other half is measured against a total shareholder return (TSR) hurdle. TSR was chosen because it provides a good indicator of the value derived from capital growth and distributions to shareholders.

The comparator companies for the 2011 and earlier awards measure ALS against a mix of direct competitors and as this is a small group, a basket of services companies in the resources sector were included as historically the company has traded heavily within the resources sector.

In early 2012 following the full review and restructure of ALS, a consequent adjustment was required to the LTI Plan hurdles for future performance periods to align them with the diversified analytical and testing company ALS has now become. During this review, analysis was conducted of the LTI plan hurdles currently being used by ALS' peers within the ASX100 index to gain a better understanding of the types of hurdles and approaches being used by other large companies.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

As a result of the analysis, a revised EPS hurdle was introduced for rights issued during the year subject to the April 2012 to March 2015 performance period to reflect a more realistic growth target, with the upper level to achieve a grant of shares (or cash equivalent payment) remaining at the same level as 2011-12. The lower threshold level growth target was reduced. The reasoning was that ALS had ridden the resources boom and experienced very high EPS returns throughout the boom period. With the boom fading and the Company now concentrating on more stable and consistent industries as well as harnessing new growth areas, the EPS hurdle's growth needed to be representative of this change.

The TSR hurdle was similarly adjusted for rights issued during the year subject to the April 2012 to March 2015 performance period. The ASX100 index was introduced as a more relevant peer group than the resources sector services companies used in prior performance periods. 50% of the rights granted during the year with a TSR hurdle have a peer group in the ASX100 Index at 1 April 2012. The remaining 50% of rights with a TSR hurdle continue to have a peer group of direct global competitors as it did in previous performance periods (with two further competitors added).

The performance hurdles and vesting proportions for each criterion are as follows:

Proportion of total performance rights that may be exercised if EPS growth hurdle is met	Compound annual diluted EPS growth		
	2010 issue	2011 issue	2012 issue
0%	Less than 13% per annum	Less than 10% per annum	Less than 8% per annum
25%	13% per annum	10% per annum	8% per annum
Straight line vesting between 25% and 50%	Between 13% and 20% per annum	Between 10% and 14% per annum	Between 8% and 14% per annum
50% (i.e. 50% of total grant)	20% or higher per annum	14% or higher per annum	14% or higher per annum
Performance period	1 Apr 10 – 31 Mar 13	1 Apr 11 – 31 Mar 14	1 Apr 12 – 31 Mar 15

Proportion of total performance rights that may be exercised if TSR hurdle is met	TSR of ALS Ltd relative to TSRs of comparator companies	
	2010 issue	2011 issue
0%	Less than the 50th percentile	Less than the 50th percentile
25%	50th percentile	50th percentile
Straight line vesting between 25% and 50%	Between 50th percentile and 75th percentile	Between 50th percentile and 75th percentile
50% (i.e. 50% of total grant)	75th percentile or higher	75th percentile or higher
Performance period	1 Apr 10 – 31 Mar 13	1 Apr 11 – 31 Mar 14
Comparator companies	International companies: Bureau Veritas (France), Core Laboratories (USA), Eurofins (France & Germany), Intertek (UK), SGS (Switzerland). Australian companies: Ausdrill, Ausenco, Boart Longyear, Cardno, Clough, Coffey International, MacMahon Holdings, Monadelphous, Orica, Sedgman, Servcorp, Transfield Services, WorleyParsons.	

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Proportion of total performance rights that may be exercised if TSR hurdle is met	TSR of ALS Ltd relative to TSRs of industry peer companies over the period 1 April 2012 to 31 March 2015	TSR of ALS Ltd relative to TSRs of companies in the ASX100 Index over the period 1 April 2012 to 31 March 2015
	2012 issue	2012 issue
0%	Less than the 50th percentile	Less than the 50th percentile
12.5% per comparator group	50th percentile	50th percentile
Straight line vesting between 12.5% and 25% per comparator group	Between 50th percentile and 75th percentile	Between 50th percentile and 75th percentile
25% (i.e. 25% of total grant) per comparator group	75th percentile or higher	75th percentile or higher
Performance period	1 Apr 12 – 31 Mar 15	1 Apr 12 – 31 Mar 15
Comparator companies	Listed peers involved in the commercial testing and inspection services industry: Bureau Veritas (France), Core Laboratories (USA), Eurofins (France & Germany), Intertek (UK), Mistras (USA), SGS (Switzerland) and Team Industrial Services (USA).	Companies included in the ASX 100 Index as at 1 April 2012

How is EPS growth calculated?

The growth in earnings per share is calculated by comparing the diluted earnings per share (EPS) achieved by the Group in the base year (e.g. year to March 2010) with that achieved in the final year of the performance period (e.g. year to March 2013).

Diluted EPS is calculated by dividing the underlying net profit after tax attributable to shareholders of ALS Ltd by the weighted average number of ordinary shares on issue for the year being measured (diluted for outstanding equity-settled performance rights).

Following finalisation of ALS' financial results for FY2012-13 the compound annual growth rate (CAGR) in the Company's diluted EPS over the three year period to March 2013 was 39% (from 26 cents to 69 cents). Thus 100% of rights subject to the EPS hurdle will vest on 1 July 2013 and be available to executives who are employed on the vesting date.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

How is did ALS perform against its TSR peers?

The Table below contains the TSR rankings for the period from 1 April 2010 to 31 March 2013. The Company's performance was marginally below the 75th percentile required to achieve full vesting. Thus 94.44% of rights subject to the TSR hurdle will vest on 1 July 2013, and be available to executives who are employed on the vesting date.

Rank	Company Name	TSR	Percentile	Level of Vesting	
1	Eurofins Scientific SE	399.10%	100.00	100.00%	
2	Bureau Veritas SA	167.38%	94.44	100.00%	
3	Intertek Group plc	152.77%	88.89	100.00%	
4	Core Laboratories NV	116.27%	83.33	100.00%	
5	Cardno Limited	107.62%	77.78	100.00%	
6	ALS Limited	104.97%	72.22	94.44%	75 th percentile
7	Monadelphous Group Limited	78.52%	66.67	83.33%	
8	SGS SA	77.46%	61.11	72.22%	
9	Clough Limited	71.40%	55.56	61.11%	
10	Ausdrill Limited	55.28%	50.00	50.00%	Median
11	Servcorp Limited	21.44%	44.44	0.00%	
12	Orica Limited	17.14%	38.89	0.00%	
13	WorleyParsons Limited	9.17%	33.33	0.00%	
14	Ausenco Limited	-1.94%	27.78	0.00%	
15	Sedgman Limited	-30.59%	22.22	0.00%	
16	Transfield Services Limited	-44.18%	16.67	0.00%	
17	Boart Longyear Limited	-51.76%	11.11	0.00%	
18	Macmahon Holdings Limited	-54.86%	5.56	0.00%	
19	Coffey International Limited	-74.14%	0.00	0.00%	

Source: The information presented in the table above has been obtained from Ernst & Young (12 April 2013) and is unaudited.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

What proportion of the performance related remuneration did the Executives actually earn?

Proportion of performance related and equity based remuneration

Details of each of the named Executives' performance related and equity based remuneration as a proportion of their total remuneration is detailed below.

Executives		Proportion of all at risk remuneration (STI & LTI) as a percentage of total remuneration %	Proportion of performance rights (LTI) as a percentage of total remuneration %
Greg Kilmister	2013	37.5	18.2
	2012	50.9	21.2
Brian Williams	2013	24.0	10.5
	2012	40.2	12.4
Raj Naran	2013	25.9	10.4
	2012	46.6	22.3
Paul McPhee	2013	33.2	9.0
	2012	38.1	12.0
Kristen Walsh (a)	2013	17.8	4.2
	2012	n/a	n/a
Andrew Ross (b)	2013	-	n/a
	2012	9.3	n/a
Richard Stephens (c)	2013	18.4	6.3
	2012	n/a	n/a
Bruce McDonald (d)	2013	n/a	n/a
	2012	43.7	19.5
David Brown (e)	2013	-	(6.1)
	2012	16.4	3.2
Peter Jordan (f)	2013	n/a	n/a
	2012	(18.1)	(18.1)

(a) Ms Walsh became a KMP effective April 2012.

(b) Mr Ross is not a participant in the LTI plan.

(c) Mr Stephens became a KMP effective April 2012.

(d) Following the restructure of ALS into four global divisions effective April 2012, Mr McDonald no longer meets the definition of a KMP.

(e) Mr Brown resigned from the Group in August 2012 in connection with the disposal of the Campbell Chemicals segment. The negative value above represents the reversal of expense recorded in previous years in relation to performance rights which lapsed on cessation of employment.

(f) Mr Jordan resigned from the Group in November 2011. The negative values above represent the reversal of expense recorded in previous years in relation to performance rights which lapsed on cessation of employment.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Performance rights over ordinary shares granted as remuneration

Details of vested and outstanding performance rights over ordinary shares in the Company that were granted as remuneration to each KMP under the LTI Plan are presented in the table below. All numbers, values and prices included in the table have been adjusted to reflect the Company's 5-for 1-share split in August 2012.

Executives	Grant date	Number of rights granted (a)	Fair value per right at grant date (b)	Issue price used to determine no. of rights granted (b)	Vesting date	Number of rights vested and exercised	Number of rights lapsed (c)	% of rights lapsed (c)
Greg Kilmister	31 July 12	61,185	\$5.28	\$11.03	1 Jul 15	-	-	-
	26 Jul 11	67,975	\$7.20	\$9.27	1 Jul 14	-	-	-
	27 Jul 10	53,380	\$5.01	\$5.62	1 Jul 13	-	-	-
	24 Nov 09	148,515	\$4.71	\$3.84	1 Jul 12	148,515	-	-
Brian Williams	5 Sep 12	18,130	\$3.66	\$11.03	1 Jul 15	-	-	-
	26 Jul 11	14,565	\$7.20	\$9.27	1 Jul 14	-	-	-
	27 Jul 10	16,015	\$5.01	\$5.62	1 Jul 13	-	-	-
	30 Jun 09	28,560	\$3.46	\$3.84	1 Jul 12	28,560	-	-
Raj Naran	5 Sep 12	14,890	\$3.66	\$11.03	1 Jul 15	-	-	-
	26 Jul 11	12,525	\$7.20	\$9.27	1 Jul 14	-	-	-
	27 Jul 10	19,535	\$5.01	\$5.62	1 Jul 13	-	-	-
Paul McPhee	5 Sep 12	16,495	\$3.66	\$11.03	1 Jul 15	-	-	-
	26 Jul 11	10,790	\$7.20	\$9.27	1 Jul 14	-	-	-
	27 Jul 10	16,015	\$5.01	\$5.62	1 Jul 13	-	-	-
	30 Jun 09	29,055	\$3.46	\$3.84	1 Jul 12	29,055	-	-
Kristen Walsh	5 Sep 12	6,525	\$3.66	\$11.03	1 Jul 15	-	-	-
	26 Jul 11	7,555	\$7.20	\$9.27	1 Jul 14	-	-	-
Richard Stephens	5 Sep 12	6,120	\$3.66	\$11.03	1 Jul 15	-	-	-
	26 Jul 11	5,935	\$7.20	\$9.27	1 Jul 14	-	-	-
	27 Jul 10	5,340	\$5.01	\$5.62	1 Jul 13	-	-	-
	30 Jun 09	14,005	\$3.46	\$3.84	1 Jul 12	14,005	-	-
David Brown (d)	26 Jul 11	4,585	\$7.20	\$9.27	1 Jul 14	1,528	3,057	67%

- (a) Performance rights granted to Mr Naran in July 2010 and July 2011 are cash-settled rights. Rights granted to Mr Naran in September 2012 and rights granted to all other executives named above are equity-settled rights.
- (b) The issue price used to determine the number of rights offered in each year to all participants, including Mr Kilmister and other key management personnel, was the volume weighted average price of the Company's shares during the twenty trading days following the announcement of the Group's annual financial results. The grant dates and corresponding fair values per right in the above table have been determined in accordance with Australian Accounting Standards and are dependent on the dates on which individual executives are deemed to have received their offers to participate in the Plan. Fair values have been calculated using Binomial Tree (EPS hurdle) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies.
- (c) The number of rights lapsed represents rights lapsed due to performance hurdles not being met and/or rights lapsed on cessation of employment.
- (d) In accordance with the partial vesting provisions of the LTI Plan, 1528 rights issued to Mr Brown vested upon his resignation.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Remuneration report (continued)

Company Performance and link to Shareholder Wealth - audited

Consequences of performance on shareholders' wealth

The Board considers that the previous and current remuneration strategy including the recent adjustments to ALS structure, its LTI Plan hurdles and increases in fixed remuneration are providing a strong and sustainable benefit for shareholders now and into the future.

In considering the Group's performance and creation of shareholder wealth, the Board invites shareholders to review the following financial data in respect of the current financial year and the previous four financial years:

Year ended 31 March	2013 \$m	2012 \$m	2011 \$m	2010 \$m	2009 \$m
Underlying profit (excluding unusual items) attributable to equity holders of the Company	237.8	222.4	132.2	75.3	106.2
Profit attributable to equity holders of the Company	227.2	222.4	132.4	75.3	106.2
Dividends paid or payable	164.3	151.9	94.2	62.8	52.8
Share price at balance date (all shown on a post-share split basis)	\$10.47	\$13.45	\$9.27	\$5.91	\$2.72

Outlook for 2013-14FY Remuneration - unaudited

We will continue to seek ways to improve the approach and documentation of our communications to shareholders. As times change and markets evolve, the Company will adjust its annual plans to ensure that our long term strategy is achieved.

ALS has proven itself to be agile and able to harness the benefits of the economy in its many global locations. As trends emerge and markets shift, the Company will continue to monitor how better returns may be achieved for shareholders. Consequently, the annual review of remuneration strategy will continue and adjustments will continue to be made as and when it makes sense. Having been comprehensively reviewed this reporting period, it has been resolved that both fixed remuneration and the maximum potential STI quantum for Executives and fees for Directors will be unchanged for the 2013-14 FY.

As the company continues to grow and evolve, it is expected that further adjustments may be required to the LTI Plan hurdles for future performance periods. Such changes will recognise the continuing role the LTI Plan plays in motivating growth and robust financial performance.

Consultation with shareholder advisory groups and use of external specialist consultants will continue to be a strong feature of our remuneration strategy and process to ensure that fair and affordable remuneration continues into the future.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Environmental regulation

The Group is committed to complying with environmental legislation, standards, and codes of practice relevant to the particular business in the areas in which it operates. A number of hub laboratories are regulated under State and local government legislation predominately for their hazardous waste generation and disposal. Each hub laboratory holds a current licence and or consent from the relevant environment protection authority or local council where required.

Environmental management

As part of the Group's compliance program, environmental matters are reported on monthly by all divisional managers. In addition, internal sign-offs are completed by all managers on a yearly basis, reporting on performance against relevant environmental legislation and key environmental risks in their area of operations. Apart from complying with local legal requirements each site location across the world operates under the corporate health safety and environment minimum standard which sets out 13 key standards including identification and management of key environmental risks, emergency planning, reporting environmental incidents, and conducting monthly audits.

Initiatives

There were a number of environmental initiatives implemented during the year across the Group. These are explained in detail under the Corporate Social Responsibility section of the annual report.

Performance against environmental compliance requirements

There were no material breaches of environmental statutory requirements and no fines, penalties or prosecutions launched against the Group during the year. Internal and external audits and internal reporting and monitoring have indicated a high level of compliance with site licence conditions, relevant legislation and corporate minimum standards.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments

The Group's objective during the next financial year will be to maximise earnings and investment returns across all the business units in its diversified portfolio.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Directors' interests

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Securities Exchange in accordance with section 205G(1) of the Corporations Act 2001 as at the date of this report is:

	No. of Ordinary shares
Nerolie Withnall	13,426
Greg Kilmister	871,510
Ray Hill	50,000
Bruce Brown	152,833
Mel Bridges	19,205
Grant Murdoch	40,250
John Mulcahy	40,000

Refer to the Remuneration Report above for details of performance rights held by Mr Kilmister.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board Meetings		Audit and Compliance Committee Meetings (1)		Remuneration Committee Meetings	
	A	B	A	B	A	B
Nerolie Withnall	9	9	4	4	2	2
Greg Kilmister	9	9	-	-	-	-
Ray Hill	9	9	4	4	-	-
Bruce Brown	9	8	-	-	2	2
Mel Bridges	9	8	4	4	-	-
Grant Murdoch	9	9	4	4	-	-
John Mulcahy	9	9	-	-	2	2
Geoff McGrath (2)	4	4	-	-	-	-

A – Number of meetings held during the time the director held office during the year

B – Number of meetings attended

(1) Although not members of the Audit & Compliance Committee, Messrs Brown, Mulcahy and Kilmister attend meetings of the Committee as permitted by the Committee's Charter.

(2) Mr McGrath retired from the Board following the AGM on 31 July 2012.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Indemnification and insurance of directors and officers

Indemnification

Under its Constitution, and by resolution of the Board, the Company has agreed to indemnify to the extent permitted by law and the Corporations Act 2001:

- every person and employee who is or has been an officer of the Company or of a Group entity where requested to do so, including a director or secretary, against any liability (other than for legal costs) incurred by that person or employee as an officer of the Company or of a Group entity (including liabilities incurred by that person or employee as an officer of the Company or of a Group entity where the Company requested that person or employee to accept that appointment).
- every person and employee who is or has been an officer of the Company or of a Group entity where requested to do so, including a director or secretary, against reasonable legal costs incurred in defending an action for a liability incurred by that person or employee as an officer of the Company or of a Group entity (including such legal costs incurred by that person or employee as an officer of the Company or of a Group entity where the Company requested that person or employee to accept that appointment).

Insurance premiums

During the financial year the Company paid insurance premiums in respect of directors' and officers' liability and personal accident insurance contracts, for current and former directors and senior executives, including senior executives of its subsidiaries. The current directors are listed elsewhere in this report. The insurance relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

It is a condition of the policies that premiums paid and terms and conditions of the policies are not to be disclosed.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below. In addition, amounts paid to other auditors for the statutory audit have been disclosed:

In thousands of AUD

	Consolidated	
	2013	2012
Audit services		
Auditors of the Company		
<i>KPMG Australia:</i>		
Audit and review of consolidated and company financial reports *	521	484
Audit of subsidiary's financial report	28	40
Other regulatory audits	5	5
<i>Other KPMG member firms:</i>		
Audit and review of financial reports*	633	673
	1,187	1,202
Other auditors		
Audit and review of financial reports	67	107
	1,254	1,309
Other services		
Auditors of the Company		
<i>KPMG Australia</i>		
Other assurance and investigation services	13	22
<i>Other KPMG member firms:</i>		
Taxation services	189	136
Other assurance and investigation services	26	72
	228	230

* Includes impact of acquisitions during the financial year.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Directors' report (continued)

For the year ended 31 March 2013

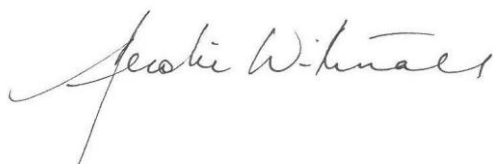
Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 111 and forms part of the directors' report for the financial year ended 31 March 2013.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



Nerolie Withnall
Chairman

Brisbane
27 May 2013



Greg Kilmister
Managing Director

Brisbane
27 May 2013



ALS Limited (formerly Campbell Brothers Limited)
and its subsidiaries
Profit and loss statement
For the year ended 31 March 2013

In millions of AUD

	Note	Consolidated	
		2013	Restated* 2012
Continuing operations			
Revenue from sale of goods		119.2	123.2
Revenue from rendering of services		1,336.4	1,192.4
		1,455.6	1,315.6
Other income	7	1.9	1.9
Changes in inventories of finished goods and work in progress		6.7	13.7
Raw materials and consumables purchased		(192.4)	(183.2)
Employee expenses		(588.8)	(512.5)
Warehousing and distribution costs		(34.3)	(30.7)
Amortisation and depreciation		(55.4)	(45.5)
Selling expenses		(12.8)	(12.4)
Impairment losses	21	(16.1)	-
Administration and other expenses		(235.6)	(228.9)
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method	18	1.6	1.4
		330.4	319.4
Profit before financing costs and income tax			
Finance income	11	1.9	1.8
Finance expense	11	(21.5)	(17.4)
Net finance expense		(19.6)	(15.6)
		310.8	303.8
Profit before income tax			
Income tax expense	12	(88.5)	(84.8)
Profit from continuing operations		222.3	219.0
Discontinued operations			
Profit/(loss) of discontinued operations (net of income tax)	35	8.2	5.7
Profit for the year		230.5	224.7
Attributable to:			
Equity holders of the Company		227.3	222.4
Non-controlling interest		3.2	2.3
Profit for the year		230.5	224.7

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Profit and loss statement (continued)

For the year ended 31 March 2013

	Note	Consolidated	
		2013	Restated* 2012
Basic earnings per share attributable to equity holders (post 5-for-1 split basis) **	13	66.44c	65.90c
Diluted earnings per share attributable to equity holders (post 5-for-1 split basis) **	13	66.35c	65.76c
Basic earnings per share attributable to equity holders from continuing operations (post 5-for-1 split basis) **	13	64.05c	64.21c
Diluted earnings per share attributable to equity holders from continuing operations (post 5-for-1 split basis) **	13	63.96c	64.08c
Dividends per share **	26	\$0.48	\$0.45

* See discontinued operations – note 35

** Comparative information for basic and diluted earnings per share and dividends per share has been restated for the impact of the share split undertaken in August 2012.

The profit and loss statement is to be read in conjunction with the notes to the financial statements set out on pages 40 to 107.

ALS Limited (formerly Campbell Brothers Limited)
and its subsidiaries
Statement of comprehensive income
For the year ended 31 March 2013

In millions of AUD

	Note	Consolidated	
		2013	2012
Profit for the year		230.5	224.7
Other comprehensive income *			
Foreign exchange translation		(33.2)	(3.5)
Net gain/(loss) on hedge of net investments in foreign subsidiaries		3.2	(2.7)
Net gain/(loss) on cash flow hedges taken to equity		(0.4)	(0.9)
Other comprehensive income for the year, net of income tax		(30.4)	(7.1)
Total comprehensive income for the year		200.1	217.6
Attributable to:			
Equity holders of the company		196.9	215.3
Non-controlling interest		3.2	2.3
Total comprehensive income for the year		200.1	217.6

* All movements in comprehensive income are disclosed net of applicable income tax.

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 40 to 107.

ALS Limited (formerly Campbell Brothers Limited)
and its subsidiaries
Balance sheet
As at 31 March 2013

In millions of AUD

		Consolidated	
	<i>Note</i>	2013	2012
Assets			
Cash and cash equivalents	14	115.9	133.4
Trade and other receivables	15	257.0	263.6
Inventories	16	74.0	80.5
Other assets	17	34.7	28.6
Total current assets		481.6	506.1
Non-current assets			
Receivables	15	2.6	2.1
Investments accounted for using the equity method	18	7.9	10.9
Investment property	23	11.0	11.1
Deferred tax assets	19	16.3	13.1
Property, plant and equipment	20	397.2	324.6
Intangible assets	21	805.0	767.7
Other assets	17	13.1	0.2
Total non-current assets		1,253.1	1,129.7
Total assets		1,734.7	1,635.8
Liabilities			
Bank overdraft	14	3.0	1.2
Trade and other payables	22	113.5	123.2
Loans and borrowings	24	3.9	4.0
Income tax payable		15.1	28.5
Employee benefits		41.2	39.0
Total current liabilities		176.7	195.9
Non-current liabilities			
Loans and borrowings	24	521.9	498.8
Deferred tax liabilities	19	2.1	1.7
Employee benefits		3.4	2.9
Other	25	33.5	6.3
Total non-current liabilities		560.9	509.7
Total liabilities		737.6	705.6
Net assets		997.1	930.2
Equity			
Share capital	26	667.9	610.4
Reserves		(97.9)	(37.0)
Retained earnings		415.4	351.2
Total equity attributable to equity holders of the company		985.4	924.6
Non-controlling interest		11.7	5.6
Total equity		997.1	930.2

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 40 to 107.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Statement of changes in equity

For the year ended 31 March 2013

In millions of AUD

	Note	Share Capital	Foreign Currency Translation	Other reserves	Consolidated Employee share-based awards	Retained earnings	Total	Non-controlling Interest	Total Equity
Balance 1 April 2012		610.4	(39.2)	-	2.2	351.2	924.6	5.6	930.2
Total comprehensive income for the period									
Profit or loss		-	-	-	-	227.3	227.3	3.2	230.5
Other comprehensive income									
Foreign exchange translation differences		-	(33.2)	-	-	-	(33.2)	-	(33.2)
Net gain/(loss) on hedge of net investments in foreign subsidiaries		-	3.2	-	-	-	3.2	-	3.2
Net gain/(loss) on cash flow hedges taken to equity		-	-	(0.4)	-	-	(0.4)	-	(0.4)
Total other comprehensive income		-	(30.0)	(0.4)	-	-	(30.4)	-	(30.4)
Total comprehensive income for the period		-	(30.0)	(0.4)	-	227.3	196.9	3.2	200.1
Transactions with equity holders, recorded directly in equity									
Contributions by and distributions to owners									
Dividends to equity holders	26	-	-	-	-	(159.3)	(159.3)	(0.9)	(160.2)
Shares issued under dividend reinvestment plan (600,633 ordinary shares at \$51.01 per share*)		30.6	-	-	-	-	30.6	-	30.6
Shares issued under dividend reinvestment plan (3,036,729 ordinary shares at \$9.00 per share)		27.3	-	-	-	-	27.3	-	27.3
Other reserve arising from put option over non-controlling interest	25,36	-	-	(30.0)	-	-	(30.0)	-	(30.0)
Treasury shares purchased and held in trust		(0.4)	-	-	-	-	(0.4)	-	(0.4)
Share-settled performance rights awarded during the year	39	-	-	-	1.1	-	1.1	-	1.1
Share-settled performance rights vested during the year	39	-	-	-	(1.6)	(2.5)	(4.1)	-	(4.1)
Non-controlling interest ownership of subsidiary acquired/(disposed)		-	-	-	-	(1.3)	(1.3)	3.8	2.5
Total contributions by and distributions to owners		57.5	-	(30.0)	(0.5)	(163.1)	(136.1)	2.9	(133.2)
Balance at 31 March 2013		667.9	(69.2)	(30.4)	1.7	415.4	985.4	11.7	997.1

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 40 to 107.

* Pre-share split

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Statement of changes in equity (continued)

For the year ended 31 March 2013

In millions of AUD

	Note	Share Capital	Foreign Currency Translation	Other reserves	Consolidated Employee share-based awards	Retained earnings	Total	Non- controlling Interest	Total Equity
Balance 1 April 2011		610.4	(33.0)	0.9	1.8	244.0	824.1	1.5	825.6
Total comprehensive income for the period									
Profit or loss		-	-	-	-	222.4	222.4	2.3	224.7
Other comprehensive income									
Foreign exchange translation differences		-	(3.5)	-	-	-	(3.5)	-	(3.5)
Gain/(loss) on hedge of net investments in foreign subsidiaries		-	(2.7)	-	-	-	(2.7)	-	(2.7)
Net gain/(loss) on cash flow hedges taken to equity		-	-	(0.9)	-	-	(0.9)	-	(0.9)
Total other comprehensive income		-	(6.2)	(0.9)	-	-	(7.1)	-	(7.1)
Total comprehensive income for the year		-	(6.2)	(0.9)	-	222.4	215.3	2.3	217.6
Transactions with equity holders, recorded directly in equity									
Contributions by and distributions to owners									
Dividends to equity holders	26	-	-	-	-	(114.8)	(114.8)	(0.9)	(115.7)
Share-settled performance rights awarded during the year	39	-	-	-	1.2	-	1.2	-	1.2
Share-settled performance rights vested during year	39	-	-	-	(0.8)	(0.4)	(1.2)	-	(1.2)
Non-controlling interest ownership of subsidiary acquired/(disposed)		-	-	-	-	-	-	2.7	2.7
Total contributions by and distributions to owners		-	-	-	0.4	(115.2)	(114.8)	1.8	(113.0)
Balance at 31 March 2012		610.4	(39.2)	-	2.2	351.2	924.6	5.6	930.2

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 40 to 107.

ALS Limited (formerly Campbell Brothers Limited)
and its subsidiaries
Statement of cash flows
For the year ended 31 March 2013

In millions of AUD

	Note	Consolidated	
		2013	2012
Cash flows from operating activities			
Cash receipts from customers		1,659.4	1,488.8
Cash paid to suppliers and employees		(1,292.0)	(1,170.8)
Cash generated from operations		367.4	318.0
Interest paid		(21.5)	(17.4)
Interest received		1.9	1.8
Income taxes paid		(100.5)	(73.4)
Net cash from operating activities	34	247.3	229.0
Cash flows from investing activities			
Payments for property, plant and equipment		(114.5)	(83.0)
Repayments/(loans) joint venture entity		(0.2)	(0.4)
Payments for net assets on acquisition of businesses and subsidiaries (net of cash acquired)	36	(105.4)	(197.5)
Proceeds from sale of business operations	35	39.4	4.5
Dividend from associate		-	0.5
Proceeds from sale of other non-current assets		3.9	1.5
Net cash from investing activities		(176.8)	(274.4)
Cash flows from financing activities			
Proceeds from borrowings		188.3	376.5
Repayment of borrowings		(169.2)	(162.9)
Lease payments		(2.9)	(2.6)
Dividends paid		(102.1)	(115.6)
Net cash from financing activities		(85.9)	95.4
Net movement in cash and cash equivalents		(15.4)	50.0
Cash and cash equivalents at 1 April		132.2	84.0
Effect of exchange rate fluctuations on cash held		(3.9)	(1.8)
Cash and cash equivalents at 31 March	14	112.9	132.2

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 40 to 107.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

1. Reporting entity	21. Intangible assets
2. Basis of preparation	22. Trade and other payables
3. Significant accounting policies	23. Investment property
4. Financial and capital risk management	24. Loans and borrowings
5. Determination of fair value	25. Other non-current liabilities
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For the year ended 31 March 2013

1. Reporting entity

ALS Limited (the “Company”) is a for-profit company domiciled in Australia. The consolidated financial report of the Company for the year ended 31 March 2013 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (“AASBs”) adopted by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The consolidated financial report of the Group also complies with the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board.

The financial report was authorised for issue by the directors on 27 May 2013.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except that derivative financial instruments and liabilities for cash-settled share based payments are measured at fair value.

(c) Functional and presentation currency

The financial report is presented in Australian dollars which is the Company’s functional currency. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular the most significant uses of estimates and judgements are described in note 21 – Intangible assets and note 36 – Acquisitions of subsidiaries and non-controlling interests.

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3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report.

(a) Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit and loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit and loss. When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

In determining the fair value of identifiable net assets acquired, the Group considers the existence of identifiable intangible assets such as brandnames, trademarks, customer contracts and relationships and in process research and development intangible assets. Where material, these items are recognised separately from goodwill.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and joint ventures on an equity accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an associate or joint venture, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate or joint venture.

Non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Where the Group enters a written put option in relation to a non-controlling interest in a controlled entity, the Group recognises a liability initially at its fair value (being the present value of the exercise price) with a corresponding amount recognised in equity within other reserves. All subsequent changes to the liability are also recognised in equity.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity with adjustments made to the "Investments accounted for using the equity method" and "Share of net profit of associates and joint ventures accounted for using the equity method" accounts.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss statement, except for differences arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income and presented in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

Hedge of net investment in foreign operations

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the parent entity's functional currency regardless of whether the net investments are held directly or through an intermediate parent. Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income, in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the profit and loss statement. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to the profit and loss statement as an adjustment to the gain or loss on disposal.

ALS Limited (formerly Campbell Brothers Limited)

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Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(c) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to access the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value and changes therein are recognised immediately in the profit and loss statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3(d)).

(d) Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve in equity. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability, the associated cumulative gain or loss is transferred from other comprehensive income and included in the initial cost or other carrying amount of the non-financial asset or liability. In other cases the amount recognised in other comprehensive income is transferred to the profit and loss statement in the same period that the hedged item affects profit or loss.

The ineffective portion of any change in fair value is recognised immediately in the profit and loss statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised immediately in the profit and loss statement.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the profit or loss. The hedged item also is stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

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Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

Economic hedges

Where a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in fair value are recognised in the profit and loss statement.

(e) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see note 3(j)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see below). Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other expenses" in the profit and loss statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Borrowing costs

The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. All other borrowing costs are recognised in the profit and loss using the effective interest method.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is held at cost and reclassified as investment property.

Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost and is depreciated on a straight line basis over the estimated useful life of 80 years.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in note 3(q).

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the profit and loss statement as an expense as incurred.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the profit and loss statement on a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- Buildings 20-40 Years
- Plant and equipment 3-10 Years
- Leasehold improvements 3-20 Years
- Leased plant and equipment 4-5 Years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually and adjusted if appropriate.

(f) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see note 3(j)).

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Costs for sample testing commenced but not yet completed in the analytical laboratory business are recognised as work in progress and measured at the lower of cost to date and net realisable value.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(i) Intangible assets

Goodwill

Goodwill arising on the acquisition of a subsidiary or business is included in intangible assets. For the accounting policy on measurement of the goodwill at initial recognition, refer below.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses (see note 3(j)).

Expenditure on internally generated goodwill and brands is recognised in the profit and loss statement as an expense as incurred.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Amortisation is calculated on the cost of an asset less its residual value. Amortisation is charged to the profit and loss statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives in the current and comparative periods are as follows:

- Capitalised computer software 3-10 Years

The residual value, the useful life and the amortisation method applied to an asset are reassessed at least annually and adjusted if appropriate.

ALS Limited (formerly Campbell Brothers Limited)

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Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(j) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit and loss statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the profit and loss statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories (see note 3(g)) and deferred tax assets (see note 3(s)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see "Calculation of recoverable amount" below). For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the profit and loss statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Goodwill that forms part of the carrying amount of an investment in equity accounted investees is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

Calculation of recoverable amounts

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(k) Share capital

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(l) Loans and borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss statement over the period of the borrowings on an effective interest basis.

(m) Employee benefits

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit and loss statement as incurred.

Long-term service benefits

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to government bonds at the balance sheet date which have maturity dates approximating the terms of the Group's obligations.

Wages, salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Share-based payment transactions

The fair value at grant date of equity-settled share-based awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of share awards that vest, except for those that fail to vest due to market vesting conditions not being met.

The fair value of the amount payable to employees in respect of cash-settled share-based awards is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employee expenses in profit or loss.

ALS Limited (formerly Campbell Brothers Limited)

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Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(n) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits that can be estimated reliably will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

(p) Revenue

Goods sold and services rendered

Revenue from the sale of goods is recognised in the profit and loss statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the profit and loss statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Transfers of risk and rewards vary depending on the individual terms of the contract of sale. For the majority of the Group's sale of goods, transfer usually occurs when the product is delivered.

Dividend Income

Dividend income is recognised in profit and loss on the date that the Group's right to receive payment is established.

(q) Expenses

Operating lease payments

Payments made under operating leases are recognised in the profit and loss statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss statement as an integral part of the total lease expense and spread over the lease term.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and finance expense

Finance income comprises interest income on funds invested and is recognised in the profit and loss statement as it accrues, using the effective interest method.

Finance expense comprise interest expense on borrowings calculated using the effective interest method and gains and losses on hedging instruments that are recognised in the profit and loss statement (see note 3(d)). The interest expense component of finance lease payments is recognised in the profit and loss statement using the effective interest method.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(q) Expenses (continued)

Foreign currency costs

Foreign currency gains and losses are reported on a net basis.

(r) Determination and presentation of operating segments

The Group determines and presents operating segments based on information that is reported internally to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributed to the segment as well as those that can be allocated on a reasonable basis. Segment contribution is calculated as earnings before interest, foreign currency gains and losses, unusual items (refer note 9) and income tax. Unallocated items comprise mainly corporate assets, head office expenses, finance costs, income tax expense and taxation assets and liabilities. Inter-segment pricing is determined on an arms length basis.

Non-current assets disclosed in note 6 – Operating Segments - are comprised of the Group's non-current assets excluding receivables and deferred tax assets.

(s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

ALS Limited (formerly Campbell Brothers Limited)

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Notes to the financial statements

For the year ended 31 March 2013

3. Significant accounting policies (continued)

(s) Income tax (continued)

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 April 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is ALS Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter-entity payables (receivables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

(t) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

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

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3. Significant accounting policies (continued)

(u) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has ceased or been disposed of or is held for sale. Classification as a discontinued operation occurs upon cessation or disposal. When an operation is classified as a discontinued operation, the comparative profit and loss statement and statement of comprehensive income are restated as if the operation had been discontinued from the start of the comparative period.

(v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise performance rights granted to employees.

(w) Removal of parent entity financial statements

The Group has applied amendments to the Corporations Act (2001) that remove the requirement for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosures in note 32.

(x) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for IFRS 13 Fair Value Measurement and IFRS 9 Financial Instruments, which will become mandatory for the Group's 2014 and 2016 consolidated financial statements respectively and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

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4. Financial and capital risk management

Risk management framework

Identification, measurement and management of risk is a strategic priority for the Group. The provision of goods and services carries a number of diverse risks which may have a material impact on the Group's financial position and performance. Consequently, the Board has established a comprehensive framework covering accountability, oversight, measurement and reporting to maintain high standards of risk management throughout the Group.

The Group allocates specific roles in the management of risk to executives and senior managers and to the Board. This is undertaken within an overall framework and strategy established by the Board.

The Audit and Compliance Committee obtains assurance about the internal control and risk management environment through regular reports from the Risk and Compliance team.

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

The Group has an established credit policy and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets. There is no single customer making up a material percentage of the Group's revenue. Geographic concentrations of trade receivables are - Australia 45% (2012: 46%), Canada 11% (2012: 12%), USA 11% (2012: 11%), and other countries 33% (2012: 31%). The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

Counterparties to transactions involving derivative financial instruments are large Australian and international banks with whom the Group has a signed netting agreement. Management does not expect any counterparty to fail to meet its obligations.

Group policy is to provide financial guarantees only to wholly-owned subsidiaries. Details of the Deed of Cross Guarantee are provided in note 31.

Liquidity risk

The liquidity position of the Group is continuously managed using cash flow forecasts to ensure sufficient liquid funds are available to meet its financial commitments in a timely and cost-effective manner. The Group is party to a number of bilateral debt facility and long term note agreements which provide funding for acquisitions and working capital (refer note 24).

Note 27 details the repayment obligations in respect of the amount of the facilities and derivatives utilised.

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4. Financial and capital risk management (continued)

Risk management framework (continued)

Market risk

Interest rate risk

Interest rate risk is the risk that the Group's financial position and performance will be adversely affected by movements in interest rates. Interest rate risk on cash and short term deposits is not considered to be a material risk due to the short term nature of these financial instruments.

The Group's interest rate risk arises from long-term debt. Floating rate debt exposes the Group to cash flow interest rate risk and fixed rate debt exposes the Group to fair value interest rate risk. Interest rate risk is managed by maintaining an appropriate mix of fixed and floating rate debt. The Group enters into interest rate swaps to manage the ratio of fixed rate debt to floating rate debt. Hedging is undertaken against specific rate exposures only, as disclosed in note 27.

Foreign exchange risk

The Group operates internationally and are exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future purchase and sales commitments and assets and liabilities that are denominated in a currency that is not the functional currency of the respective Group entities. Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

The Group may enter into forward foreign exchange contracts (FECs) to hedge certain forecast purchase commitments denominated in foreign currencies (principally US dollars). The terms of these commitments are generally less than three months. The amount of forecast purchases is estimated based on current conditions in foreign markets, customer orders, commitments to suppliers and experience.

The Group borrows funds in foreign currencies to hedge its net investments in foreign operations. The Group's Canadian dollar and Great British pound denominated borrowings are designated as hedges of the Group's net investments in subsidiaries with those functional currencies.

The Group has also entered into cross currency interest rate swaps which have been designated as hedges of net investments in foreign operations whose functional currencies are Canadian dollars, Czech koruna, Danish krone and Euros.

Capital management

Capital comprises equity attributable to equity holders, loans and borrowings and cash and cash equivalents.

Capital management involves the use of corporate forecasting models which facilitates analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. Capital management is undertaken to ensure a secure, cost-effective and flexible supply of funds is available to meet the Group's operating and capital expenditure requirements. The Group monitors gearing and treasury policy breaches and exceptions. The gearing ratio as at balance date is 29% (2012: 28%).

The Group maintains a stable capital base from which it can pursue its growth aspirations, whilst maintaining a flexible capital structure that allows access to a range of debt and equity markets to both draw upon and repay capital.

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5. Determination of fair value

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 March 2012.

The following summarises the major methods and assumptions used in estimating the fair values for measurement and disclosure purposes:

Fair value hierarchy

In valuing financial instruments, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Derivatives

Forward exchange contracts are marked to market using publicly available forward rates. Interest rate contracts are marked to market using discounted estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

Loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to determine the fair value.

Finance leases

The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogenous lease agreements. The estimated fair value reflects changes in interest rates.

Share-based payment transactions

The fair value of share-based awards to employees is measured using Binomial Tree (Earnings per Share hurdle) and Monte-Carlo Simulation (Total Shareholder Return hurdle) valuation methodologies. Measurement inputs include the Company's share price on measurement date, expected volatility thereof, expected life of the awards, the Company's expected dividend yield and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. Refer note 39 for details.

Contingent consideration

The fair value of contingent consideration is calculated using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value.

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6. Operating Segments

The Group has 6 reportable segments, as described below, representing 6 distinct strategic business units each of which is managed separately and offers different products and services. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- ALS Minerals - provides assaying and analytical testing services and metallurgical services for mining and mineral exploration companies.
- ALS Life Sciences - provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about their environmental projects.
- ALS Energy - provides specialist services to the coal industry such as coal sampling and analysis and certification of export cargoes.
- ALS Industrial - provides the energy, resources and infrastructure sectors with testing, inspection and asset care services.
- Reward Distribution - distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries.

Discontinued segment:

- Campbell Chemicals - manufacture and distribution of cleaning agents and chemicals for both domestic and industrial customers. This segment was sold in September 2012 – refer note 35.

ALS Limited (formerly Campbell Brothers Limited) **and its subsidiaries** **Notes to the financial statements**

For the year ended 31 March 2013

6. Operating Segments (continued)

In millions of AUD

	ALS Minerals	ALS Life Sciences	ALS Energy	ALS Industrial	Reward Distribution	Campbell Chemicals (c)	Consolidated
2013							
Revenue from external customers	608.4	454.4	105.0	168.6	119.2	43.7	1,499.3
Total revenue	608.4	454.4	105.0	168.6	119.2	43.7	1,499.3
Segment contribution (a)	211.3	89.3	32.6	30.6	0.9	3.8	368.5
Segment margin (b)	34.7%	19.7%	31.1%	18.1%	0.7%	8.7%	24.6%
Segment assets	647.7	528.9	136.0	193.3	34.7	-	1,540.6
Segment liabilities	63.5	67.8	18.7	21.2	9.9	-	181.1
Amortisation and depreciation	22.0	23.8	3.5	4.7	0.7	0.3	55.0

(a) Segment contribution represents the segment's profit before unusual items, financing costs, net foreign exchange gains and losses and income tax.

(b) Segment margin is calculated as segment contribution as a percentage of segment revenue.

(c) The Campbell Chemicals segment was divested during September 2012 (refer note 35).

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6. Operating Segments (continued)

In millions of AUD

	ALS Minerals	ALS Life Sciences	ALS Energy	ALS Industrial	Reward Distribution	Campbell Chemicals (c)	Consolidated
2012							
Revenue from external customers	591.3	360.7	87.8	152.5	123.2	90.1	1,405.6
Total revenue	591.3	360.7	87.8	152.5	123.2	90.1	1,405.6
Segment contribution (a)	214.7	78.1	23.7	24.5	3.7	8.2	352.9
Segment margin (b)	36.3%	21.7%	27.0%	16.0%	3.0%	9.1%	25.1%
Segment assets	640.7	382.0	138.3	189.1	52.4	44.9	1447.5
Segment liabilities	56.3	41.7	17.1	24.2	13.2	7.6	160.0
Amortisation and depreciation	18.6	17.8	2.9	4.3	0.8	0.7	45.1

(a) Segment contribution represents the segment's profit before unusual items, financing costs, net foreign exchange gains and losses and income tax.

(b) Segment margin is calculated as segment contribution as a percentage of segment revenue.

(c) The Campbell Chemicals segment was divested during September 2012 (refer note 35).

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6. Operating Segments (continued)

In millions of AUD

	Consolidated	
	2013	2012
i) Segment revenue reconciliation to the profit and loss statement		
Total segment revenue	1,499.3	1405.6
Elimination of discontinued operation	(43.7)	(90.0)
Total revenue per the profit and loss statement	1,455.6	1,315.6

In millions of AUD

	Consolidated	
	2013	2012
ii) Segment contribution reconciliation to the profit and loss statement		
Total segment contribution	368.5	352.9
Unusual items (refer note 9)	(10.4)	-
Corporate expenses	(21.0)	(24.8)
Acquisition expenses	(1.8)	(3.4)
Net financing costs	(19.6)	(15.6)
Net gain on foreign exchange (refer note 8)	4.6	2.9
Elimination of discontinued operation (before tax)	(9.5)	(8.2)
Profit before tax per the profit and loss statement	310.8	303.8

In millions of AUD

	Consolidated	
	2013	2012
iii) Segment assets reconciliation to the balance sheet		
Total segment assets	1,540.6	1,447.5
Corporate assets	14.5	13.1
Cash and cash equivalents	115.9	133.4
Fair value derivatives	20.2	4.0
Other current assets	27.2	24.6
Deferred tax assets	16.3	13.2
Total assets per the balance sheet	1,734.7	1,635.8

In millions of AUD

	Consolidated	
	2013	2012
iv) Segment liabilities reconciliation to the balance sheet		
Total segment liabilities	181.1	160.0
Corporate liabilities	10.5	11.3
Bank overdraft	3.0	1.2
Fair value derivatives	-	-
Income tax liability	15.1	28.5
Loans and borrowings	525.8	502.8
Deferred tax liabilities	2.1	1.7
Total liabilities per the balance sheet	737.6	705.5

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6. Operating Segments (continued)

In millions of AUD

	Consolidated	
	2013	2012
v) Segment amortisation and depreciation reconciliation to the profit and loss statement		
Total segment amortisation and depreciation	55.0	45.1
Corporate amortisation and depreciation	0.7	1.1
Elimination of discontinued operation	(0.3)	(0.7)
Total amortisation and depreciation	55.4	45.5

Geographical segments

In presenting information on a geographical basis segment revenue from external customers is by geographical location of customers. Segment assets are attributed based on geographic location of the business unit.

In millions of AUD

	Consolidated			
	2013		2012	
	Revenues	Non-current assets	Revenues	Non-current assets
Australia	679.9	568.5	658.7	587.8
Canada	240.7	238.2	236.5	240.3
USA	140.6	96.9	123.2	99.8
Other countries	438.1	336.8	387.1	201.7
Total	1,499.3	1,240.4	1,405.6	1,129.6

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7. Other income from continuing operations

In millions of AUD

Note	Consolidated	
	2013	2012
Investment property rental income	1.5	1.5
Other income	0.4	0.4
	<u>1.9</u>	<u>1.9</u>

8. Expenses from continuing operations

In millions of AUD

Note	Consolidated	
	2013	2012
Cost of goods sold	79.4	81.2
Equity-settled share-based payment transactions	39 1.1	1.2
Cash-settled share-based payment transactions	39 -	1.0
Contributions to defined contribution post-employment plans	32.4	30.1
Impairment loss in relation to the Reward Distribution segment	9,21 (16.1)	-
Loss/(gain) on sale of property plant and equipment	0.3	(0.1)
Transaction costs related to business combinations	3(i) 1.8	3.4
Net loss/(gain) on foreign exchange	(4.6)	(2.9)

9. Unusual items recorded in profit for the year

In millions of AUD

Note	Consolidated	
	2013	2012
Gain on sale of Campbell Chemicals segment	35 5.7	-
Impairment loss in relation to the Reward Distribution segment	8,21 (16.1)	-
	<u>(10.4)</u>	<u>-</u>
Income tax effect	(0.2)	-
Effect of unusual items after income tax	<u>(10.6)</u>	<u>-</u>

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10. Auditors' remuneration

In thousands of AUD

	Consolidated	
	2013	2012
Audit services		
Auditors of the Company		
<i>KPMG Australia:</i>		
Audit and review of consolidated and company financial reports *	521	484
Audit of subsidiary's financial report	28	40
Other regulatory audits	5	5
<i>Other KPMG member firms:</i>		
Audit and review of financial reports*	633	673
	1,187	1,202
Other auditors		
Audit and review of financial reports	67	107
	1,254	1,309
Other services		
Auditors of the Company		
<i>KPMG Australia</i>		
Other assurance and investigation services	13	22
<i>Other KPMG member firms:</i>		
Taxation services	189	136
Other assurance and investigation services	26	72
	228	230

* Includes impact of acquisitions during the financial year.

11. Net financing costs

In millions of AUD

	Consolidated	
	2013	2012
Interest income	1.9	1.8
Financial income	1.9	1.8
Interest expense	21.2	17.1
Finance charges on capitalised leases	0.3	0.3
Financial expenses	21.5	17.4
Net financing costs	19.6	15.6

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12. Income tax expense

In millions of AUD

Recognised in the profit and loss statement

Current tax expense from continuing operations

Current year

Adjustments for prior years

Deferred tax expense

Origination and reversal of temporary differences

Total income tax expense in profit and loss statement

Consolidated	
2013	Restated 2012
90.7	80.8
(0.5)	(1.0)
90.2	79.8
(1.7)	5.0
(1.7)	5.0
88.5	84.8

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12. Income tax expense (continued)

In millions of AUD

Reconciliation between tax expense and pre-tax net profit

	Consolidated	
	2013	Restated 2012
Profit before tax from continuing operations	310.8	303.8
Income tax using the domestic corporation tax rate of 30% (2012: 30%)	93.2	91.2
Difference resulting from different tax rates in overseas countries	(8.9)	(5.9)
Increase in income tax expense due to:		
Non-deductible expenses	2.1	0.7
Non-deductible equity settled performance rights expense	0.3	0.1
Non-deductible new market expansion and acquisition related costs	0.2	0.4
Tax losses of subsidiaries not recognised	3.7	1.5
Non resident withholding tax paid upon receipt of distributions from foreign related parties	2.6	3.4
Non-deductible goodwill impairment losses	4.8	-
Non-deductible unrealised foreign exchange amounts	0.4	1.0
Decrease in income tax expense due to:		
Previously unrecognised tax losses utilised during the year	(1.0)	(0.7)
Deductible WIP balances acquired	-	-
Share of associate entities net profit	(0.5)	(0.4)
Foreign statutory tax exemptions granted	(0.6)	(0.9)
Tax exempt revenues	(1.5)	(1.1)
Other deductible items	(5.4)	(4.1)
Under / (over) provided in prior years	(0.9)	(0.4)
Income tax expense on pre-tax net profit	88.5	84.8

In millions of AUD

Deferred tax recognised directly in equity

	Consolidated	
	2013	2012
Relating to foreign currency translation reserve	(1.2)	(1.2)
Relating to hedging reserve	0.2	-
	(1.0)	(1.2)

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13. Earnings per share

Cents per share

	Consolidated	
	2013	2012 Restated*
Basic earnings per share	66.44c	65.90c
Diluted earnings per share	66.35c	65.76c
Basic earnings per share from continuing operations	64.05c	64.21c
Diluted earnings per share from continuing operations	63.96c	64.08c
Basic earnings per share from discontinued operations	2.39c	1.69c
Diluted earnings per share from discontinued operations	2.39c	1.68c
Basic underlying earnings per share	69.53c	65.90c
Diluted underlying earnings per share	69.44c	65.76c

* Post 5-for-1 split basis

Basic and diluted earnings per share

The calculations of both basic and diluted earnings per share were based on the profit attributable to equity holders of the Company of \$227.3m (2012: \$222.4m).

Basic and diluted earnings per share from continuing operations

The calculations of both basic and diluted earnings per share from continuing operations were based on the profit attributable to equity holders of the Company from continuing operations of \$219.1m (2012: \$216.7m).

Basic and diluted earnings per share from discontinued operations

The calculations of both basic and diluted earnings per share from discontinued operations were based on the profit attributable to equity holders of the Company from discontinued operations of \$8.2m (2012: \$5.7m).

Basic and diluted underlying earnings per share

The calculations of both basic and diluted underlying earnings per share were based on the profit attributable to equity holders of the Company, including the results from operating activities of discontinued operations and excluding unusual items, of \$237.9m (2012: \$222.4m) as reconciled below:

In millions of AUD

	Note	Consolidated	
		2013	2012
Profit attributable to equity holders of the Company		227.3	222.4
Add back effect of unusual items after income tax	9	10.6	-
Underlying profit attributable to equity holders of the Company		237.9	222.4

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13. Earnings per share (continued)

Weighted average number of ordinary shares (Basic and diluted)

<i>In millions of shares</i>	Note	Consolidated	
		2013	2012
Issued ordinary shares at 1 April (<i>restated for 5 for 1 share split August 2012</i>)	26	337.5	337.5
Effect of shares issued July 2012 (DRP)		2.9	-
Effect of shares issued December 2012 (DRP)		1.7	-
Weighted average number of ordinary shares at 31 March (Basic)		342.1	337.5
Effect of performance rights granted to employees as compensation		0.5	0.7
Weighted average number of ordinary shares at 31 March (Diluted)		342.6	338.2

14. Cash and cash equivalents

<i>In millions of AUD</i>	Consolidated	
	2013	2012
Bank balances	115.9	92.0
Cash held in trust*	-	41.4
Cash and cash equivalents in the balance sheet	115.9	133.4
Bank overdrafts repayable on demand	(3.0)	(1.2)
Cash and cash equivalents in the statement of cash flows	112.9	132.2

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27.

* Held in trust in connection with the Group's acquisition of Eclipse Scientific Group Limited and Advanced Micro Services, in the prior financial period.

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15. Trade and other receivables

In millions of AUD

	Consolidated	
	2013	2012
Current		
Trade receivables	236.0	245.9
Other receivables	21.0	17.7
	257.0	263.6
Non-current		
Security deposits	0.9	0.8
Loans owing by associates and joint venture	1.7	1.3
	2.6	2.1
Ageing of trade receivables		
Current	117.2	128.3
30 days	58.4	62.2
60 days	20.0	22.7
90 days and over	45.3	38.2
Total	240.9	251.4
Allowance for impairment of trade receivables		
Opening balance	5.5	7.6
Impairment loss recognised/(reversal of impairment loss)	(0.6)	(2.1)
Closing balance	4.9	5.5

Based on historical rates of default, the Group believes that no impairment allowance is necessary in respect of trade receivables not overdue or past due not more than two months. The allowance for impairment of trade receivables is in respect of trade receivables past due for more than two months.

Exposures to currency risks related to trade and other receivables are disclosed in note 27.

16. Inventories

In millions of AUD

	Consolidated	
	2013	2012
Raw materials and consumables (testing and inspection)	31.1	20.6
Work in progress (testing and inspection)	25.5	29.7
Testing and inspection inventory	56.6	50.3
Finished goods	17.4	30.2
	74.0	80.5

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17. Other assets

In millions of AUD

	Consolidated	
	2013	2012
Current		
Prepayments	19.7	14.5
Fair value derivatives	7.5	4.0
Other	7.5	10.1
	34.7	28.6
Non-current		
Fair value derivatives	12.7	-
Other	0.4	0.2
	13.1	0.2

18. Investments accounted for using the equity method

Investments in associates and joint ventures

Investments in associates and a joint venture are accounted for using the equity method. The Group has investments in the following equity-accounted entities:

Name	Principal activities	Reporting date	Ownership interest Consolidated	
			2013	2012
Associates:				
ALS Technichem (Malaysia) Snd Bhd	Laboratory services	31 December	40%	40%
Joint ventures:				
Australian Laboratory Services, Arabia Co.	Laboratory services	31 December	42%	42%

In millions of AUD

	Consolidated	
	2013	2012
Movements in carrying amount of investments in associates and joint ventures:		
Carrying amount at the beginning of the financial year	10.9	17.1
Share of associates' and joint venture's net profit	1.6	1.4
Dividends received	-	(0.5)
Adjustment in carrying value to reflect foreign currency translation	(4.6)	-
Reduction in carrying value upon becoming a wholly owned subsidiary	-	(7.1)
	7.9	10.9

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19. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated <i>In millions of AUD</i>	Assets		Liabilities		Net	
	2013	2012	2013	2012	2013	2012
Property, plant and equipment	3.6	3.1	2.8	2.5	0.8	0.6
Land and buildings	-	-	1.0	0.7	(1.0)	(0.7)
Intangible assets	-	-	-	1.0	-	(1.0)
Unrealised FX losses/(gains)	2.0	1.3	0.2	0.4	1.8	0.9
Provisions and other payables	16.5	17.5	-	-	16.5	17.5
Undeducted equity raising costs	0.4	0.7	-	-	0.4	0.7
Undeducted capital expenditure	1.0	1.5	-	-	1.0	1.5
Fair value derivatives	-	-	2.2	1.2	(2.2)	(1.2)
Accrued revenue	-	-	2.1	0.9	(2.1)	(0.9)
Inventories	0.7	0.1	3.1	5.8	(2.4)	(5.7)
Other items	1.1	1.4	1.3	1.9	(0.2)	(0.5)
Tax value of loss carry-forwards recognised	1.6	0.2	-	-	1.6	0.2
Tax assets / liabilities	26.9	25.8	12.7	14.4	14.2	11.4
Set off of tax	(10.6)	(12.7)	(10.6)	(12.7)	-	-
Net tax assets / liabilities	16.3	13.1	2.1	1.7	14.2	11.4

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

In millions of AUD

	Consolidated	
	2013	2012
Tax losses	4.6	4.8

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

20. Property, plant and equipment

In millions of AUD

	Consolidated	
	2013	2012
Freehold land and buildings:		
At cost	152.3	119.2
Accumulated depreciation	(18.6)	(14.4)
	133.7	104.8
Plant and equipment:		
At cost	530.3	445.9
Accumulated depreciation	(366.9)	(303.5)
	163.4	142.4
Leasehold improvements:		
At cost	108.6	76.6
Accumulated depreciation	(51.8)	(34.4)
	56.8	42.2
Leased plant and equipment:		
At capitalised cost	13.3	16.1
Accumulated depreciation	(5.0)	(6.8)
	8.3	9.3
Capital works in progress:	35.0	25.9
Total property, plant and equipment, at net book value	397.2	324.6

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

In millions of AUD

	Consolidated	
	2013	2012
Freehold land and buildings:		
Carrying amount at the beginning of the year	104.8	71.4
Additions	34.8	11.1
Additions through entities acquired	8.0	6.7
Transfer from capital works in progress	0.2	18.8
Depreciation	(3.3)	(2.1)
Disposals	(9.5)	-
Effect of movement in foreign exchange	(1.3)	(1.1)
Carrying amount at end of year	133.7	104.8

ALS Limited (formerly Campbell Brothers Limited)
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For the year ended 31 March 2013

20. Property, plant and equipment (continued)

Reconciliations (continued)

In millions of AUD

	Consolidated	
	2013	2012
Plant and equipment:		
Carrying amount at the beginning of the year	142.4	116.3
Additions	54.8	48.9
Additions through entities acquired	17.0	15.5
Transfers from capital works in progress	0.6	1.7
Transfer from leased plant and equipment	0.5	(0.1)
Disposal	(6.6)	(2.4)
Depreciation	(43.7)	(35.3)
Effect of movement in foreign exchange	(1.6)	(2.2)
Carrying amount at end of year	163.4	142.4
Leasehold improvements:		
Carrying amount at the beginning of the year	42.2	41.9
Additions	12.1	4.9
Additions through entities acquired	7.2	2.0
Transfer from capital works in progress	3.2	1.7
Disposal	(0.2)	(1.5)
Depreciation	(6.9)	(5.8)
Effect of movement in foreign exchange	(0.8)	(1.0)
Carrying amount at end of year	56.8	42.2
Leased plant and equipment:		
Carrying amount at the beginning of the year	9.3	10.1
Additions	0.2	0.1
Additions through entities acquired	-	0.1
Transfer to plant and equipment	(0.5)	0.1
Disposal	(0.1)	-
Depreciation	(0.6)	(1.1)
Effect of movement in foreign exchange	-	-
Carrying amount at end of year	8.3	9.3
Capital works in progress:		
Carrying amount at the beginning of the year	25.9	25.5
Additions	13.4	23.5
Transfers out of capital works in progress	(3.9)	(22.3)
Transfers to intangible assets	-	(0.6)
Effect of movement in foreign exchange	(0.4)	(0.2)
Carrying amount at end of year	35.0	25.9

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

21. Intangible assets

In millions of AUD

	Goodwill	Consolidated Purchased trademarks and brandnames	Software	Total
Balance at 1 April 2012	760.6	3.7	3.4	767.7
Additions through business combinations	82.1	-	0.2	82.3
Impairment (a)	(16.1)	-	-	(16.1)
Additions	-	-	2.0	2.0
Disposal	(6.7)	(3.7)	-	(10.4)
Amortisation	-	-	(1.1)	(1.1)
Effect of movements in foreign exchange	(19.4)	-	-	(19.4)
Balance at 31 March 2013	800.5	-	4.5	805.0
Balance at 1 April 2011	497.9	3.7	1.9	503.5
Additions through business combinations	270.0	-	0.8	270.8
Additions	0.5	-	1.6	2.1
Transfer in from WIP	-	-	0.6	0.6
Disposal	(4.5)	-	(0.1)	(4.6)
Amortisation	-	-	(1.3)	(1.3)
Effect of movements in foreign exchange	(3.3)	-	(0.1)	(3.4)
Balance at 31 March 2012	760.6	3.7	3.4	767.7

- (a) The impairment loss recognised relates to the Reward Distribution reportable segment and has been included in impairment losses in the profit and loss statement. During the year ended 31 March 2013 the Reward Distribution cash generating unit achieved earnings results well below management's expectations. This caused management to reassess short term earnings forecasts used in estimating the recoverable amount of goodwill attaching to this cash generating unit. Based on this assessment a goodwill impairment loss of \$16.1m was recognised (refer note 8).

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For the year ended 31 March 2013

21. Intangible assets (continued)

Impairment tests for cash generating units containing goodwill

The following cash generating units have significant carrying amounts of goodwill:

<i>In millions of AUD</i>	Consolidated	
	2013	2012
ALS Minerals	324.3	332.5
ALS Life Sciences - Australia	48.4	50.9
ALS Life Sciences - North America	90.9	98.4
ALS Life Sciences - South America	34.5	-
ALS Life Sciences - Europe	79.4	32.9
ALS Life Sciences - Asia	9.0	9.1
ALS Coal	77.8	79.9
ALS Tribology	11.8	12.4
ALS Industrial	123.9	123.8
Campbell Chemicals	-	4.1
Reward Distribution	-	16.1
Other cash generating units	0.5	0.5
	800.5	760.6

The recoverable amounts of goodwill in all cash-generating units exceed carrying amounts and are based on value in use calculations. Those calculations use cash flow projections based on actual operating results, the budget for FY2014 and forecasts drawn from years two and three of the Group's three-year forecast for FY2015 and FY2016. Cash flows for a further 17 year period are extrapolated using a real growth rate of 3.0 per cent per annum. Directors believe this growth rate is a conservative estimate of the long-term average growth rates achievable in the industries in which the Group participates. The following real pre-tax discount rates have been used in discounting the projected cash flows.

Division	Pre-tax (real) discount rate	
	2013	2012
ALS	10.0%	11.50%
Campbell Chemicals	N/A	10.35%
Reward Distribution	10.0%	9.2%

The determination of the recoverable amounts of the Group's cash generating units involves significant estimates and judgements and the results are subject to the risk of adverse and sustained changes in the key markets and/or geographies in which the Group operates. Note 6 provides more information on the Group's key operating segments and revenue by geographical location of its customers. Sensitivity analysis performed indicates a reasonably possible change in any of the key assumptions used would not result in impairment at 31 March 2013.

Software

Software assets are considered to have finite useful lives and are amortised in line with their assessed useful lives.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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For the year ended 31 March 2013

22. Trades and other payables

In millions of AUD

	Consolidated	
	2013	2012
Trade payables	30.3	35.5
Other payables and accrued expenses	83.2	87.7
	113.5	123.2

23. Investment property

In millions of AUD

	Consolidated	
	2013	2012
Carrying amount at the beginning of the year	11.1	11.1
Additions	0.1	0.1
Depreciation	(0.2)	(0.1)
Carrying amount at end of year	11.0	11.1

Investment property comprises a commercial property leased to a third party. The current lease expired in September 2012 and the lessee has exercised their option to renew the lease for a further five years from that date. See note 28 for further information.

Fair value of the property is estimated to be \$15.4m (2012: 15.4m) based on a capitalisation rate of 9.5%.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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For the year ended 31 March 2013

24. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 27.

In millions of AUD

	Consolidated	
	2013	2012
Current Liabilities		
Bank loans	1.5	1.7
Finance lease liabilities	2.4	2.3
	3.9	4.0
Non-current liabilities		
Bank loans	138.4	123.0
Long term notes	381.1	372.2
Finance lease liabilities	2.4	3.6
	521.9	498.8

Bank loans

Bank loans are denominated in Australian dollars, Canadian dollars, Great British pounds, Singapore dollars and US dollars. Current bank loans comprise the portion of the Group's bank loans repayable within one year. Funding available to the Group from undrawn facilities at 31 March 2013 amounted to \$124.6m (2012: \$116.4m).

The weighted average interest rate (incorporating the effect of interest rate contracts) for all bank loans at balance date is 3.3% (2012: 3.8%).

The term loan facilities are committed facilities and are able to be drawn in the form of bank overdrafts, loans or bank guarantees.

The Company and six of its subsidiaries, namely Australian Laboratory Services Pty Ltd, ALS Canada Limited, ALS Group General Partnership, ALS Technichem (Singapore) Pte Ltd, ALS Inspection UK Ltd, and ALS Testing Services Group, Inc are parties to multi-currency term loan facility agreements as borrowers with a number of banks.

Under the terms of the agreements, the Company and a number of its wholly-owned subsidiaries jointly and severally guarantee and indemnify the banks in relation to each borrower's obligations.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

24. Loans and borrowings (continued)

Long term notes

The Company's controlled entity ALS Group General Partnership issued long term, fixed rate notes to investors in the US Private Placement market in December 2010 and again in July 2011. The notes are denominated in US dollars and Canadian dollars and mature as follows - 7 years due December 2017: \$28.8m; 8 years due July 2019: \$91.2m; 10 years due December 2020: \$114.1m; and 11 years due July 2022: \$134.4m.

As the Long Term Notes are designated as part of a fair value hedge in relation to the interest rate risk (refer note 27), their carrying value includes a fair value adjustment uplift of \$12.7m (2012: Nil) being the revaluation of the debt for the risk being hedged. This fair value loss in the carrying value of the Notes is offset by gains on interest rate swap instruments which are designated as an effective fair value hedge and recognised as a fair value derivative receivable (refer note 17).

Interest is payable semi-annually to noteholders. The weighted average interest rate (incorporating the effect of interest rate contracts) for all long term notes at balance date is 3.8% (2012: 3.8%).

Under the terms of the note agreements, the Company and a number of its wholly-owned subsidiaries jointly and severally guarantee and indemnify the noteholders in relation to the issuer's obligations.

Finance lease liabilities

In millions of AUD

Included as lease liabilities are the present values of future rentals for leased assets capitalised:

Current

Non-current

Lease commitments in respect of capitalised finance leases are payable:

Within one year

Later than one year but not later than five years

Later than five years

Future finance charges

Total lease liability

Consolidated	
2013	2012
2.4	2.3
2.4	3.6
4.8	5.9
2.7	2.7
2.7	3.7
-	0.5
5.4	6.9
(0.6)	(1.0)
4.8	5.9

The Group leases plant and equipment under finance leases expiring over terms of up to seven years. At the end of the lease terms the Group generally has the option to purchase the equipment at a percentage of market value - a price deemed to be a bargain purchase option. Lease liabilities are secured by the leased assets as in the event of default the assets revert to the lessor.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

25. Other non-current liabilities

In millions of AUD

Written put option over non-controlling interest (note 36)
Other

Consolidated	
2013	2012
30.0	-
3.5	6.3
33.5	6.3

26. Capital and reserves

Reconciliation of movement in capital

In millions of AUD

Issued and paid up share capital

343,556,949 ordinary shares fully paid (2012: 337,517,055) (1)

Movements in ordinary share capital

Balance at beginning of year
3,003,165 shares (2012: Nil) issued under the Dividend
Reinvestment Plan in July 2012 (1)
53,472 shares acquired by the Company on-market in August
2012 and held in trust
3,036,729 shares (2012: Nil) issued under the Dividend
Reinvestment Plan in December 2012
Balance at end of year

Consolidated	
2013	2012
667.9	610.4
610.4	610.4
30.6	-
(0.4)	-
27.3	-
667.9	610.4

(1) No. of shares has been restated on a 5-for-1 post share split basis.

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to the net proceeds of liquidation.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

26. Capital and reserves (continued)

Employee share plan

The Group has an Employee Share Plan ("the Share Plan") which is closed to new participants. The last share loan offer under the Share Plan was made mid-2006. Any participation in a Company-sponsored employee incentive scheme is now via the Company's LTI plan – refer note 39.

Under the Share Plan, eligible employees of the Company or of its subsidiaries were able to acquire ordinary fully paid shares in the Company. An external third party is trustee of the Share Plan.

Participation in the Share Plan by employees was at the discretion of the Board of Directors. The Board sets the conditions under which employees can participate having regard to length of service and salary range. The Board administers the Share Plan as a non-discriminatory plan within the meaning of Australian taxation legislation. The price of shares issued under the Share Plan was determined at the discretion of directors and may be less than the prevailing market price. Employees were offered loans from a subsidiary to finance their purchase of shares under the plan. Plan loans are interest free and repayable over 25 years.

Shares acquired by an employee under the Share Plan are held by a trustee for at least three years and until the whole of any related loan has been paid in full by the employee. Once the loan has been repaid and a period of three years has expired, the trustee transfers the shares to the employee. Dividends are applied by the trustee in reducing the employee's plan loan. During the period while shares are held by the trustee, the employee does not have voting rights in respect of those shares. On termination of employment, an employee has thirty days in which to decide whether to either repay the loan and receive their shares by way of transfer from the trustee or request that the shares be sold by the trustee after which any proceeds in excess of the outstanding loan amount are paid to the employee.

The aggregate number of shares held by the trustee under the Share Plan at any time must not exceed 5% of the total issued capital of the Company. No shares were issued under the Share Plan during the financial year (2012: Nil). The market price of shares issued under the Share Plan as at 31 March 2013 was \$10.47 (2012: \$13.45*).

**Restated post 5-for-1 share split basis*

Details of the movement in employee shares under the Share Plan are as follows:

	2013 No.	2012 No.
Number of shares at beginning of year (post 5-for-1 share split basis)	250,000	250,000
Number of share issued to employees	-	-
Number of shares distributed to employees	(250,000)	-
Number of shares at end of year (post 5-for-1 share split basis)	-	250,000

The amounts recognised as receivable in the financial statements of the Group in relation to employee shares at the end of the year are:

	Consolidated	
	2013 \$	2012 \$
Current receivables – Other debtors	-	106,300

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

26. Capital and reserves (continued)

Reserves

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity, as well as from the translation of liabilities or changes in fair value of derivatives that hedge the Company's net investment in a foreign subsidiary.

The employee share-based awards reserve comprises the cumulative amount, recognised as an employee expense to date, of the fair value at grant date of share-based, share-settled awards granted to employees. Refer to notes 3(m) and 39.

Other reserves comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. It also includes amounts arising from the accounting for a put and call option arrangement entered with a non-controlling interest of a controlled entity.

Dividends

Dividends recognised in the current year by the Company are:

<i>In millions of AUD</i>	Cents per share	Franked amount (cents)	Total amount	Date of payment
2013				
Interim 2013 ordinary	21.0	10.5	71.5	18 December 2012
Final 2012 ordinary *	26.0	13.0	87.8	2 July 2012
			<u>159.3</u>	
2012				
Interim 2012 ordinary *	19.0	9.5	64.1	19 December 2011
Final 2011 ordinary *	15.0	7.5	50.7	1 July 2011
Total amount			<u>114.8</u>	
* Restated on a 5-for-1 post share split basis.				
Dividend declared after the end of the financial year:				
Final 2013 ordinary	27.0	13.5	<u>92.8</u>	

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 March 2013 and will be recognised in subsequent financial reports.

The franked components of all dividends paid or declared since the end of the previous financial year were franked based on a tax rate of 30%.

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Notes to the financial statements

For the year ended 31 March 2013

26. Capital and reserves (continued)

Dividends (continued)

In millions of AUD

Dividend franking account

30% franking credits available to shareholders of ALS Limited
for subsequent financial years

Consolidated	
2013	2012
22.1	26.0

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- (a) franking credits that will arise from the payment of the current tax liabilities;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
- (d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$19.9m (2012: \$18.8m).

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

27. Financial instruments

Liquidity risk

Contractual maturities for financial liabilities on a gross cash flow basis are analysed below:

CONSOLIDATED

As at 31 March 2013

In millions of AUD

Non-derivative financial liabilities

	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank overdraft	3.0	-	-	-	-	3.0
Trade and other payables	113.5	-	-	-	-	113.5
Finance lease liabilities	1.2	1.5	1.0	1.7	-	5.4
Option liability (note 25)	-	-	-	48.0	-	48.0
Long term notes	8.3	8.2	16.5	77.9	391.0	501.9
Bank loans	2.2	2.1	121.0	19.2	-	144.5
Derivative financial instruments	(1.5)	(1.6)	(3.0)	(6.0)	(1.4)	(13.5)
Total	126.7	10.2	135.5	140.8	389.6	802.8

CONSOLIDATED

As at 31 March 2012

In millions of AUD

Non-derivative financial liabilities

	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank overdraft	1.2	-	-	-	-	1.2
Trade and other payables	123.2	-	-	-	-	123.2
Finance lease liabilities	1.4	1.3	1.9	1.8	0.5	6.9
Long term notes	8.4	8.3	16.7	29.6	433.6	496.6
Bank loans	3.3	3.3	6.5	126.8	-	139.9
Derivative financial instruments	(1.5)	(1.4)	(2.6)	(4.5)	(0.5)	(10.5)
Total	136.0	11.5	22.5	153.7	433.6	757.3

The gross outflows/(inflows) disclosed in the tables above for derivative financial liabilities represent the contractual undiscounted cash flows of derivative financial instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled.

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Notes to the financial statements

For the year ended 31 March 2013

27. Financial instruments (continued)

Currency risk

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

CONSOLIDATED

In millions of AUD

	2013							
	USD	CAD	SEK	CZK	EUR	PLN	DKK	GBP
Trade and other receivables	14.5	-	-	-	1.8	0.1	-	-
Cash at bank	26.5	-	-	-	1.5	0.1	0.5	0.2
Bank loan	-	-	-	-	-	-	-	(32.1)
Long term notes	-	(61.3)	-	-	-	-	-	-
Trade and other payables	(1.3)	-	-	-	(0.1)	-	-	-
Gross balance sheet exposure	39.7	(61.3)	-	-	3.2	0.2	0.5	(31.9)
Derivative financial instruments*	-	(75.5)	-	(17.5)	(9.6)	-	(19.6)	-
Net exposure	39.7	(136.8)	-	(17.5)	(6.4)	0.2	(19.1)	(31.9)

CONSOLIDATED

In millions of AUD

	2012						
	USD	CAD	SEK	CZK	EUR	PLN	GBP
Trade and other receivables	12.2	-	-	-	1.6	0.2	-
Cash at bank	28.3	-	-	-	3.4	-	-
Bank loan	-	-	(14.6)	-	-	-	(34.0)
Long term notes	-	(62.9)	-	-	-	-	-
Trade and other payables	(2.1)	-	-	-	(0.2)	-	-
Gross balance sheet exposure	38.4	(62.9)	(14.6)	-	4.8	0.2	(34.0)
Derivative financial instruments*	-	(77.4)	-	(19.0)	(10.0)	-	-
Net exposure	38.4	(140.3)	(14.6)	(19.0)	(5.2)	0.2	(34.0)

* Amounts represent the notional amounts of cross currency interest rate swaps used for hedging of net investments in foreign operations.

The following exchange rates against the Australian dollar applied at 31 March:

31 March spot rate

	2013	2012
USD	1.0420	1.034
CAD	1.0602	1.033
SEK	6.7989	6.844
CZK	20.9168	19.229
EUR	0.8129	0.7756
PLN	3.3960	3.2184
GBP	0.6856	0.646

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27. Financial instruments (continued)

Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the above balances at 31 March would have increased (decreased) profit before income tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

In millions of AUD

As at 31 March 2013

	Consolidated	
	Profit	Equity
USD	(3.6)	-
CAD	-	12.4
CZK	-	1.6
EUR	(0.3)	0.9
PLN	-	-
GBP	-	2.9
DKK	1.7	-
	(2.2)	17.8

As at 31 March 2012

USD	(3.5)	-
CAD	-	12.8
SEK	-	1.3
CZK	-	1.7
EUR	(0.4)	1.0
PLN	-	-
GBP	-	3.0
	(3.9)	19.8

A 10 percent weakening of the Australian dollar against the above balances at 31 March would have increased (decreased) profit before income tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

In millions of AUD

As at 31 March 2013

	Consolidated	
	Profit	Equity
USD	4.4	-
CAD	-	(15.2)
CZK	-	(1.9)
EUR	0.3	(1.1)
PLN	-	-
GBP	-	(3.6)
DKK	(2.1)	-
	2.6	(21.8)

As at 31 March 2012

USD	4.3	-
CAD	-	(15.6)
SEK	-	(1.6)
CZK	-	(2.1)
EUR	0.5	(1.1)
PLN	-	-
GBP	-	(3.8)
	4.8	(24.2)

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27. Financial instruments (continued)

Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

In millions of AUD

Fixed rate instruments

Financial liabilities

Effect of interest rate contracts*

Variable rate instruments

Financial assets

Financial liabilities

Effect of interest rate contracts*

Consolidated	
2013	2012
(385.8)	(378.0)
105.8	126.1
(280.0)	(251.9)
115.9	133.4
(142.7)	(126.0)
(105.8)	(126.0)
(132.6)	(118.6)

* Represents the net notional amount of interest rate swaps used for hedging.

Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group has designated interest rate contracts as hedging instruments under a fair value hedge accounting model in relation to its fixed rate long term notes. The interest rate contracts swap the fixed interest payable on a portion of the loan notes to variable interest rates for the term of the debt. In accordance with the Group's accounting policy (refer note 3(d)) changes in fair value of the interest rate contracts together with the change in fair value of the debt arising from changes in interest rates are recognised in the profit and loss (to the extent the fair value hedge is effective). In 2013, the change in fair value of interest rate contracts was \$12.7 million and was offset in the Group's profit and loss statement by an equal amount relating to the change in fair value of the hedged risk. A change of 50 basis points in interest rates at the reporting date would not materially impact the Group's profit and loss before income tax or equity (2012: Nil).

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit before income tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

In millions of AUD

	Consolidated			
	Profit		Equity	
	50 bp increase	50bp decrease	50 bp increase	50 bp decrease
As at 31 March 2013				
Variable rate instruments	(0.1)	0.1	-	-
Interest rate contracts	(0.5)	0.5	-	-
Cash flow sensitivity (net)	(0.6)	0.6	-	-
As at 31 March 2012				
Variable rate instruments	-	-	-	-
Interest rate contracts	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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27. Financial instruments (continued)

Fair values of financial instruments

The Group's financial assets and liabilities are included in the balance sheet at amounts that approximate fair values with the exception of fixed rate debt which has a fair value of \$374m (2012: \$389m). The basis for determining fair values is disclosed in note 5. The fair value at 31 March 2013 of derivative assets (2012: asset) held for risk management, which are the Group's only financial instruments carried at fair value, was a net gain of \$16.2m (2012: gain of \$2.8m) measured using Level 2 valuation techniques as defined in the fair value hierarchy shown in note 5. The Group does not have any financial instruments that are categorised as Level 1 or Level 3 in the fair value hierarchy.

28. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In millions of AUD

	Consolidated	
	2013	2012
Less than one year	23.8	28.4
Between one and five years	52.9	65.9
More than five years	10.7	21.7
	87.4	116.0

The Group leases property, plant and equipment under operating leases expiring over terms of up to six years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Some leases provide for additional rent payments that are based on a local price index. Lease commitments in respect of finance leases are disclosed in note 24.

During the year ended 31 March 2013 \$47.6m was recognised as an expense in the profit and loss statement in respect of operating leases (2012: \$36.9m).

Leases as lessor

The Group leases out its investment property held under operating lease (see note 23). The future minimum lease payments receivable under non-cancellable leases are as follows:

In millions of AUD

	Consolidated	
	2013	2012
Less than one year	1.9	1.5
Between one and five years	7.0	6.6
	8.9	8.1

During the year ended 31 March 2013 \$1.5m was recognised as rental income in the profit and loss statement (2012: \$1.5m).

29. Capital commitments

In millions of AUD

	Consolidated	
	2013	2012
Capital expenditure commitments		
Plant and equipment contracted but not provided for and payable within one year	11.4	36.1

30. Contingencies

The directors are of the opinion that there are no material contingent liabilities at 31 March 2013.

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31. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- ACIRL Proprietary Limited
- ACIRL Quality Testing Services Pty Ltd
- ALS Metallurgy Holdings Pty Ltd (formerly ALS Ammtec Holdings Pty Ltd)
- ALS Metallurgy Pty Ltd (formerly ALS Ammtec Pty Ltd)
- ALS Metallurgy Pty Ltd (formerly ALS Ammtec Pty Ltd) atf Ammtec Unit Trust
- ALS Industrial Australia Pty Ltd
- ALS Industrial Holdings Pty Ltd
- ALS Industrial Pty Ltd
- Australian Laboratory Services Pty Ltd
- Ecowise Australia Pty Ltd
- Ecowise Environmental Pty Ltd
- Reward Supply Co. Pty Ltd

A consolidated profit and loss statement, consolidated statement of comprehensive income and consolidated balance sheet, comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 31 March 2013 is set out below.

Summary profit and loss statement and retained profits

In millions of AUD

	Consolidated	
	2013	2012
Profit before tax	217.8	190.5
Income tax expense	(29.8)	(32.2)
Profit after tax	188.0	158.3
Retained profits at beginning of year	85.0	35.9
Retained earnings adjustment*	(0.8)	5.6
Dividends recognised during the year	(161.7)	(114.8)
Retained profits at end of year	110.5	85.0

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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31. Deed of cross guarantee (continued)

Statement of comprehensive income

In millions of AUD

	Consolidated	
	2013	2012
Profit for the period	190.4	160.2
Total comprehensive income for the period	190.4	160.2

* Represents applicable amounts taken directly to retained earnings, together with adjustments for changes in the composition of the cross-guarantee group.

Balance Sheet

In millions of AUD

	Consolidated	
	2013	2012
Assets		
Cash and cash equivalents	18.2	11.5
Trade and other receivables	120.6	124.1
Inventories	32.9	42.3
Other	4.5	7.1
Total current assets	176.2	185.0
Receivables	80.3	92.7
Investments accounted for using the equity method	7.9	10.9
Investment property	11.0	11.1
Deferred tax assets	12.1	10.8
Property, plant and equipment	179.4	162.3
Intangible assets	309.1	339.8
Other investments	328.7	194.9
Total non-current assets	928.5	822.5
Total assets	1,104.7	1007.5
Liabilities		
Trade and other payables	51.3	66.2
Loans and borrowings	1.3	2.2
Income tax payable	15.1	17.2
Employee benefits	30.4	29.2
Total current liabilities	98.1	114.8
Loans and borrowings	217.9	184.3
Employee benefits	2.9	2.4
Other	30.5	5.5
Total non-current liabilities	251.3	192.2
Total liabilities	349.4	307.0
Net assets	755.3	700.5
Equity		
Share capital	667.9	610.4
Reserves	(28.3)	2.3
Retained earnings	115.7	87.8
Total equity	755.3	700.5

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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32. Parent entity disclosures

Result of parent entity

In millions of AUD

Profit for the period
Total comprehensive income for the period

2013	2012
182.3	118.3
182.3	118.3

Financial position of parent entity at year end

In millions of AUD

Current assets
Total assets

2013	2012
21.6	9.2
981.8	844.4

Current liabilities
Total liabilities

23.8	30.2
278.7	218.8

Net assets

703.1	625.6
-------	-------

Share capital
Reserves
Retained earnings

667.9	610.4
1.7	2.3
33.5	12.9

Total equity

703.1	625.6
-------	-------

Parent entity capital commitments

In millions of AUD

Plant and equipment contracted but not provided for and payable within one year

2013	2012
-	0.3
-	0.3

Parent entity guarantees in respect of the debts of its subsidiaries

The Company is party to a number of financing facilities and a Deed of Cross Guarantee under which it guarantees the debts of a number of its subsidiaries. Refer to notes 24 and 31 for details.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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33. Consolidated entities

The Group's significant controlled entities are listed below:

	Country of Incorporation
Parent entity	
ALS Limited (formerly Campbell Brothers Limited)	Australia
Subsidiaries	
Australian Laboratory Services Pty Ltd	Australia
ACIRL Proprietary Ltd	Australia
ACIRL Quality Testing Services Pty Ltd	Australia
Ecowise Australia Pty Ltd	Australia
ALS Industrial Australia Pty Ltd	Australia
ALS Industrial Pty Ltd	Australia
ALS Industrial Power Services Pty Ltd (formerly Austpower Engineering Pty Ltd)	Australia
ALS Metallurgy Pty Ltd (formerly ALS Ammtec Pty Ltd) as trustee for Ammtec Unit Trust	Australia
ALS South American Holdings Pty Ltd	Australia
ALS Canada Ltd	Canada
ALS Testing Services Group, Inc (formerly CBL Campbell Brothers USA, Inc)	USA
ALS Group General Partnership	USA
ALS Group USA, Corp	USA
ALS USA, Inc	USA
ALS Services USA, Corp	USA
ALS Technichem (Singapore) Pte Ltd	Singapore
ALS Chemex South Africa (Proprietary) Ltd	South Africa
Abilab Burkina SARL	Burkina Faso
Group de Laboratoire ALS MALI SARL	Mali
ALS Scandinavia AB	Sweden
ALS Inspection UK Limited (formerly Stewart Inspection and Analysis Limited)	United Kingdom
ALS Chemex de Mexico S.A. de C.V.	Mexico
ALS Patagonia S.A.	Chile
ALS Peru S.A.	Peru

The above entities were wholly owned in the current and comparative years, except for ALS South American Holdings Pty Ltd (incorporated during the current year in relation to the acquisition of the Corplab Group) in which the Group has an 80% interest.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

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34. Reconciliation of cash flows from operating activities

In millions of AUD

	Consolidated	
	2013	2012
Profit for the period	230.5	224.7
Adjustments for:		
Amortisation and depreciation	55.8	46.2
Finance charges on capitalised leases	0.3	0.3
(Profit)/loss on sale of property plant and equipment	0.3	(0.1)
Share-settled performance rights awarded during the year	(2.5)	1.3
Share of associates and joint venture net profit	(1.6)	(1.4)
Gain on sale of Campbell Chemicals segment	(5.7)	-
Write-down Reward Distribution segment to fair value less costs to sell	16.1	-
Net non-cash expenses	(0.5)	0.4
Operating cashflow before changes in working capital and provisions	292.7	271.1
(Increase)/decrease in trade and other receivables	7.1	(49.8)
(Increase)/decrease in inventories	(4.4)	(11.0)
(Decrease)/increase in trade and other payables	(33.8)	4.2
(Decrease)/increase in taxation provisions	(14.3)	14.5
Net cash from operating activities	247.3	229.0

35. Discontinued operations

In September 2012 the Group sold its Campbell Chemicals operating segment consisting of both its former Panamex Pacific and Deltrex Chemicals business units via two separate sale arrangements. Prior year comparatives relate to the trading performance of the segment operations.

The Campbell Chemicals segment was not a discontinued operation or held for sale in the prior corresponding period and therefore the income statement has been re-presented to show the discontinued operations separately from the continuing operations.

Information attributable to discontinued operations is as follows:

In millions of AUD

	Consolidated	
	2013	2012
Discontinued operations		
Revenue	43.7	90.0
Amortisation and depreciation	(0.3)	(0.7)
Other Expenses	(39.6)	(81.1)
Results from operating activities	3.8	8.2
Income tax expense	(1.1)	(2.5)
Results from operating activities, net of income tax	2.7	5.7
Gain on sale of discontinued operations	5.7	-
Income tax on gain on sale of discontinued operations	(0.2)	-
	8.2	5.7
Basic earnings per share from discontinued operations (post 5-for-1 split basis)	2.39c	1.69c
Diluted earnings per share from discontinued operations (post 5-for-1 split basis)	2.39c	1.68c

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35. Discontinued operations (continued)

In millions of AUD

	Consolidated	
	2013	2012
Cash flows from discontinued operations		
Net cash from operating activities	2.0	6.8
Net cash from investing activities	39.7	0.7
Net cash from financing activities	-	-
Net cash from discontinued operations	41.7	7.5
 Effect of disposal on the financial position of the Group		
Property, plant and equipment	(8.7)	
Identifiable intangible assets	(7.9)	
Inventories	(11.8)	
Trade and other receivables	(13.0)	
Deferred tax assets	(0.4)	
Current tax liabilities	1.4	
Employee benefits	0.9	
Trade and other payables	5.1	
Deferred tax liabilities	0.7	
Net identifiable assets and liabilities	(33.7)	
Consideration received, satisfied in cash	39.4	

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36. Acquisitions of subsidiaries and non-controlling interests

Business Combinations

<i>In millions of AUD</i>	Interest Acquired	Date acquired	Consideration
2013			
Eclipse Scientific Group Limited	100%	April 2012	30.4
Milana A.S.	100%	July 2012	21.6
Corplab Group	80%	December 2012	44.7
Other acquisitions during the year			15.5

If the acquisitions had occurred on 1 April 2012, management estimates that Group revenue would have been \$1,527,038,000 and net profit would have been \$233,372,000.

<i>In millions of AUD</i>	Interest Acquired	Date acquired	Consideration
2012			
Stewart Holdings Group Limited	100%	July 2011	127.0
CAS Holdings, Inc.	100%	October 2011	40.2
Austpower Engineering Pty Ltd	100%	October 2011	35.2
Other acquisitions during the year			9.3

If the acquisitions had occurred on 1 April 2011, management estimates that Group revenue would have been \$1,469,403,000 and net profit would have been \$233,283,000.

Eclipse Scientific Group Limited (consolidated group): net assets at acquisition dates

<i>In millions of AUD</i>	Recognised values
	2013
Property, plant and equipment	8.1
Identifiable intangible assets	-
Inventories	1.0
Trade and other receivables	7.7
Cash and cash equivalents	1.6
Interest-bearing loans and borrowings	(11.0)
Trade and other payables	(5.6)
Employee benefits	(0.6)
Deferred tax assets	1.6
Net identifiable assets and liabilities	2.8
Goodwill on acquisition	27.6
Consideration paid, satisfied in cash	30.4
Cash (acquired)	(1.6)
Net cash outflow	28.8

Directly attributable transaction costs of \$75,000 (2012: \$37,000) were included in administration and other expenses in the profit and loss statement. In the period to 31 March 2013 Eclipse Scientific Group Limited (Eclipse Group) contributed a net profit of \$1,600,000 to the consolidated net profit for the year.

ALS Limited (formerly Campbell Brothers Limited) **and its subsidiaries** **Notes to the financial statements** For the year ended 31 March 2013

36. Acquisitions of subsidiaries and non-controlling interests (continued)

The acquisition of the Eclipse Scientific Group provides the Group with the opportunity to expand the existing food and pharmaceutical services into new geographies in the UK and Ireland. In determining the fair value of the assets acquired in the business combination, Directors assessed that any identifiable intangible assets (such as customer relationships and brand names) were not material. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of Eclipse Group's workforce and the synergies expected to be achieved from integrating the acquired operations into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

Milana A.S. net assets at acquisition dates

In millions of AUD

	Recognised values 2013
Property, plant and equipment	3.4
Trade and other receivables	1.6
Cash and cash equivalents	1.0
Current tax liabilities	(0.3)
Employee benefits	(0.5)
Trade and other payables	(0.3)
Net identifiable assets and liabilities	4.9
Goodwill on acquisition	16.7
Consideration paid, satisfied in cash	21.6
Cash (acquired)	(1.0)
Net cash outflow	20.6

Directly attributable transaction costs of \$78,000 were included in administration and other expenses in the profit and loss statement. In the period to 31 March 2013 Milana A.S. contributed a net profit of \$1,792,000 to the consolidated net profit for the year.

Milana A.S. was acquired for the purpose of broadening the service reach of the Group's existing European environmental testing operations. In determining the fair value of the assets acquired in the business combination, Directors assessed that any identifiable intangible assets (such as customer relationships and brand names) were not material. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of the acquired business's workforce and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

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36. Acquisitions of subsidiaries and non-controlling interests (continued)

Corplab Group net assets at acquisition dates

<i>In millions of AUD</i>	Recognised values 2013
Property, plant and equipment	5.3
Identifiable intangible assets	0.2
Inventories	0.1
Trade and other receivables	9.9
Cash and cash equivalents	2.4
Interest-bearing loans and borrowings	(1.6)
Current tax liabilities	(0.1)
Employee benefits	(1.0)
Trade and other payables	(4.8)
Net identifiable assets and liabilities	10.4
Goodwill on acquisition	34.3
Total consideration payable	44.7
Total consideration payable comprised:	
Cash	41.8
Shares in a controlled entity	2.9
	44.7
Net cash outflow:	
Consideration paid, satisfied in cash	41.8
Cash (acquired)	(2.3)
	39.5

Directly attributable transaction costs of \$786,000 were included in administration and other expenses in the profit and loss statement. In the period to 31 March 2013 the Corplab Group contributed a net profit of \$1,128,000 to the consolidated net profit for the year.

Corplab Group was acquired for the purpose of growing the Group's Life Sciences Division into the South American region where there is strong expected growth over the coming decade. In determining the fair value of the assets acquired in the business combination, Directors assessed that any identifiable intangible assets (such as customer relationships and brand names) were not material. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of the acquired business's workforce and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

The Group acquired its 80% interest in the Corplab Group in December 2012 via a joint venture company, ALS South American Holdings Pty Ltd. The remaining 20% shareholding in the joint venture company is subject to a put and call option exercisable by either shareholder within a five year period from that date. The Group has recognised a liability arising from this option (refer note 25). The liability has been recognised at the present value of the estimated exercise price based on the terms and conditions of the option agreement. On recognition of the liability, a corresponding amount has been recognised in equity within other reserves (refer note 26). Subsequent changes in the liability will also be recognised in equity in accordance with the Group's accounting policy in note 3(a).

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36. Acquisitions of subsidiaries and non-controlling interests (continued)

Other acquirees' net assets at acquisition dates

<i>In millions of AUD</i>	Recognised values 2013	Recognised values 2012*
Property, plant and equipment	15.3	28.7
Identifiable intangible assets	-	0.7
Inventories	1.2	5.4
Trade and other receivables	5.2	34.3
Current tax assets	-	1.0
Deferred tax assets	0.2	0.3
Cash and cash equivalents	(1.0)	4.9
Interest-bearing loans and borrowings	(0.1)	(98.0)
Employee benefits	-	(2.7)
Trade and other payables	(8.8)	(20.6)
Deferred tax liabilities	-	(0.6)
Net identifiable assets and liabilities	12.0	(46.6)
Non-controlling interest at acquisition	-	(2.2)
Balance of investment in associate derecognised	-	(7.1)
Goodwill on acquisition	3.5	267.6
Consideration paid, satisfied in cash (a)	15.5	211.7
Cash (acquired)	(1.0)	(4.9)
Net cash outflow	14.5	206.8

* The comparatives disclose all 2012 acquisitions.

Directly attributable transaction costs of \$133,000 (2012: \$63,000) relating to these acquisitions were included in administration and other expenses in the profit and loss statement.

In determining the fair value of the assets acquired in the business combinations, Directors assessed that any identifiable intangible assets (such as customer relationships and brand names) were not material. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of the acquired business's workforce and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

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37. Key management personnel disclosures

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

Nerolie Withnall (Chairman)
Ray Hill
Bruce Brown
Mel Bridges
Grant Murdoch
John Mulcahy

Former Non-executive director

Geoff McGrath (retired July 2012)

Executive Director

Greg Kilmister (Managing Director and CEO)

Executives

Brian Williams (GGM[^], ALS Minerals)
Raj Naran (GGM, ALS Life Sciences)
Paul McPhee (GGM, ALS Energy)
Kristen Walsh (GGM, ALS Industrial)
Andrew Ross (GGM Reward Distribution)
Richard Stephens (Chief Financial Officer)

Former Executive

David Brown (former GGM, Chemical Division; resigned August 2012)

[^] GGM = Group General Manager

The key management personnel compensation included in employee expenses are as follows:

In AUD

	Consolidated	
	2013	2012
Short term employee benefits	6,251,639	5,619,985
Post-employment benefits	277,425	369,004
Value of share-based awards	678,923	929,978
Termination benefits	-	18,102
Other long term benefits	6,461	6,697
	<u>7,214,448</u>	<u>6,943,766</u>

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37. Key management personnel disclosures (continued)

Loans to key management personnel and their related parties (consolidated)

Details regarding loans outstanding at the reporting date to key management personnel and their related parties, where the individual's aggregate loan balance exceeded \$100,000 at any time in the reporting period, are as follows:

2013	Opening Balance \$	Closing Balance \$	Interest paid and payable in the reporting period \$	Highest balance in period \$
Director				
Greg Kilmister	106,250	-	-	106,250
2012	Opening Balance \$	Closing Balance \$	Interest paid and payable in the reporting period \$	Highest balance in period \$
Director				
Greg Kilmister	191,250	106,250	-	191,250

Details regarding the aggregate of loans made, guaranteed or secured by any entity in the Group to key management personnel and their related parties, and the number of individuals in each group, are as follows:

	Opening Balance \$	Closing Balance \$	Interest paid and payable in the reporting period \$	Number in group at 31 March
Total for key management personnel and their related entities:				
Director				
2013	106,250	-	-	-
2012	191,250	106,250	-	1
Executives				
2013	-	-	-	-
2012	-	-	-	-

Loans made to the key management personnel are interest free (2012: 0%). These loans have been made to executives under the terms of the Company's Employee Share Plan. Refer to note 26 for terms and conditions of loans under the Employee Share Plan. These loans are on terms and conditions no more favourable than loans available to other employees under the Plan. No amounts have been written off, or recorded as allowances, as the balances are considered fully collectible.

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37. Key management personnel disclosures (continued)

Equity instruments

Movements in shares

The movement during the year in the number of ordinary shares in ALS Limited held directly, indirectly or beneficially by each key management person, including their related parties (all holdings have been adjusted to reflect the Company's 5-for 1-share split in August 2012):

2013	Opening Balance	Purchases	Acquired due to vesting of performance rights	Sales	Other	Closing Balance
Directors						
Nerolie Withnall	12,795	631	-	-	-	13,426
Ray Hill	70,000	-	-	(20,000)	-	50,000
Bruce Brown	150,000	-	-	-	-	150,000
Mel Bridges	17,100	2,105	-	-	-	19,205
Grant Murdoch	35,000	5,250	-	-	-	40,250
John Mulcahy	-	40,000	-	-	-	40,000
Geoff McGrath (a)	1,489,050	-	-	-	(1,489,050)	-
Greg Kilmister	722,995	-	148,515	-	-	871,510
Executives						
Brian Williams	55,300	3,248	28,560	(6,500)	-	80,608
Raj Naran	-	-	-	-	-	-
Paul McPhee	11,815	-	29,055	-	-	40,870
Kristen Walsh	-	-	-	-	-	-
Andrew Ross	-	-	-	-	-	-
Richard Stephens	18,125	3,899	14,005	-	-	36,029
David Brown (b)	11,285	-	1,528	-	(12,813)	-

All purchases and sales complied with the Board's Securities Trading Policy which permits trading by directors and executives during certain periods in the absence of knowledge of price-sensitive information.

(a) Mr McGrath retired from the Board in July 2012.

(b) Mr Brown resigned from the Company in August 2012. In accordance with the partial vesting provisions of the LTI Plan, 1528 rights issued to Mr Brown vested upon his resignation.

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37. Key management personnel disclosures (continued)

Movements in performance rights over ordinary shares granted as compensation

The movement during the year in the number of performance rights over ordinary shares in ALS Limited held directly, indirectly or beneficially by each key management person, including their related parties (all holdings have been adjusted to reflect the Company's 5-for 1-share split in August 2012):

2013	Opening Balance	Granted as compensation	Vested and exercised	Lapsed (a)	Closing Balance
Director					
Greg Kilmister	269,870	61,185	(148,515)	-	182,540
Executives					
Brian Williams	59,140	18,130	(28,560)	-	48,710
Raj Naran (b)	32,060	14,890	-	-	46,950
Paul McPhee	55,860	16,495	(29,055)	-	43,300
Kristen Walsh	7,555	6,525	-	-	14,080
Andrew Ross	-	-	-	-	-
Richard Stephens	25,280	6,120	(14,005)	-	17,395
David Brown (a)	4,585	-	(1,528)	(3,057)	-

- (a) The number of rights lapsed represents rights lapsed due to performance hurdles not being met and/or rights lapsed on cessation of employment. Performance hurdle testing at 31 March 2012 of rights granted in June, October and November 2009 resulted in 100% of those rights vesting. Mr Brown resigned from the Group in August 2012. In accordance with the partial vesting provisions of the LTI Plan, 1528 rights issued to Mr Brown vested upon his resignation.
- (b) Performance rights granted to Mr Naran in the current year are equity-settled rights. Rights issued to Mr Naran in prior years are cash-settled. Performance rights granted to all other executives above are equity-settled.

Other

The Group has entered into property lease agreements with a company in which Mr Naran holds a controlling interest. The agreements are based on normal terms and conditions for such arrangements and extend for periods out to 2027. Lease rental expense for the year was \$463,044 and the amount outstanding at the end of the year was \$17,437.

38. Non-key management personnel related party disclosures

The Group has a related party relationship with its associates and joint ventures (see note 18) and with its key management personnel (see note 37).

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

39. Share-based payments

The Group operates a Long Term Incentive Plan (LTIP) designed as a retention and reward tool for high performing personnel. Under the Plan key employees may be granted conditional performance rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases to receive cash-settled awards). All of the performance rights carry an exercise price of nil. The terms and conditions of the performance rights granted to date are set out below together with details of rights vested, lapsed and forfeited (all rights have been adjusted to reflect the Company's 5-for 1-share split in August 2012):

Equity-settled performance rights

Granted year ended 31 March:	2013		2012	2011	2010		
Date of grant	05-09-12	31-07-12	26-07-11	27-07-10	24-11-09	01-10-09	30-06-09
Testing date for performance hurdles	31-03-15	31-03-15	31-03-14	31-03-13	31-03-12	31-03-12	31-03-12
Vesting date	01-07-15	01-07-15	01-07-14	01-07-13	01-07-12	01-07-12	01-07-12
No. of rights at beginning of year	-	-	204,625	176,345	162,935	58,380	154,380
No. of rights granted	166,310	61,185	-	-	-	-	-
No. of rights vested and exercised during the year (a)	-	-	(1,528)	-	(162,935)	(58,380)	(154,380)
No. of rights lapsed during the year (a)	-	-	(11,742)	(12,515)	-	-	-
No. of rights at end of year	166,310	61,185	191,355	163,830	-	-	-

All equity-settled performance rights refer to rights over ordinary shares in the Company and entitle an executive to ordinary shares on the vesting date, subject to the achievement of performance hurdles. The rights expire on termination of an executive's employment prior to the vesting date or upon the failure of achievement of performance hurdles.

- (a) Performance hurdle testing at 31 March 2012 of rights granted in June, October and November 2009 resulted in 100% of those rights vesting and being exercised. In accordance with the partial vesting provisions of the LTI Plan, 1528 share-settled rights issued in July 2011 vested upon resignation of a participant. The number of rights lapsed represents rights which lapsed on cessation of employment.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

39. Share-based payments (continued)

Cash-settled performance rights

Granted year ended 31 March:

	2013	2012	2011	2010
Date of grant	05-09-12	26-07-11	27-07-10	01-10-09
Testing date for performance hurdles	31-03-15	31-03-14	31-03-13	31-03-12
Vesting date	01-07-15	01-07-14	01-07-13	01-07-12
No. of rights at beginning of year	-	54,840	50,380	78,420
No. of rights granted	40,595	-	-	-
No. of rights vested during the year (a)	-	(2,956)	(6,510)	(74,280)
No. of rights lapsed during the year (a)	-	(9,044)	(3,255)	(4,140)
No. of rights at end of year	40,595	42,840	40,615	-

All cash-settled performance rights expire on termination of an executive's employment prior to the vesting date or upon the failure of achievement of performance hurdles. The amount of cash payment is determined based on the volume weighted average price of the Company's shares over the 20 trading days following the release of the Group's full year results for the final year of each performance period.

- (a) Performance hurdle testing at 31 March 2012 of rights granted in October 2009 resulted in 100% of those rights vesting and being exercised. In accordance with the partial vesting provisions of the LTI Plan, 6510 cash-settled rights issued in July 2010 and 2956 cash-settled rights issued in July 2011 vested upon resignation of a participant. The number of rights lapsed represents rights which lapsed on cessation of employment.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

39. Share-based payments (continued)

Vesting conditions

Vesting conditions in relation to the rights issued in July and September 2012 are set out below:

Employees must be employed by the Group on the vesting date. The rights vest only if Earnings Per Share ("EPS") or relative Total Shareholder Return ("TSR") hurdles are achieved by the Company over the specified performance period. 50 percent of each employee's rights are subject to EPS measurement and 50 percent are subject to two TSR measurements. The performance hurdles and vesting proportions for each measure are as follows:

Compound annual diluted EPS growth from 1 April 2012 to 31 March 2015	Proportion of total performance rights that may be exercised if EPS growth hurdle is met
Less than 8% per annum	0%
8% per annum	25%
Between 8% and 14% per annum	Straight line vesting between 25% and 50%
14% or higher per annum	50% (i.e. 50% of total grant)

TSR of the Group relative to TSRs of industry peer companies over the period 1 April 2012 to 31 March 2015	Proportion of total performance rights that may be exercised if industry peer TSR hurdle is met
Less than the 50th percentile	0%
50th percentile	12.5%
Between 50th and 75th percentile	Straight line vesting between 12.5% and 25%
75th percentile or higher	25% (i.e. 25% of total grant)
Comparator companies	Listed peers involved in the commercial testing and inspection services industry: Bureau Veritas (France), Core Laboratories (USA), Eurofins (France & Germany), Intertek (UK), Mistras (USA), SGS (Switzerland) and Team Industrial Services (USA).

TSR of the Group relative to TSRs of companies in the ASX100 Index over the period 1 April 2012 to 31 March 2015	Proportion of total performance rights that may be exercised if ASX100 Index TSR hurdle is met
Less than the 50th percentile	0%
50th percentile	12.5%
Between 50th and 75th percentile	Straight line vesting between 12.5% and 25%
75th percentile or higher	25% (i.e. 25% of total grant)
Comparator companies	Companies included in the ASX 100 Index as at 1 April 2012

The cumulative performance hurdles are assessed at the testing date and the "at risk" LTI component becomes exercisable or is forfeited by the executive at this time. New offers of participation are ratified by the Board after recommendation by the Remuneration Committee.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

39. Share-based payments (continued)

Expenses recognised as employee costs in relation to share-based payments

The fair value of services received in return for performance rights granted during the year ended 31 March 2013 is based on the fair value of the rights granted measured using Binomial Tree (EPS hurdle) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies with the following inputs:

	Granted 2013		Granted 2012
Equity-settled rights			
Date of grant	5 Sept 2012	31 July 2012	26 July 2011
Weighted average fair value at date of grant	\$3.66	\$5.28	\$7.20
Share price at date of grant	\$7.37	\$9.38	\$9.43
Expected volatility	30%	25%	30%
Expected life	2.8 years	2.9 years	2.9 years
Risk-free interest rate	2.41%	2.58%	4.32%
Dividend yield	5.25%	4.70%	3.70%
Cash-settled rights			
Date of grant	5 Sept 2012	-	26 July 2011
Weighted average fair value at date of grant	\$3.66	-	\$7.20
Share price at date of grant	\$7.37	-	\$9.43
Expected volatility	30%	-	30%
Expected life	2.8 years	-	2.9 years
Risk-free interest rate	2.41%	-	4.32%
Dividend yield	5.25%	-	3.70%

(all values and prices above have been adjusted to reflect the Company's 5-for 1-share split in August 2012)

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries

Notes to the financial statements

For the year ended 31 March 2013

39. Share-based payments (continued)

Expenses recognised as employee costs in relation to share-based payments (continued)

The fair value of the liability for cash-settled rights, for which performance hurdle testing dates remain in the future, is remeasured at each reporting date and at settlement date using Binomial Tree (EPS hurdle) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies. The model inputs and resulting valuations at 31 March were (all values and prices have been adjusted to reflect the Company's 5-for 1-share split in August 2012):

Cash-settled rights	2013		2012	
Inputs:			*	
Date of grant	5 Sept 2012	26 July 2011	26 July 2011	27 July 2010
Share price at 31 March	\$10.47	\$10.47	\$13.45	\$13.45
Expected volatility	35%	35%	25%	25%
Expected life	2.3 years	1.3 years	2.3 years	1.3 years
Risk-free interest rate	2.82%	2.81%	3.44%	3.55%
Dividend yield	4.30%	4.30%	3.90%	3.90%
Weighted average fair value at grant date	\$3.66	\$7.20	\$7.20	\$5.01
Weighted average fair value at 31 March	\$5.89	\$7.78	\$11.60	\$12.74

* Cash-settled rights granted 27 July 2010

The performance hurdle testing date for cash-settled rights granted on 27 July 2010 was 31 March 2013 (vesting date: 1 July 2013). The fair value of the liability at 31 March 2013 for these cash-settled rights was determined by reference to the Group's performance against prescribed hurdles over the three year period to the testing date and the Company's closing share price as at that date:

	2013
Proportion of performance rights granted July 2010 that will vest 1 July 2013 pursuant to:	
EPS growth hurdle	50%
TSR hurdle	47%
Total	97%
Share price at end of year	\$10.47
Weighted average fair value at grant date	\$5.01
Weighted average fair value at end of year	\$10.16

The amount ultimately payable on vesting date will be based on the volume weighted average price of the Company's shares over the 20 trading days following the release of the Group's full year results.

Expenses recognised in relation to share-based payments during the year were:

In millions of AUD	Note	Consolidated	
		2013	2012
Equity-settled rights	8	1.1	1.2
Cash-settled rights	8	-	1.0
Total expenses recognised as employee costs		1.1	2.2
Total carrying amount of liabilities for cash-settled rights		0.6	1.5

ALS Limited (formerly Campbell Brothers Limited)
and its subsidiaries
Notes to the financial statements

For the year ended 31 March 2013

40. Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

ALS Limited (formerly Campbell Brothers Limited) and its subsidiaries Directors' declaration

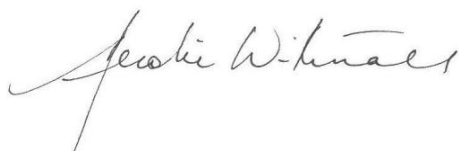
In the opinion of the directors of ALS Limited ("the Company"):

1. The consolidated financial statements and notes numbered 1 to 40, and the remuneration report contained in the Directors' report, are in accordance with the *Corporations Act 2001* including:
 - a) giving a true and fair view of the Group's financial position as at 31 March 2013 and of its performance for the year ended on that date; and
 - b) complying with Australian Accounting Standard (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
2. the financial report also complies with the International Financial Reporting Standards as disclosed in note 2(a);
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and the subsidiaries identified in note 30 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee between the Company and those entities, pursuant to ASIC Class Order 98/1418.

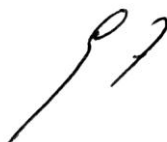
The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 March 2013.

Signed in accordance with a resolution of the directors:



Nerolie Withnall
Chairman

Brisbane
27 May 2013



Greg Kilmister
Managing Director

Brisbane
27 May 2013





Independent auditor's report to the members of ALS Limited

Report on the financial report

We have audited the accompanying financial report of ALS Limited (the company), which comprises the consolidated balance sheet as at 31 March 2013, and the consolidated profit and loss statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 40 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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 the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 March 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the Remuneration Report

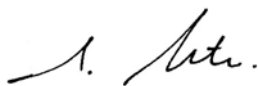
We have audited the Remuneration Report included in pages 8 to 27 of the Directors' Report for the year ended 31 March 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with the Auditing Standards.

Auditor's opinion

In our opinion, the remuneration disclosures that are contained in the sections of the Remuneration Report of ALS Limited for the year ended 31 March 2013 that are described as audited, comply with Section 300A of the *Corporations Act 2001*.



KPMG



Mitchell C Petrie
Partner

Brisbane
27 May 2013



Lead auditor's independence declaration under Section 307C of the *Corporations Act 2001*

To: the directors of ALS Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 March 2013 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.

A handwritten signature in black ink, appearing to read 'KPMG', written over the printed 'KPMG' text.

KPMG

A handwritten signature in black ink, appearing to read 'M. Petrie', written over the printed name.

Mitchell C Petrie
Partner

Brisbane
27 May 2013