SAFEROADS HOLDINGS LIMITED

ABN: 81 116 668 538

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2009

Appendix 4E
Full year report

Name of entity	ABN Reference
SAFEROADS HOLDINGS LIMITED	81 116 668 538

1. Reporting periods

Year ended ('current period')	Year ended ('previous corresponding period')
30 June 2009	30 June 2008

2. Results for announcement to the market

	Current period	Previous corresponding period	% Change increase / (decrease)	Amount ($) increase / (decrease)
Key information				
Revenues from ordinary activities	56,962,714	57,609,133	-1%	(646,419)
Profit from ordinary activities after tax attributable to members	1,437,081	4,980,236	-71%	(3,543,155)
Net profit (loss) for the period attributable to members	1,437,081	4,980,236	-71%	(3,543,155)

Dividends (distributions)		Amount per share	Franked amount per share at 30% tax
Final dividend	Record Date Payable	N/A	N/A
Interim dividend	Record Date Paid	N/A	N/A

Supplementary comments

Commentary in respect of the results is provided in the Directors' Report, which forms part of the full-year report ended 30 June 2009.

3. Income Statement, Balance Sheet and Cash Flow Statement

Please refer to the audited Financial Report for the year ended 30 June 2009.

4. Dividends

	Date paid/payable	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign source dividend	Amount $
Final dividend:	N/A				
Interim dividend:	N/A				

5. Dividend reinvestment plans
The dividend reinvestment plan referred to in the prospectus is currently not in operation.

6. Statement of Retained Earnings
Please refer to the audited Financial Report for the year ended 30 June 2009.

7. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share ($)	0.36	0.36

8. Acquired entities
N/A

9. Associates and Joint Ventures
N/A

10. Foreign entities
N/A

SAFEROADS HOLDINGS LIMITED
Income Statement
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		$	$	$	$
Revenue	4	56,962,714	57,609,133	-	-
Cost of sales		(38,387,133)	(38,765,147)	-	-
Gross profit		18,575,581	18,843,986	-	-
Other income	4	265,618	155,117	1,300,209	2,470,996
Employee benefits		(9,747,344)	(7,284,329)	-	-
Amortisation		(5,059)	(5,059)	-	-
Finance costs		(839,799)	(193,447)	-	-
Depreciation		(800,118)	(462,641)	-	-
Other expenses		(5,459,029)	(3,909,913)	(365)	(472)
Profit before income tax	4	1,989,850	7,143,714	1,299,844	2,470,524
Income tax expense	5	(552,769)	(2,163,478)	47	(157)
Profit after tax from continuing operations		1,437,081	4,980,236	1,299,891	2,470,367
Net profit for the period		1,437,081	4,980,236	1,299,891	2,470,367
Net profit attributable to members of parent		1,437,081	4,980,236	1,299,891	2,470,367

Earnings per share (cents per share)			
- basic for profit for the full year		5.5	19.2
- diluted for profit for the full year		5.5	19.2
- dividends paid per share		-	10.0

SAFEROADS HOLDINGS LIMITED
Balance Sheet
AS AT 30 JUNE 2009

	Notes	CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		$	$	$	$
ASSETS					
Current Assets					
Cash and cash equivalents	8	744,262	792,409	6,492	18,205
Trade and other receivables	9	10,083,478	14,511,898	-	-
Income tax receivable		406	-	-	-
Inventories	11	11,031,258	10,874,595	-	-
Prepayments		239,312	169,728	-	-
Total Current Assets		22,098,716	26,348,630	6,492	18,205
Non-current Assets					
Deferred tax assets	5	-	77,498	-	
Property, plant and equipment	12	5,212,634	4,905,522	-	-
Other financial assets	13	-	-	27,030,708	27,098,708
Intangible assets and goodwill	14	5,007,719	4,885,833	-	-
Total Non-current Assets		10,220,353	9,868,853	27,030,708	27,098,708
TOTAL ASSETS		32,319,069	36,217,483	27,037,200	27,116,913
LIABILITIES					
Current Liabilities					
Trade and other payables	15	6,254,314	12,204,300	3,311	14,758
Interest-bearing loans and borrowings	16	11,092,564	3,670,669	-	-
Income tax payable		-	253,095	-	157
Provisions	17	466,816	452,054	-	-
Total Current Liabilities		17,813,694	16,580,118	3,311	14,915
Non-current Liabilities					
Deferred tax liabilities	5	45,117	-	-	-
Interest-bearing loans and borrowings	16	25,029	5,212,757	-	-
Provisions	17	82,963	80,433	-	-
Total Non-current Liabilities		153,109	5,293,190	-	-
TOTAL LIABILITIES		17,966,803	21,873,308	3,311	14,915
NET ASSETS		14,352,267	14,344,175	27,033,889	27,101,998
EQUITY					
Contributed equity	18	4,130,708	4,198,708	27,030,708	27,098,708
Reserves	18	(60,989)	-		
Retained earnings	18	10,282,548	10,145,467	3,181	3,290
TOTAL EQUITY		14,352,267	14,344,175	27,033,889	27,101,998

SAFEROADS HOLDINGS LIMITED
Cash Flow Statement
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Cash flows from operating activities					
Receipts from customers		66,916,846	58,362,003	-	-
Payments to suppliers and employees		(64,138,284)	(53,858,802)	(365)	(472)
Interest paid		(839,799)	(193,447)	-	-
Income tax paid		(683,655)	(2,392,560)	(157)	(2,719)
GST paid		(901,151)	(854,174)	-	-
Net cash flows from operating activities	8	353,957	1,063,020	(522)	(3,191)
Cash flows from investing activities					
Interest received		3,058	21,239	209	996
Dividends received		-	-	1,300,000	2,470,000
Proceeds from sale of property, plant and equipment		90,188	119,435	-	-
Purchase of property, plant and equipment		(1,241,582)	(1,616,097)	-	-
Acquisition of businesses		(126,945)	(5,251,836)	-	-
Net cash flows used in investing activities		(1,275,281)	(6,727,259)	1,300,209	2,470,996
Cash flows from financing activities					
Proceeds from issue of shares		-	-	-	-
Payment of share issue costs		-	-	-	-
Proceeds from borrowings		2,462,068	9,725,693	-	-
Repayment of borrowings		(288,890)	(1,400,000)	-	-
Equity dividends paid		(1,300,000)	(2,470,000)	(1,311,400)	(2,459,561)
Net cash flows used in financing activities		873,178	5,855,693	(1,311,400)	(2,459,561)
Net increase/(decrease) in cash and cash equivalents		(48,147)	191,454	(11,713)	8,244
Cash and cash equivalents at beginning of period		792,409	600,955	18,205	9,961
Cash and cash equivalents at end of period	8	744,262	792,409	6,492	18,205

SAFEROADS HOLDINGS LIMITED
Statement of Changes in Equity
FOR THE YEAR ENDED 30 JUNE 2009

	Contributed Equity $	Reserves $	Retained Earnings $	Total Equity $
CONSOLIDATED				
At 1 July 2007	4,130,708	-	7,633,790	11,764,498
Profit for the period	-	-	4,980,236	4,980,236
Share based payments	68,000	-	-	68,000
Issue of share capital on acquisition of business			-	-
Equity dividends	-	-	(2,470,000)	(2,470,000)
At 30 June 2008	4,198,708	-	10,144,026	14,342,734
At 1 July 2008	4,198,708	-	10,145,467	14,344,175
Profit for the period	-	-	1,437,081	1,437,081
Share based payments	51,500	-	-	51,500
Cancellation of options issued as share based payments	(119,500)	-	-	(119,500)
Foreign currency translation reserve	-	(60,989)	-	(60,989)
Equity dividends	-	-	(1,300,000)	(1,300,000)
At 30 June 2009	4,130,708	(60,989)	10,282,548	14,352,267
PARENT				
At 1 July 2007	27,030,708	-	2,923	27,033,631
Profit for the period	-	-	2,470,367	2,470,367
Share based payments	68,000	-	-	68,000
Equity dividends	-	-	(2,470,000)	(2,470,000)
At 30 June 2008	27,098,708	-	3,290	27,101,998
At 1 July 2008	27,098,708	-	3,290	27,101,998
Profit for the period	-	-	1,299,891	1,299,891
Share based payments	51,500	-	-	51,500
Cancellation of options issued as share based payments	(119,500)	-	-	(119,500)
Equity dividends	-	-	(1,300,000)	(1,300,000)
At 30 June 2009	27,030,708	-	3,181	27,033,889

1 CORPORATE INFORMATION

Saferoads Holdings Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report which is prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the group for the annual reporting period ending 30th June 2009. The impact of the adoption in the future is not expected to be material.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the legal parent entity, Saferoads Holdings Limited and its subsidiaries ('the Group').

The parent entity was incorporated on 14 October 2005. On 31 October 2005, the parent entity acquired all of the shares in Saferoads Pty Ltd.

The implications under AASB 3 "Business Combinations" for Group purposes are that the transaction that occurred in 31 October 2005 is accounted for as a reverse acquisition and as such, the legal subsidiary becomes the accounting acquirer under AIFRS. The effect of this is that the Group financial statements are prepared for the year ending 30 June 2009 as a continuation of the legal subsidiary, Saferoads Pty Ltd, with comparative information for the year ended 30 June 2008, using consistent accounting policies.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Saferoads Holdings Limited has control.

(d) Business Combinations

The purchase method of accounting is used for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the group's share of identifiable net assets acquired is recognised as goodwill.

(e) Foreign currency translation

Functional and presentation currency

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

Transaction and balances

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

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

Exchange differences arising on the translation of monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

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

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

Exchange differences arising on the translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and any impairment in value.

Depreciation is calculated on a reducing balance basis over the estimated useful life of the asset as follows:

Buildings - 7%
Plant and equipment - 20% to 40%

(g) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(h) Impairment of non-financial assets other than goodwill

The Group assesses whether there is any indication that an asset may be impaired when events or changes in circumstances indicate the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

(i) Goodwill and intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated :

* represents the lowest level within the group at which the goodwill is monitored for internal management purposes, and

* is not larger than a segment based on either the group's primary or the group's secondary reporting format determined in accordance with AASB 114 *Segment Reporting.*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash- generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of the cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determinig the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangibles

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the amortisation line item.B200

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs

Research costs are expensed as incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The carrying value of development is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Raw materials - purchase cost on a first-in, first-out basis;
Finished goods and work-in-progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

Interest expense is recognised as it accrues.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.
If the effect of the time value of money 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.

(o) Contributed equity

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

(p) Share-based payment transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Employee Share Option Plan (ESOP) provides benefits to directors and employees.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Saferoads Holdings Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these transactions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.
The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer, or where the customer has explicitly requested that the goods be held on their behalf.

Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends
Revenue is recognised when the shareholders' right to receive the payment is established.

(r) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities based on the current periods taxable income. The tax rates and tax laws used to compare the amount are those that are enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:
- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- when the taxable temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

when the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- 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 part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from the investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.
Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made for those benefits.

(u) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(v) Derivative Financial Instruments

The group uses derivativee financial instruments such as forward currency contracts to hedge risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value at the date on which the derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement for the year.

(w) Critical Accounting Estimates and Judgements

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

Key Estimates

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assetsare reassessed using valu-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for non current assets, growth rates of 1.28% have been factored into valuation models for the next five yearson the basis of management's expectations around the Group's continued ability to capture market share from competitors.

The rates used incorporate allowance for inflation. Pre-tax discount rates of 9.4% have been used in all models.
No impairment has been recognised in respect of non current assets at reporting date. Should the net present value of earnings before interest and tax, over the next five years, fall below the carrying value of the non current assets, an impairment loss would be recognised.

Key Judgments

(i) Provision for Impairment of Receivables

The Directors believe that all receivables are collectable in full and therefore no provision for impairment has been made.

(x) Going Concern

The accounts are prepared on a going-concern basis. However, attention is drawn to Note 16 regarding the breach of bank covenants.

3 SEGMENT INFORMATION

The company predominately operates in the road safety products market in Australia.

4 REVENUES AND EXPENSES

(a) Specific Items

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
(i) Revenue				
Sale of goods	56,962,714	57,609,133	-	-
(ii) Other income				
Interest	3,058	21,239	209	996
Dividends from subsidiary		-	1,300,000	2,470,000
Profit on sale of plant & equipment	(44,164)	(28,798)	-	-
Other	306,724	162,676	-	-
	265,618	155,117	1,300,209	2,470,996
	57,228,332	57,764,250	1,300,209	2,470,996
(iii) Expenses				
Rental Expense on Operating Lease	605,931	320,398	-	-
	605,931	320,398	-	-

5 INCOME TAX

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
Major components of income tax expense for the year ended 30 June 2009 are:				
Income Statement				
Current income tax				
Current income tax charge	426,598	2,209,489	(47)	157
Deferred income tax				
Relating to origination and reversal of temporary differences	126,172	(46,011)	-	-
Income tax expense reported in income statement	552,770	2,163,478	(47)	157

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the year ended 30 June 2009 is as follows:

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Accounting profit before income tax	1,989,850	7,143,714	1,299,844	2,470,524
At the statutory income tax rate of 30%	596,955	2,143,114	389,953	741,157
Adjustments in respect of current income tax of previous period	3,558	-	-	-
Tax concessional items	(34,652)	(18,275)	-	-
Franking credits	-	-	(390,000)	(741,000)
Expenditure allowable for income tax purposes	(13,091)	38,639		
	552,770	2,163,478	(47)	157

	Balance sheet		Income statement	
	2009 $	2008 $	2009 $	2008 $
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred income tax liability				
Employee entitlements	164,933	159,266	2,932	48,159
Research & Development Costs	(208,498)	-		
Other	(1,552)	(81,768)	119,682	(2,148)
Gross deferred income tax liability	(45,117)	77,498		
Deferred income tax charge			122,614	46,011

PARENT

The parent does not have any deferred tax balances.

6 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operation's basic and diluted earnings per share computations:

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
Net profit attributable to equity holders from continuing operations	1,437,081	4,980,236	-	-
Net profit attributable to equity holders of the parent	1,437,081	4,980,236	-	-
Net profit attributable to ordinary shareholders for diluted earnings per share	1,437,081	4,980,236	-	-
Weighted average number of ordinary shares for basic	26,000,000	26,000,000		
Adjusted weighted average number of ordinary shares for diluted earnings per share	26,000,000	26,000,000	-	-

For the purpose of calculating earnings and dividends per share, it is the ordinary shares of the legal parent that is used, being the proportionate weighting of the 26,000,000 shares on issue.

7 DIVIDENDS PAID AND PROPOSED

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
Equity dividends on ordinary shares:				
Interim franked dividend for 2009: 0.0 cents (2008: 5.0 cents)	-	1,300,000	-	1,300,000
The tax rate at which paid dividends have been franked is 30%.				
Dividends proposed and not recognised as a liability:				
Final franked dividend for 2009: 0.0 cents (2008: 5.0 cents)	-	1,300,000	-	1,300,000
Dividends proposed will be franked at the rate of 30%.				
Franking Credit Balance: The amount of franking credits available for future reporting periods after the payment of income tax payable and the impact of dividends proposed.	4,410,770	4,006,300	2,876	2,719

8 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
Cash at bank and in hand	744,262	792,409	6,492	18,205

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents is equal to the carrying value.

Reconciliation of cash
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:

Cash at bank and in hand	744,262	792,409	6,492	18,205

Reconciliation from the net profit after tax to the net cash flows from operations

Net profit	1,437,081	4,980,236	1,299,891	2,470,367
Adjustments for:				
Depreciation	800,118	462,641	-	-
Amortisation	5,059	5,059	-	-
Net share based payments	(68,000)	68,000	-	-
Net (profit)/loss on disposal of plant and equipment	44,164	28,798	-	-
Interest received	(3,058)	(21,239)	(209)	(996)
Dividend Received	-	-	(1,300,000)	(2,470,000)
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	4,428,420	(5,105,500)	-	-
(Increase)/decrease in inventories	(156,663)	(4,116,316)	-	-
(Increase)/decrease in prepayments	(69,584)	(24,070)	-	-
(Decrease)/increase in deferred income tax liability	122,615	46,011	-	-
(Decrease)/increase in trade and other payables	(5,949,986)	4,811,813	-	-
(Decrease)/increase in provisions	17,292	202,680	-	-
(Decrease)/increase in tax provision	(253,501)	(275,093)	(204)	(2,562)
Net cash from operating activities	353,957	1,063,020	(522)	(3,191)

9 TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	10,083,478	14,511,898	-	-
	10,083,478	14,511,898	-	-

Trade receivables are non-interest bearing.

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$

10 ECONOMIC DEPENDENCY

The Group does not have an economic dependency on any single customer. In the previous financial year (2008) there was a dependency on Coates Hire who contributed to 18.3% of Group sales.

11 INVENTORIES

Stock on hand	11,031,258	10,874,595	-	-

12 PROPERTY, PLANT AND EQUIPMENT

Land	57,000	57,000	-	-
Buildings at cost	808,344	797,703	-	-
Less accumulated depreciation	(315,018)	(275,375)	-	-
	493,326	522,328	-	-
Plant & equipment at cost	6,575,939	5,677,205	-	-
Less accumulated depreciation	(1,913,631)	(1,351,011)	-	-
	4,662,308	4,326,194	-	-
Total property, plant & equipment	5,212,634	4,905,522	-	-

Movements in Carrying Amounts

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

	Land	Buildings	Plant & Equipment	Total
Balance at 1 July 2008	57,000	522,328	4,326,194	4,905,522
Additions	-	10,641	1,230,941	1,241,582
Depreciation expense	-	(39,643)	(760,475)	(800,118)
Disposals	-	-	(134,352)	(134,352)
Carrying amount at 30 June 2009	57,000	493,326	4,662,308	5,212,634
Balance at 1 July 2007	57,000	524,955	1,866,546	2,448,501
Additions	-	36,173	1,579,924	1,616,097
Additions through business combination		-	1,451,798	1,451,798
Depreciation expense	-	(38,800)	(423,841)	(462,641)
Disposals	-	-	(148,233)	(148,233)
Carrying amount at 30 June 2008	57,000	522,328	4,326,194	4,905,522

13 OTHER FINANCIAL ASSETS

Investment in subsidiary at cost	-	-	27,030,708	27,098,708

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
14 INTANGIBLE ASSETS & GOODWILL				
Goodwill	4,967,561	4,840,616	-	-
Licence agreements at cost	73,677	73,677	-	-
Less accumulated amortisation	(33,519)	(28,460)	-	-
	5,007,719	4,885,833	-	-

(a) Movement in carrying amounts	**Goodwill**	**License Agreement**	**Total**
Balance at 1 July 2007	2,065,662	50,276	2,115,938
Additions	-	-	-
Acquisition of businesses	2,774,954	-	2,774,954
Amortisation expense	-	(5,059)	(5,059)
Carrying amount at 30 June 2008	4,840,616	45,217	4,885,833
Balance at 1 July 2008	4,840,616	45,217	4,885,833
Additions of New Zealand business	126,945	-	126,945
Acquisition of business	-	-	-
Amortisation expense	-	(5,059)	(5,059)
Carrying amount at 30 June 2009	4,967,561	40,158	5,007,719

(b) Impairment test for goodwill

Goodwill is allocated to the cash-generating unit overall. The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted using a capital assets pricing model combining the yield of the 10-year government bonds at the beginning of the budget period of 5.45%, with an All Ordinaries long term rate of return of 7.98%, and a beta risk rate of 1.56%.

The following assumptions were used in the value-in-use calculations:

	Growth Rate	**Discount Rate**
Overall Business	1.28%	9.40%

Management has based the value-in-use calculations on budgets for the business. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the business operates. The discount rate is pre-tax and is adjusted to incorporate risks associated with the business segments.

15 TRADE AND OTHER PAYABLES (CURRENT)				
Trade payables	5,748,686	8,941,252	3,311	14,758
Accrued expenses	519,609	2,982,427	-	-
GST payable/(Receivable)	(13,981)	280,621	-	-
	6,254,314	12,204,300	3,311	14,758

Payables are non-interest bearing and are normally settled on 30-day terms.

16 INTEREST-BEARING LOANS AND BORROWINGS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
Current	$	$	$	$
Hire purchase	110,620	244,264	-	-
Bank loans	10,981,944	3,426,405	-	-
	11,092,564	3,670,669	-	-
Non-current				
Hire purchase	25,029	119,286	-	-
Bank loans	-	5,093,471	-	-
	25,029	5,212,757	-	-

Saferoads Pty Ltd is required to report to the Commonwealth Bank at the end of each 6 monthly period regarding its compliance with Financial Covenants. At the reporting date of 5 August 2009 for the 6 months ended 30 June 2009, the Company was in breach of the required Interest Coverage Ratio, therefore in accordance with Accounting Standard AASB 101, the company's long term loans have been re-classified as current.B856

The company has received confirmation from the bank that it continues to support the company.

The company's working capital position is positive, and in reality better than indicated by the balance sheet taking into consideration the re-classification of long term loans of $7.1m due to the breach of bank covenant.

Cash flow projections for the business are strong and support the intention to repay debt substantially during the 2009 - 10 financial year. Current profit projections and budgets indicate that bank covenants will be achieved for the 2009 - 10 financial year.

Hire purchase liabilities are secured by a charge over the financial assets

Financing facilities available
At reporting date, the following financing facilities had been negotiated and were available:

	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Total facilities:				
- bank bills - fixed	-	3,000,000	-	-
- bank bills - variable	7,200,000	3,200,000	-	-
- bank overdraft	300,000	300,000	-	-
- bank charge card	300,000	35,000	-	-
- trade facilities	5,800,000	2,350,000	-	-
- bank guarantee	400,000	1,350,000	-	-
Facilities used at reporting date				
- bank bills - fixed	-	3,000,000	-	-
- bank bills - variable	7,137,446	3,200,000	-	-
- bank overdraft	-	-	-	-
- bank charge card	273,000	-	-	-
- trade facilities	3,844,499	1,526,046	-	-
- bank guarantee	262,962	1,342,929	-	-
Facilities unused at reporting date				
- bank bills - fixed	-	-	-	-
- bank bills - variable	62,554	-	-	-
- bank overdraft	300,000	300,000	-	-
- bank charge card	27,000	35,000	-	-
- trade facilities	1,955,501	823,954	-	-
- bank guarantee	137,038	7,071	-	-

The bank facilities are secured by a registered mortgage by Saferoads Pty Ltd over commercial property situated at Lot 8 Weerong Rd, Drouin, a registered charge over the whole of its assets and undertakings, and also a registered charge over the assets and undertakings of Saferoads Holdings Ltd.

The coventants within the bank borrowings require an interest coverage ratio of not less than 4 times and net worth not less than 30% of total tangible assets.

17 PROVISIONS

	CONSOLIDATED		PARENT	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Current				
Annual Leave	299,921	302,172	-	-
Long service leave	166,895	148,282	-	-
Novated Lease	-	1,600		
	466,816	452,054	-	-
Non-Current				
Long service leave	82,963	80,433		
Total employee entitlements	549,779	532,487	-	-

18 EQUITY

	CONSOLIDATED		PARENT	
	2009	**2008**	**2009**	**2008**
Contributed Equity	**$**	**$**	**$**	**$**
Ordinary shares				
Issued and fully paid	4,130,708	4,198,708	27,030,708	27,098,708

Movements in ordinary shares on issue (legal parent)	**Shares**	
At 1 July	26,000,000	26,000,000
At 30 June	26,000,000	26,000,000

Options
For information relating to options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 24.

Retained Earnings

Movements in retained earnings are as follows:

Balance at 1 July	10,145,467	7,635,231	3,290	2,923
Net profit for year	1,437,081	4,980,236	1,299,891	2,470,367
Dividends paid	(1,300,000)	(2,470,000)	(1,300,000)	(2,470,000)
Balance at 30 June	10,282,548	10,145,467	3,181	3,290

Foreign Currency Translation Reserve

This records exchange differences arising on a translation of a foreign controlled subsidiary.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise overdrafts, trade facilities, hire purchase contracts, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial derivatives shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk
The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations.

Foreign currency risk
The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's measurement currency. The impact of these expenses can be significant. Refer to the Sensitivity Analysis in Note 20.

Credit risk
The Group trades only with recognised, creditworthy third parties.

It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and hire purchase contracts.

20 FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 of the financial report.

(b) Interest rate risk
The company's exposure to interest rate risk, which is the risk that the Financial Instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Interest Rate	Non Interest Bearing	Variable Interest Rate	Fixed Interest Rate Maturing		Total
				Within 1 year	1 to 2 years	
2009	**%**	**$**	**$**	**$**	**$**	**$**
Financial Assets						
- Cash	2.60	-	744,262	-	-	744,262
- Receivables	N/A	10,083,478	-	-	-	10,083,478
Total Financial Assets		10,083,478	744,262	-	-	10,827,740
Financial Liabilities						
- Payables	N/A	6,254,314	-	-	-	6,254,314
- Bank borrowings	5.10	-	10,981,944	-	-	10,981,944
- Hire purchase	7.25	-	-	110,620	25,029	135,649
Total Financial Liabilities		6,254,314	10,981,944	110,620	25,029	17,371,907
2008	**%**	**$**	**$**	**$**	**$**	**$**
Financial Assets						
- Cash	6.85	-	792,409	-	-	792,409
- Receivables	N/A	14,511,898	-	-	-	14,511,898
Total Financial Assets		14,511,898	792,409	-	-	15,304,307
Financial Liabilities						
- Payables	N/A	12,204,300	-	-	-	12,204,300
- Bank borrowings	8.50	-	5,583,743	-	2,936,132	8,519,875
- Hire purchase	6.70	-	-	244,264	119,286	363,550
Total Financial Liabilities		12,204,300	5,583,743	244,264	3,055,418	21,087,725

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date recognised as financial assets is the carrying amount, net of any provisions for doubtful debts which is nil at 30 June 2008, as disclosed in the balance sheet and notes to the financial statements. The company holds no collateral or security in relation to financial assets.
As at reporting date, the amount of financial assets past due, but not impaired, is $2,277,092 (2008: $1,138,036).

The Group does not have any material credit risk to any single debtor or group of debtors under financial instruments entered into by the company, other than as disclosed in Note 10.

(d) Net Fair Values

The carrying amount of financial assets and liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

(e) Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange ratesof currencies in which the Group holds financial instrumentswhich are other than the AUD functional currency of the Group.
The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations, denominated in currencies other than the functional currency of the operations.

	Net Financial Assets/(Liabilities) in AUD	
2009	**NZD**	**USD**
Functional Currency of Group Entity	**$**	**$**
Australian Dollar	(53,471)	(1,572,152)

(f) Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates on borrowings and exchange rates on payables. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables. The following sensitivities are based on market experience over the last 12 months.

	CONSOLIDATED		PARENT	
	Profit	**Equity**	**Profit**	**Equity**
Year Ended 30 June 2009	**$**	**$**	**$**	**$**
+/- 5% in interest rates	+/-550,000	+/-550,000	-	-
+/- 12.5% in $A/$US	+/-750,000	+/-750,000	-	-

21 COMMITMENTS AND CONTINGENCIES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Operating Lease - properties				
Non-cancellable operating leases:				
- less than one year	662,602	450,623	-	-
- later than one year but less than five years	1,117,247	725,800	-	-
Total operating lease commitments	1,779,849	1,176,423	-	-
Operating Lease - vehicles				
Non-cancellable operating leases:				
- less than one year	278,500	134,317	-	-
- later than one year but less than five years	375,253	402,073	-	-
Total operating lease commitments	653,753	536,390	-	-
Hire Purchases				
Hire purchase commitments payable:				
- less than one year	116,984	263,648	-	-
- later than one year but less than five years	26,471	123,809	-	-
	143,455	387,457	-	-
Less future finance charges	(7,806)	(23,907)		
Total hire purchase liability	135,649	363,550	-	-
Reconciled to:				
Current liability	110,620	244,264	-	-
Non-current liability	25,029	119,286	-	-
	135,649	363,550	-	-

There are no material contingent liabilities or contingent assets.

22 RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Saferoads Holdings Limited and the subsidiaries listed in the following table.

Name	Country of incorporation	% equity interest 2009	% equity interest 2008	Investment 2009	Investment 2008
Saferoads Pty Ltd	Australia	100%	100%	27,030,708	27,030,708
Saferoads NZ Limited	New Zealand	100%	100%		

Note: Saferoads NZ Limited is 100% owned by Saferoads Pty Ltd

23 AUDITORS' REMUNERATION

	2009 $	2008 $
Amounts received or due and receivable by WHK Audit (Vic) for the audit of the financial report.	56,571	46,235
Other assurance services	-	2,120

24 DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Management Personnel

(i) Directors

Gary Bertuch	Chairman
Darren Hotchkin	Managing Director
Duncan Smith	Non-Executive
Gerard Keeghan	Non-Executive

(ii) Executives

Hamish Webb	General Manager - Sales & Operations
Tony Wyatt	General Manager - Finance & Logistics
Bill Cruickshank	Company Secretary
Richard Purser	General Manager - until March 2009

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Company's remuneration policy is to ensure that the level of remuneration paid to key personnel is market competitive and will help to attract and retain the skills and expertise required.

(ii) Compensation of Key Management Personnel

	Short Term				**Post Employment**	**Long Term**	**Share Based Payment**	**Total**	**Performance Related**
30 June 2009	Salary & Fees	Fringe Benefits	Cash Bonus	Termination Payment	Superannuation	Long Service Leave	Options		
	$		$		$	$	$	$	%
Directors									
Gary Bertuch	55,000	-	-		4,950	-	-	59,950	-
Darren Hotchkin	270,000	-	-		26,341	44,857	-	341,198	-
Duncan Smith	33,000	-	-		2,970	-	-	35,970	-
Gerard Keeghan	33,000	-	-		2,970	-	-	35,970	-
		-							
Executives		-							
Bill Cruickshank	86,010	-	-		8,012		-	94,022	-
Hamish Webb	180,000	18,206	20,255		18,022	4,242	-	240,725	8%
Tony Wyatt	170,000	-	-		15,137	2,426	-	187,563	-
Richard Purser	205,217	10,437	-	115,285	32,266	(2,991)	51,500	411,714	-
	1,032,227	28,643	20,255	115,285	110,668	48,534	51,500	1,407,112	

	Short Term				**Post Employment**	**Long Term**	**Share Based Payment**	**Total**	**Performance Related**
30 June 2008	Salary & Fees	Fringe Benefits	Cash Bonus	Termination Payment	Superannuation	Long Service Leave			
	$		$			$	$	$	%
Directors									
Gary Bertuch	60,000	-	-		5,400	-	-	65,400	-
Darren Hotchkin	256,857	1,697	45,182		20,642	11,807	-	336,185	13%
Duncan Smith	36,000	-	-		3,240	-	-	39,240	-
Gerard Keeghan	36,000	-	-		3,240	-	-	39,240	-
Executives									
Bill Cruickshank	93,617	-	3,012		9,274	(5,681)	-	100,222	3%
Richard Purser	212,071	2,469	45,182		17,061	2,991	68,000	347,774	13%
	694,545	4,166	93,376		58,857	9,117	68,000	928,061	

(c) Options Granted as Remuneration

Key Management Personnel	**No Vested**	**No Granted**	**Grant Date**	**Value per Option at Grant Date**	**Exercise Price**	**First Exercise Date**	**Last Exercise Date**
				$	**$**		
Richard Purser	Nil	100,000	1/7/2008	0.70	2.36	1/7/2010	1/7/2018

The option value was calculated using an option pricing model using the following inputs:

Weighted average exercise price	$2.36
Weighted average life of the option	10 years
Underlying share price	$2.06
Expected share price volatility	35%
Risk free interest rate	10%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of the future, which may not eventuate.

Options for shares in the company were issued for nil consideration and confer a right of one ordinary share for every option held. No options have vested during the year. Personnel must be an employee of the company at vesting date in order for the options to vest.

Movement in Options	**Balance at beginning of year**	**Granted**	**Cancelled**	**Balance at end of year**
Richard Purser (number of options)	200,000	100,000	(300,000)	-

(d) Shareholdings of Key Management Personnel

Shares held in Saferoads Holdings Limited

	Balance at 1 July 2007	Acquired	Sold	Balance 30 June 2008
Directors				
Gary Bertuch	20,000	-	-	20,000
Darren Hotchkin	4,341,375	600,000	-	4,941,375
Duncan Smith	1,087,500	-	-	1,087,500
Gerard Keeghan	-	50,000	-	50,000
				-
Executives				-
Bill Cruickshank	34,400	-	-	34,400
Hamish Webb	-	140,000	-	140,000
Tony Wyatt	1,500	-	-	1,500
Total	5,484,775	790,000	-	6,274,775

Shares held in Saferoads Holdings Limited

	Balance at 1 July 2007	Acquired	Sold	Balance 30 June 2008
Directors				
Gary Bertuch	20,000	-	-	20,000
Darren Hotchkin	4,237,500	103,875	-	4,341,375
Duncan Smith	1,087,500	-	-	1,087,500
Gerard Keeghan	-	-	-	-
				-
Executives	-			-
Bill Cruickshank	4,500	29,900	-	34,400
Hamish Webb	-		-	-
Total	5,349,500	- 133,775	- -	5,483,275

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Other Transactions with Key Management Personnel

Duncan Smith is a partner of accounting firm Smith McCarthy Wilson. The firm provided accounting services of $55,500 (2008: $81,000) to the Group during the year.

A property owned by Managing Director Darren Hotchkin, was rented by the company during the year for accomodation use by senior interstate personnel when staying in Victoria in connection with company activities. Rent paid for year totalled $11,909 (2008: $10,183)

Directors' Declaration

In the opinion of the Directors of Saferoads Holdings Limited:

(a) the financial statements and notes of the Company and of the consolidated entity and the remuneration disclosures that are contained in the Remuneration Report in the Directors' report are in accordance with the *Corporations Act 2001*, including

   (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended that date; and

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

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors.

On behalf of the Board.

G Bertuch
Chairman

Dated at Drouin (Vic), this 24th Day of August 2009.

Chairman's Overview

Dear Shareholder,

On behalf of the Board of Directors I have pleasure in presenting the Annual Report for Saferoads Holdings Limited for the financial year 2008-09.

This year has been an extremely difficult year for Saferoads and the first year of negative growth in the Company's 17 year history.

A number of factors outside the Company's control have combined to make this a very challenging year for Saferoads. The fall in the Australian dollar in the first half of the year coincided with a rapid increase in the price of steel to put substantial pressure on a significant number of our input costs. The Company was not able to pass on these cost increases in full to customers.

Combined with this, a number of the Company's major customers stopped ordering in October, as the full impact of the global financial crisis started to take effect, and business confidence shrank.

Sales for the year were $57.0m which represents a small reduction of 1.1% compared to last year. However, the NPAT of $1.4m was 71% down on last year's figures, due mainly to the increased costs of products and components in the first half, increased competitive pressure on pricing as markets shrank, and a significant reduction in orders for some of our proprietary products.

The principal focus for the Company was to fully integrate the three strategic acquisitions made since listing on the Australian Stock Exchange – public street lighting, traffic signals and guardrail installations, and to consolidate the foundations for their organic growth. No acquisitions were made during 2008-09.

In response to the volatile market conditions of late 2008 and the prospects of lower profit margins, the Company revised its growth plans and undertook a re-structuring process which consolidated operations and reduced direct costs and overheads. The net outcome of the re-structure is a more sustainable and robust business which is now better placed to capitalise on market conditions as they improve.

The Company sees signs that market conditions are slowly improving and has forecast a small increase in sales for 2009-10, with improved profit performance. The company will continue to concentrate on organic growth, bottom line performance and the further reduction in debt.

During the course of the year the company undertook a major review and reassessment of business risk inherent in its business across a range of areas including occupational health and safety, personnel, products, compliance and debt. The company has developed an Enterprise

Risk Management plan that incorporates an extensive risk reporting regime. The Risk Policy can be viewed on the company's web site..

The Company continues to monitor its debt levels closely. Debt reduction was a key objective in 2008-09 and continues to be a focus in 2009-10.

The Board has noted with concern the sustained pressure on the Company's share price over recent months although it has typically been in line with the ASX Small Ordinaries average.

The Directors have decided not to pay a dividend for the 2008-09 year for the reason of cash conservation. This decision has not been taken lightly. Whilst the Board is comfortable with the company's current level of debt, it is considered prudent risk management to continually evaluate all capital management issues.

On behalf of the Board, I would like to thank Darren Hotchkin, Hamish Webb, Tony Wyatt and our dedicated national team for their commitment to the Company's performance over the past year under demanding circumstances. I also wish to acknowledge the extensive participation and wise counsel that my fellow Directors have contributed in meeting the unique challenges of the past 12 months.

G Bertuch

G Bertuch

Chairman

Managing Director's Review of Operations and Activities

Performance during 2008-09

I am pleased to present the Managing Director's Review of Operations and Activities for Saferoads Holdings Limited for the 2008-09 reporting period.

Saferoads has completed its fourth year as a listed company and this is the first year in the history of the Company where there has been no year-on-year growth in revenue and a decline in NPAT.

The past year has been an extremely volatile and challenging period brought about primarily by the global financial crisis. Although we achieved sales materially the same as the previous year, we saw margins come under strong pressure. Gross margin was 25%, down from 31% the previous year, and NPAT ended up at $1.4m which is approximately 71% down on the 2007-08.

Six of the eight product portfolios produced revenue growth but revenue in the Temporary Barrier portfolio, which includes the Triton barrier, the T-Lok portable concrete barrier and the Ironman portable steel barrier, was significantly down on last year. The reduction in revenue in this key portfolio was largely attributable to significant reductions in capital expenditure by major customers and to a temporary slowdown in new major road infrastructure activity when the depth of the global financial crisis became apparent,

Most product portfolios suffered a decline in gross profit margin. This is attributable to increased input costs, and increased competition in some of the Company's traditional portfolios, particularly Guide Posts and Traffic Calming. However, there still remains significant scope nationally for sales and profit expansion for these two product groups.

One product group that performed extremely well was the Civil Services portfolio in which revenue grew by 40%. This portfolio comprises supply and installation of guard rail and wire rope safety barriers, and has a positive impact also on sales of some other products in other portfolios. Whilst profit margins in this portfolio are traditionally lower than the Company's average margins, the growth in revenue, the flow-on impact on some other higher profit portfolios together with its own positive profit contribution vindicates the Company's purchase of the assets of Guardrail Installations in April 2008. There are strong growth opportunities for this portfolio as state and federal governments focus on road safety and the reduction of the incidence and severity of road accidents. This sector will also benefit from any new road building infrastructure projects that are part of future federal government stimulus packages.

The Traffic Signals business purchased from Bob Panich Consultancy (Sydney) in April 2008 has performed to expectations and contributed solidly to revenue and profit. In April 2009 this activity was relocated to the Drouin (Vic) manufacturing site. This consolidation will lead to useful synergies which should become apparent in the 2009-10 year.

Sales in Queensland and West Australia both grew strongly, reflecting the robust economies in those states. Performance in Victoria was particularly disappointing, due primarily to the significant reduction in Temporary Barrier sales.

Saferoads New Zealand commenced operations in July 2008 and managed to achieve sales of AU$1 million in its first year. It is anticipated that sales and profit margins will increase substantially over the next two years as the Company gains acceptance in this important market.

In response to the downturn in the Company's financial performance in the first half of the year, the Company undertook a re-structure in order to reduce its costs in line with the lower than budget sales and profit performance. The re-structuring involved centralisation of certain sales and manufacturing functions, and the rationalisation of some management functions which had previously been put in place to facilitate the Company's planned growth targets for 2008-09. These steps led to a significant profit improvement that became evident in the un-audited internal financial management reports for the June quarter. Un-audited NPAT as a percentage of sales for the June quarter was 6% compared with (4%) for the March quarter.

The Company structure has retained the flexibility to ensure that the Company can respond quickly to any upturn in the economic climate. The organisational restructure led to redundancy costs of $404,000.

In January 2009, a major civil services sub-contractor of Saferoads servicing the eastern states ceased operations. Saferoads appointed its own direct contracting workforce to handle the workload.

Strong management focus continues on debt levels. The acquisition of GRI and Bob Panich Consultancy were funded by debt, and additional debt was required for working capital. Interest-bearing debt at 30 December 08 was $13.0m. This was reduced to $11.1m by 30 June 09. The Company will continue further debt reduction during the 2009-10 financial year.

During the year the Company appointed a Human Resources manager who brings an increased focus on occupational health and safety and on personnel management.

The Company is in the final stages of implementing a new financial accounting system, which will enhance internal reporting and support the future growth of the Company. This process should be totally functional by December 2009.

Looking ahead

Given the uncertainty that still prevails in the economic climate, the Company has put in place a relatively conservative budget which targets a sales growth of 4% in revenue, with improved profit performance.

The Company has commenced the year on a positive note. As at July 1, there was a healthy order book across most portfolios and significant additional orders have been received since the start of the year. The overall economic environment for Saferoads' goods and services appears to be improving as customers increase levels of capital expenditure and as the impacts of the Government's infrastructure stimulus packages start to feed through the economy.

The Company's new impact light pole ("Safepole") has been well accepted, with strong initial sales in Victoria. Rapid progress is being made in obtaining approvals for installation in other states.

In July 2009 the Company achieved pre-qualification with the Queensland Department of Main Roads to fabricate, supply and install bridge railing. This segment of civil work had previously been closed to the Company and represents significant potential for future growth.

Whilst the principal focus remains on organic growth, the Company will continue to be alert to any suitable strategic acquisition which would be consistent with the Company's core business and which would add sustainable long term value for the benefit of the Shareholders.

I wish to thank all of the Company's employees – production, sales and management – for their strong commitment and dedication during this difficult year.

And thank you, our Shareholders, for your continuing confidence in Saferoads Holdings Limited. This has been a difficult year for Shareholders and we are working hard to return the Company to a position of steady, sustainable growth, with reliable dividends and a restoration in shareholder value.

Darren Hotchkin
Managing Director.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2009

DIRECTORS

Name	Appointed
Darren Hotchkin	21 October 2005
Duncan Smith	21 October 2005
Gary Bertuch	31 October 2005
Gerard (Ged) Keeghan	31 October 2005

Gary C Bertuch (Age 58)
Non-Executive Chairman

Gary Bertuch was appointed to the Board on 31 October 2005. He is Chairman of the Remuneration Committee.

He has extensive experience in the project development, capital raising and construction industries. He was recently the Managing Director of HySSIL Pty Ltd which is a global building material commercialisation venture involving the CSIRO. Prior to that, he was a co-founder of Pacific Hydro Limited where he served as an Executive Director for a number of years, responsible for business development and capital raisings. Gary is also currently the Executive Chairman of HydroChile Pty Ltd, a company which develops, builds and operates hydro-electric power stations in the Republic of Chile.

Gary holds a Bachelor of Engineering with Honours from Monash University and a Graduate Diploma in Business Administration from Swinburne University.

Darren Hotchkin (Age 45)
Managing Director

Darren Hotchkin was appointed to the Board on 21 October 2005

Darren is the founder of Saferoads. He has a background in the automotive industry where he owned and operated several businesses. In 1992 he founded the company now trading as Saferoads Pty Ltd to commercialise his invention of a rubber guide post manufactured from recycled car tyres.

Darren's key contributions to the business continue to be in the strategic development of Saferoads' product range and manufacturing processes, in business development and in marketing. He has been active this year in Research and Development, in exploring opportunities for growth through prudent acquisition and in seeking to expand the Company's product base through international research of products with potential to find a sustainable place in the Australian market.

Gerard (Ged) Keeghan (Age 48)
Non-Executive Director

Ged was appointed to the Board on 31 October 2005. He is Chairman of the Audit and Risk Committee.

Ged gained considerable experience in the building and construction industry as the Chief Executive of the civil infrastructure contractor Standard Roads Group from 1991 to 2002; as a Director of the construction materials company Astec Pty Ltd which operated in the three eastern States of Australia from 1993 to 2002; and as an Executive Director of Cortek Developments Pty Ltd, a Victorian based commercial and industrial builder, from 1988 until 2005. He is currently a Director of several privately owned Companies and Trusts, and is Chief Executive of the residential developer, TPC Group.

Ged holds a Bachelor of Business (Accounting) with Graduate Diploma, is an associate member of CPAs and a Fellow of the Australian Institute of Company Directors.

Duncan Smith (Age 66)

Non-Executive Director

Duncan was appointed to the Board on 21 October 2005. He is a member of the Remuneration Committee and the Audit and Risk Committee.

Duncan was a founding Director and shareholder of Saferoads Pty Ltd. He is the senior partner of Smith McCarthy Wilson, accountants and advisors. He has been in public practice as an accountant since 1977 and a partner or principal in accounting firms since 1981, advising small to medium enterprises in management, taxation and financial matters. He is currently a Trustee of The Andrews Foundation and is on the Board and Treasurer of the West Gippsland Health Care Group.

Duncan holds a Diploma in Business (Accounting), is a fellow of the CPAs, and a Certified Financial Planner.

COMPANY SECRETARY

Bill Cruickshank (Age 66)
Company Secretary

Bill joined Saferoads Pty Ltd in June 2002 and was appointed as Company Secretary on 21 October 2005.

For his first three years with Saferoads Bill was Finance and Administration Manager, during which time he oversaw the successful compliance with the Civil Contractors Federation civil construction code, and the successful implementation of an ISO accredited integrated quality, safety and environmental management system. Before joining Saferoads he spent three years as the Administration and Finance Manager of a privately owned contract maintenance company. His previous 14 years were in the diary industry where he rose from the factory floor to regional accountant.

Bill holds a Bachelor of Business (Accounting) with sub-majors in law and economics, from Monash University and is an associate member of the Chartered Secretaries' Association.

SENIOR MANAGEMENT PROFILES

Hamish Webb
General Manager - Sales and Operations

Hamish joined Saferoads in May 2006 as the State Manager for Queensland. After a successful introduction he progressed to the role of National Manager-Civil Services division before accepting the General Manager – Sales and Operations position in March 2009.

Hamish has a strong senior management background and is experienced in sales, manufacturing and contracting businesses with particular focus in the building and construction industries. Prior to joining Saferoads he had more than 15 years experience in the building industry, the last four years of which were in General Manager/CEO positions for Sinero Pty Ltd.

Hamish is a member of Australian Institute of Management and an affiliate member of Australian Institute of Company Directors.

Tony Wyatt
General Manager - Finance and Logistics

Tony joined Saferoads in October 2007 as Commercial Manager, and in March 2009 accepted the role of General Manager – Finance and Logistics

Tony has a strong background in financial management and auditing. For 12 years he was an auditor with the audit firm Coopers & Lybrand. Following his time with Coopers & Lybrand, he spent 17 years in the manufacturing environment as Financial Controller or Commercial Manager with several manufacturing companies including National Foods Limited, Lactos Pty Ltd and Yallourn Power Station. He was Commercial Manager with Silcar at Yallourn Power Station immediately prior to joining Saferoads.

Tony holds a Bachelor of Business (Accounting) from RMIT and is a Chartered Accountant.

Vicki Commadeur
Human Resources Manager

Vicki joined Saferoads in October 2008 as Human Resources Manager.

Vicki has worked for many years in areas of finance, occupational health and safety, training, management systems and human resources. Prior to joining Saferoads, she worked for VIP Packaging for 14 years in various roles including being heavily involved in continuous improvement programs, training and development programs for employee up-skilling, and establishing quality and safety systems across the organisation.

Vicki has Diplomas in Human Resources and in Training, and brings to Saferoads an increased focus on occupational health and safety and on personnel management.

INTEREST IN SHARES

As at the date of this report, the interests of the Directors in the shares of the Company are:

Name	Shares
Gary Bertuch	20,000
Darren Hotchkin	4,941,375
Duncan Smith	1,087,500
Gerard (Ged) Keeghan	100,000

DIVIDENDS

At the Board Meeting held 24 August, the Directors resolved that no final dividend would be paid for the 2008-09 year.

Description	Cents per Share	Total Amount $	Date of Payment
2008 Final dividend paid (fully franked)	5.0	1,300,000	14 November 2008
2009 Interim dividend paid (fully franked)	0.0	Nil	N/a
2009 Final dividend (fully franked)	0.0	Nil	N/a

PRINCIPAL ACTIVITIES

The principal activity of the Group for the year 2008-09 continued to be the provision of road safety products and solutions primarily to end users. Some products are sourced from Australian suppliers; some are imported; some are manufactured locally to our specifications and others are manufactured and/or assembled on our premises.

The supply and installation of guardrail and wire rope safety barriers for road authorities in all states continues to be a growing part of our business.

In all its activities, the Company remains focussed on products and materials that protect the safety of road users – motorists, road construction workers and pedestrians.

REVIEW AND RESULTS OF OPERATIONS

A review of the operations and activities of the Company during the financial period and the results of these operations is set out in the Chairman's Overview and Managing Director's Review of Operations and Activities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the 2008-09 year, the principal sub-contractor used by the Company for installation of guardrail and wire rope safety barriers and some other products ceased operations, effectively in January 2009. As a result, Saferoads set up its own installation crews in Queensland, New South Wales, Victoria and South Australia. This has transferred costs which would otherwise have been in 'Other Expenses' to 'Employee Benefits' in the Income Statement.

SIGNIFICANT EVENTS AFTER BALANCE DATE

As at 5 August the Company was in breach of the Bank covenant interest coverage ratio. (The Australian Securities Exchange was advised of this expectation on 21 July 2009). The bank has not imposed any penalty nor re-negotiated any of the terms of the current financial facilities in place, and has since that date provided the Company with a letter confirming its ongoing support.

As a result of this breach, interest bearing loans and borrowings that would otherwise have been classified as 'non-current' have been re-classified as 'current'. This change relates solely to the requirement of the Accounting Standards to disclose a liability as current if the Company does not have the unconditional right to defer its settlement for at least twelve months.

In forming its decision to provide ongoing support the Bank took account of the abnormal expenditure of $892,523 incurred by the Company due to restructuring during the 09 financial year. If this expenditure were excluded from the ratio calculation, the Company would have been comfortably within the interest coverage covenant.

As noted under **DIVIDENDS** above, the Directors have reluctantly resolved not to pay a final dividend for the 2008-09 year.

LIKELY DEVELOPMENTS AND EXECTED RESULTS

Likely developments in the operations of the entity and the expected results of these operations have been set out in the Chairman's Overview and the Managing Director's Review of Operations and Activities.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year Directors and Officers insurance premiums were paid for any person who was a Director of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory. It is unlikely that the Company will be directly impacted by the proposed Carbon Pollution Reduction scheme.

OPTIONS

At the date of this report there were no un-issued shares of the company under option. The un-issued shares previously under option lapsed prior to exercise date during the 2008-09 year.

REMUNERATION REPORT

The Company's remuneration policy is to ensure that the level of remuneration paid to key personnel is market competitive and will help to attract and retain the skills and expertise required.

The Company's Corporate Governance Charter states that a Remuneration Committee comprising two independent Directors and the Company Secretary, with the Managing Director as an invitee, is to be put in place. The committee members are Mr Gary Bertuch and Mr Duncan Smith as Directors, and Mr Bill Cruickshank as Company Secretary.

The Board acknowledges that Mr Smith is not an independent Director although he is a non-executive Director. The Board considers that at this stage increasing the size of the Board from four to five Directors is not warranted, but as the Company grows in size and complexity, the composition of the Board will be addressed, providing for an increase in the number of independent Directors. The Board does not consider the effectiveness of Mr Smith as a member of the Remuneration Committee is in any way compromised by his not being an independent Director.

Remuneration of Directors and Key Executives

Non-executive Directors
Total remuneration for non-executive Directors for 2008-09 was $131,890. Their remuneration packages comprised only fixed Directors' fees plus statutory superannuation and were within the limits set out in the Company's constitution. Currently this limit is set at $250,000 per annum, and can only be changed at a general meeting. In March 2009 Directors reduced their fees by 50% for the last four months of the year.

Executive Director
The remuneration package for Mr Darren Hotchkin, Managing Director, changed during the course of the 2008-09 year. At the commencement of the year his package comprised an annual base salary of $275,000 plus statutory superannuation, a vehicle allowance of $30,000 and a bonus incentive of 5% of earnings before tax (EBT) above $7.1 million. Commencing March 2009, the annual base salary was reduced to $220,000 plus statutory superannuation.

Because the Company did not achieve an EBT above $7.1 million, no bonus incentive for 2008-09 is payable.

Company Secretary
The remuneration package for Mr Bill Cruickshank, Company Secretary, comprised an annual base salary of $27,500 for company secretarial work and a fixed hourly rate for non-company secretarial work.

General Manager - Sales and Operations
The remuneration package for Mr Hamish Webb changed during the course of the year. At the commencement of the year, as National Manager – Civil Services, his package comprised a base salary of $140,000 plus statutory superannuation, a commission of 1.5% of the operating profit of the Civil Services product portfolio (paid monthly), and an annual bonus incentive of 1% of EBT above $7.1 million. In January 2009 Mr Webb took on the more senior role as General Manager – Products and Services with a base salary of $220,000 plus statutory superannuation. Neither commission nor bonus incentive was attached to this position. In March 2009 Mr Webb took on the role of General Manager - Sales and Operations without any change to his total salary package.

Because the Company did not achieve an EBT above $7.1 million, no bonus incentive for 2008-09 is payable. However, a commission of $20,255 was paid, being 1.5% of the operating profit of the Civil Services product portfolio for the period of time for which he was the National Manager – Civil Services.

General Manager – Finance and Logistics
The remuneration package for Mr Tony Wyatt changed during the course of 2008-09. At the commencement of the year his package comprised a base annual salary of $150,000 plus statutory superannuation and an incentive bonus of 2% of EBT above $7.1 million. Commencing in March 2009, following an internal restructure and his taking on additional responsibilities, Mr Wyatt's annual base salary was increased to $170,000 plus statutory superannuation. No bonus incentive attached to this position for the period March – June 09.

Because the Company did not achieve an EBT above $7.1 million, no bonus incentive for 2008-09 is payable.

General Manager
Mr Richard Purser ceased employment with the Company in March 2009. At the commencement of the year his package comprised an annual base salary of $275,000 plus statutory superannuation, a vehicle allowance of $30,000 and a bonus incentive of 5% of earnings before tax (EBT) above $7.1 million.

Because the Company did not achieve an EBT above $7.1 million (pro-rata), no bonus incentive was paid on cessation of employment. However, termination payments of $115,285 were made.

During the course of the year Mr Purser was also granted options as per the table below:

No of Options Vested	No of Options Granted	Option Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
Nil	100,000	1/7/08	$2.36	1/7/2010	1/7/2018

At the cessation of Mr Purser's employment all options that had been granted to him (300,000 in total) were cancelled.

PERFORMANCE-BASED REMUNERATION

Performance-based remuneration (bonus incentive) for key executives was based on the Company performance (EBT) exceeding that achieved in the prior year 2007-08 ($7.1 million). Because this KPI was not achieved, no bonus incentive is payable to the named executives.

All bonus incentives for 2009-10 will be based on achieving an EBT above forecast.

EMPLOYMENT CONTRACTS

Executive employment agreements have been entered into with the Managing Director, the General Manager – Sales and Operations and the General Manager – Finance and Logistics. These agreements are of a standard form containing provisions of confidentiality and restraint of trade usually required in such agreements. Payments to be made on termination of an executive employment contract have been clearly detailed and are limited to payout of accrued leave entitlements and up to three months salary as redundancy or termination pay.

REMUNERATION OF DIRECTORS AND NAMED EXECUTIVES

	Short Term				Post Employ-ment	Long Term	Share Based Payment	Total	Perfor-mance Related
30 June 2009	**Salaries & Fees**	**Fringe Benefits**	**Cash Bonus**	**Termin-ation Payment**	**Super-annuation**	**Long Service Leave**	**Options**		
	$	**$**	**$**		**$**	**$**	**$**	**$**	**%**
Non Executive Directors									
G Bertuch	55,000	-	-	-	4,950	-	-	59,950	-
G Keeghan	33,000	-	-	-	2,970	-	-	35,970	-
D Smith	33,000	-	-	-	2,970	-	-	35,970	-
Executive Director									
D Hotchkin	270,000	-	-	-	26,341	44,857	-	341,198	-
Named Executives									
B Cruickshank	86,010	-	-	-	8,012	-	-	94,022	-
H Webb	180,000	18,206	20,255	-	18,022	4,242	-	240,725	8%
T Wyatt	170,000	-	-	-	15,137	2,426	-	187,563	-
R Purser	205,217	10,437		115,285	32,266	(2,991)	51,500	411,714	-
	1,032,227	**28,643**	**20,255**	**115,285**	**110,668**	**48,534**	**51,500**	**1,407,112**	

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year, and the numbers of meeting attended by each Director, were as follows:

Names	Directors		Audit		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr G Bertuch	11	11	-	-	2	2
Mr D Hotchkin	11	11	5	5	-	-
Mr D Smith	11	11	5	5	2	2
Mr G Keeghan	11	11	5	5	-	-

AUDITORS' INDEPENDENCE DECLARATION

The attached independence declaration has been obtained from the Company's auditors, Armitage Downie & Co.

Signed in accordance with a resolution of Directors

Ged Keeghan
Director
Drouin

Auditors Independence Declaration to the Board of Saferoads Holdings Limited

In relation to our audit of the financial report of Saferoads Holdings Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

WHK Audit (Vic)

WHK Audit (Vic)

Justin Brook
Partner

Date: 24 August 2009

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WHK Audit (Vic)

INDEPENDENT AUDITOR'S REPORT

To the Members of Saferoads Holdings Limited

We have audited the accompanying financial report of Saferoads Holdings Limited (the company) and Saferoads Holdings Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement for the year then ended, a summary of significant accounting policies other explanatory notes and the directors declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Total Financial Solutions

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WHK Audit(Vic)

Auditor's Opinion

In our opinion:

a) the financial report of Saferoads Holdings Limited and Saferoads Holdings Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company's and consolidated entity's financial position as of 30 June 2009, and of their financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) The financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Remuneration on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2009. 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 Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Saferoads Holdings Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

WHK Audit (Vic)

WHK Audit (Vic)

Justin Brook
Partner
Date: 24 August 2009
Place: Warragul

SAFEROADS HOLDINGS LIMITED
ABN 81 116 538

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Saferoads Holdings Limited is responsible for the corporate governance of the Saferoads group. The Board has considered and adopted the Corporate Governance Principles and Recommendations as identified by the ASX Corporate Governance Council, and reports on compliance with the "Revised Principles".

This Corporate Governance Statement is based on these principles and summarises policies and practices in place and endorsed by the Board. The Board's objective is to ensure investor confidence in the Company and its operations given its size, stage of development and complexity.

The Company has a Corporate Governance Charter, a copy of which is posted on the Company's website ***(www.saferoads.com.au)*** under the Investor Relations icon**.**

The Board acknowledges that it does not comply with Recommendations 2.1, 2.4, 4.2 and 8.1. Reasons for non-compliance are given in the commentary in each relevant section.

Principle 1 Lay solid foundations for management and oversight.

Recommendation 1.1: Companies should establish and disclose the respective roles and responsibilities of board and management.

The Company has established the functions reserved for the Board and those delegated to Management.

The primary responsibilities of the Board are to:

- determine the strategic direction of the Company,
- set financial targets,
- monitor the implementation and execution of strategy and performance against financial targets, and
- appoint and oversee the performance of executive management.

The Board has delegated day-to-day management responsibility to the Managing Director and his management team, reserving to itself the functions of strategic oversight and managerial guidance. Senior management responsibilities have been clearly set out in letters of appointment, position descriptions and employment contracts.

In essence, it is the responsibility of Management to manage the day to day operation of the business, ensuring that key performance indicators and financial measures are met, whilst also managing the Company in accordance with the strategies, plans and policies approved by the Board. The Board has also delegated to Management the responsibility for identifying areas of organic and acquisition growth, and developing appropriate business cases for board review and strategic decision making.

The Board accepts its responsibility for ensuring the management team performs to a consistently high standard. This is achieved through monthly board meetings where monthly performance reports are received and reviewed, and through regular briefings from Senior Management on progress in strategic developments.

Further information regarding the Board's broad functions and its powers and responsibilities are contained within the Company's Corporate Governance Charter, section 2. (A copy of the Charter is posted on the Company's website ***(www.saferoads.com.au)*** under the Investor Relations icon.)

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The Managing Director, the General Manager - Sales and Operations and the General Manager - Finance and Logistics are performance-evaluated on an annual basis against key performance indicators (KPIs) clearly stated in letters of appointment, employment contracts and position descriptions. A rigorous induction process addressing the Company's background, key business operations and strategic plans is in place for new appointees to senior executive positions to enable them to participate fully and actively in responsible decision making at the earliest opportunity.

The KPIs are primarily growth and earnings related but also address safety and environmental issues.

Recommendation 1.3: Companies should provide information indicated in the Guide to Reporting on Principle 1.

Further information regarding the Board's broad functions and its powers and responsibilities are contained within the Company's Corporate Governance Charter, section 2. (A copy of the Charter is posted on the Company's website ***(www.saferoads.com.au)*** under the Investor Relations icon.) Section 2 also refers to Management responsibilities.

The Board confirms that evaluation of senior executives took place in accordance with the process detailed in Recommendation 1.2.

Principle 2 Structure the Board to add value.

Recommendation 2.1: The majority of the board should be independent Directors.

The Company acknowledges the importance of having independent Directors on its board and is committed to having a board whose members have the capacity to act independently, together with having the composite skills to optimise the financial and operational performance of the Saferoads group.

The Board comprises four Directors: three non-executive Directors and the Managing Director. Of the three non-executive Directors, two are independent.

The skills, experience and expertise of each of the Directors are included in the Directors' Report. It is noted that all non-executive Directors have served or are serving on other Boards. The Board considers that its non-executive Directors are independent, other than Mr D Smith. Mr Smith is a substantial shareholder, and is a partner of the Company's public accountants. He was a founding partner of the business when it was incorporated as a private company in 1992. The Board considers that Mr Smith's in-depth knowledge of the business, coupled with his experience as accountant and financial advisor adds considerable value to his contribution to the Company's strategic management.

The Board acknowledges that it does not comply with the ASX recommendation that there should be a majority of independent Directors, but does comply with its own Corporate Governance Charter. As the Company grows in size and complexity and where additional expertise is required the Board will increase the numbers of Directors. This should provide opportunity to comply with this recommendation.

Recommendation 2.2: The Chair should be an independent Director.

The Chairman of the Board, Mr G Bertuch, is an independent Director. Mr Bertuch has advised the Board that other positions he holds do not hinder his effective performance in the role of Chairman.

Recommendation 2.3: The roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

The roles of chair and chief executive officer are not exercised by the same individual. The Chairman of the Board is Mr G Bertuch; the Managing Director (CEO) is Mr D Hotchkin.

Recommendation 2.4: The Company should establish a nomination committee.

The Company does not have at this point a nomination committee. The Board acknowledges that it does not comply with recommendation 2.4 in this respect. The Company has three non-executive Directors, all of whom were appointed at the time of incorporation (October 2005), and all of whom have been subsequently re-elected at Annual General Meeting (AGM). The Director who retired and was re-elected at the October 2006 AGM (Mr D Smith) retires again at this year's AGM, and being eligible offers himself again for re-election.

Recommendation 2.5: Companies should disclose the process for Board, Committee and Director evaluation.

The Company has in place a Board Evaluation and Performance Review Self Administered Questionnaire which is broadly aligned with the Corporate Governance Principles but which provides for additional comment from each of the Directors. The results of the questionnaire are consolidated, and then discussed by the Board. The questionnaires were circulated to the Directors and the results consolidated in June 09 and the results and the process discussed at the Board Strategic Review meeting held in July 09.

Recommendation 2.6: Companies should provide the information indicated in the Guide to Reporting on Principle 2.

Additional information regarding the skills, experience and qualifications of the Directors is disclosed in the Directors' Report.

The right of a Director to seek independent legal advice is referred to in the Corporate Governance Charter section 2.9.2.

The Company's Corporate Governance Charter (section 2.6) details the process to be followed when a vacancy exists on the Board. In essence, the Board as a whole will perform the function of a nomination committee when the size and complexity of the Company warrants an increase in the number of Directors. The Board may make use of external professional advisors to assist with the recruitment process.

Principle 3 Promote ethical and responsible decision-making.

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or the summary of the code.

The Company has established a Code of Conduct for Directors as a guide to be followed in performing their duties with a view to enabling them to achieve the highest possible standards in the discharge of their obligations. The Code is contained in the Corporate Governance Charter, section 4.

The Company has entered into employment agreements with the Managing Director, the General Manager - Sales and Operations and the General Manager - Finance and Logistics, and with other key management personnel. These agreements address issues of ethical and responsible decision-making in the performance of their respective roles in the Company.

Recommendation 3.2: The Company should establish a policy concerning trading in company securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Company has established a Share Trading Policy that imposes strict restrictions on trading in Saferoads' securities. In essence, trading in the Company's securities by nominated personnel is not permissible except within clearly defined windows of opportunity, and then only with the approval of the nominated non-executive Director. Nominated personnel include Directors, Senior Managers and other employees with access to financial and operational matters.

A copy of the Company's Share Trading Policy is posted on the Company's website. A summary of the policy is also available in the Company's Corporate Governance Charter, Section 3.

Recommendation 3.3 Companies should provide the information indicated in the Guide to Reporting on Principle 3.

Information referred to in Principle 3 is available of the Company's website ***(www.saferoads.com.au)*** under the Investor Relations icon.

Principle 4 Safeguard integrity in financial reporting.

Recommendation 4.1: The Board should establish an audit committee.

The Board has established an Audit and Risk Committee.

WHK Audit (Vic) has been appointed as the independent external auditor. The independent auditor reports directly to the Audit and Risk Committee, and is also required to attend the annual general meeting of the Company to answer any shareholder questions about the audit and the preparation and content of the audit report.

Recommendation 4.2: Structure of the audit committee.

The Audit and Risk Committee is comprised of Mr G Keeghan (non-executive Director and Chairman of the committee), Mr D Smith (non-executive Director) and Mr W Cruickshank (Company Secretary), with Mr D Hotchkin (Managing Director) being an invitee. Mr Cruickshank also performs the role of Company Internal Auditor. He has been trained in audit techniques and is qualified as an International Standards Organisation (ISO) auditor. Mr Smith brings to the Committee more than forty years' experience as a public accountant and auditor. Further detail regarding the skills, experience and qualifications of the members of the Audit & Risk Committee is given in the Directors' Report.

The Board acknowledges that it does not fully comply with the ASX's recommendation in that the committee does not consist of a majority of independent Directors, Mr Smith not qualifying as being independent. When the Company reaches a size and complexity that warrants the expansion of the Board to include an additional independent Director, the new appointee will become a member of the audit committee, ensuring full compliance with this principle.

Recommendation 4.3: Charter of the Audit Committee.

The Committee's charter is to advise, maintain and monitor business risk through an appropriate internal framework, and to assist the Board in fulfilling its audit, accounting and reporting obligations. The Committee's charter is contained within the Company's Corporate Governance Charter (Section 5).

Recommendation 4.4 Companies should provide the information indicated in the Guide to Reporting on Principle 4.

The Audit and Risk Committee met five times during the 2008-09 year, with full attendance.

Information regarding the skills, experience and qualifications of the members of the Audit and Risk Committee is disclosed in the Directors' Report.

At this point, the Company does not have a procedure for the selection, appointment and rotation of external audit engagement partners. When a replacement audit engagement partner is required, the Company will seek professional assistance to assist with the engagement process.

The Company confirms that the Company's Corporate Governance Charter is posted on the Company's web site.

Principle 5 Make timely and balanced disclosure.

Recommendation 5.1: Establish written policies designed to ensure compliance with ASX Listing Rules.

The Board is aware of its obligations to make timely and balanced disclosures both to the ASX and to the financial market in general. Continuous disclosure is a standing item on the agenda for each Board meeting. During the course of 2008-09 the Board made several announcements as material issues arose.

The Company has a written Continuous Disclosure Policy designed to ensure compliance with listing rules. The policy identifies the type of information that should be disclosed, the decision making process concerning the disclosure obligation, the roles and responsibilities of Directors and Senior Management in the disclosure context, and identification of the personnel authorised to make disclosure to the ASX and to discuss corporate issues with analysts, the media, shareholders and the general public.

Recommendation 5.2 Companies should provide the information indicated in the Guide to Reporting on Principle 5.

The Company confirms that a copy of the Continuous Disclosure Policy designed to ensure compliance with ASX listing rules is posted on the Company's web site.

Principle 6 Respect the rights of shareholders.

Recommendation 6.1: Companies should design a communications policy

The Company's approach to communications with shareholders in contained in Section 2.15 of the Company's Corporate Governance Charter. The Company aims to ensure that shareholders are kept informed of all major developments affecting the Company. This is achieved through compliance with the ASX continuous disclose rules and through providing links from the Company's website to announcements made to the market via the ASX.

The board encourages full attendance at and participation in the annual general meeting where presentations of the company's current performance and future growth prospects are made. If shareholders are unable to attend in person, they are encouraged to appoint a proxy to exercise their voting rights on their behalf.

During the year 2008-09 the Company issued a newsletter to all shareholders.

Recommendation 6.2 Companies should provide the information indicated in the Guide to Reporting on Principle 6.

The Company confirms that a copy of the Corporate Governance Charter is posted on the Company's website.

Principle 7 Recognise and manage risk.

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks.

The Committee referred to under Principle 4 above focuses on both audit and risk. A review of business risks relating to people, product and profit is a standing item on the agenda for each meeting of the Audit and Risk Committee. There is a standing item on the Board agenda to receive a report from the Committee.

Recommendation 7.2: The Board should require Management to design and implement the risk management and internal control system to manage business risk.

Since incorporation the Company has had a sound system in place to control and manage risk. However, last year the Board, through the Audit and Risk Committee, initiated the development of an Enterprise Risk Management Plan (ERM plan), consistent with AS/NZS 4360:2004 Standard for Risk Management. This process has been completed. A Risk Management Policy has been developed and signed off on by the Board, and posted on the Company's web site. After an extensive process to identify risks across a wide range of areas including but not limited to financial, safety, environmental and personnel, a register of material business risks has been established, risks have been analysed and evaluated, risk management processes and controls have been put in place and reporting schedules developed. Material business risks that have been evaluated and rated by the Board as being "Very High" are to be reported on monthly to the Board through the Audit and Risk Committee Chairman. Risks that have been evaluated and rated by the Board as being "High" are reported on every two months. Risks rated at less the "high" are reported on less frequently.

The Board has appointed the Company Secretary as Internal Auditor. At each Audit and Risk Committee meeting, the internal auditor reports on internal audit findings and the Committee reports to the full Board. The internal auditor has no operational or managerial responsibilities and is considered to be independent. The Company Secretary will also perform a pivotal role in the ongoing implementation and management of the ERM plan.

Senior Management has reported to the Board that it considers that the management of the Company's material business risks has been effective.

Recommendation 7.3: The Board should disclose whether it has received assurance from the CEO and CFO re the declaration provided in accordance with section 295A of the Corporations Act.

The Board confirms that it has received written confirmation from the Managing Director and the General Manager - Finance and Logistics that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4 Companies should provide the information indicated in the Guide to Reporting on Principle 7.

The Company confirms that statements by Senior Management referred to in Recommendations 7.2 & 7.3 have been received by the Board.

The Company's Risk Management policy is posted on the Company's web site.

Principle 8 Remunerate fairly and responsibly.

Recommendation 8.1: The Board should establish a Remuneration Committee.

The Board has established a Remuneration Committee comprised of Mr G Bertuch (non-executive Director and Chairman of the committee), Mr D Smith (non-executive Director) and Mr W Cruickshank (Company Secretary), with Mr D Hotchkin (Managing Director) being an invitee. Mr Bertuch and Mr Smith both serve on other boards, and Mr Smith brings to the Committee many years' experience with small to medium businesses.

The Committee Charter is to review and advise the Board on compensation arrangements for Directors and Senior Management. The Committee is aware of its responsibility to ensure that remuneration packages are market competitive and will attract, motivate and retain high-quality personnel.

The Board acknowledges that it does not fully comply with the ASX's recommendation in that the committee does not consist of a majority of independent Directors .When the Company reaches a size and complexity that warrants the expansion of the Board to include an additional independent Director, the new appointee will become a member of the remuneration committee, ensuring full compliance with this principle.

The Committee met twice during 2008-09 with full attendance.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive Directors from that of executive Directors and Senior Management.

Detailed disclosure of the remuneration of non-executive Directors, executive Directors and Senior Management is made in the remuneration report forming part of the Directors' Report. Further detail is provided in section 25 of the Notes to Financial Statements.

The remuneration of the non-executive Directors comprises only Directors' fees and statutory superannuation. They have no other entitlement. The remuneration of the executive Director and of other senior managers comprises a base salary, car allowance, statutory superannuation and a performance bonus based on the Company achieving more than the Earnings Before Tax (EBT) achieved in the prior year.

Recommendation 8.3 Companies should provide the information indicated in the Guide to Reporting on Principle 8.

The skills, experience and qualifications of the Remuneration Committee members are detailed in the Directors' Report.

There is no existence of any schemes for retirement benefits for non-executive Directors, other than for statutory superannuation for non-executive Directors.

The Company does not currently have any active equity-based remuneration schemes.

A copy of the Remuneration Committee Charter is included in the Corporate Governance Charter, section 6.

SAFEROADS HOLDINGS LIMITED
ABN 81 116 668 538

ASX Additional Information

The shareholder information set out below was applicable as at 13 August 2009.

As at this date the Company had on issue 26,000,000 ordinary shares held by 1201 shareholders.

Substantial Shareholders
Holdings of substantial shareholders as advised to the Company are set out below.

Holders of relevant interest	Number of ordinary shares in which interest was held
D J Hotchkin	4,941,375
Contemplator Pty Ltd	2,234,065
Warakirri Asset Management Pty Ltd	1,489,200
Duncan Francis Smith	1,087,500

Twenty largest shareholders

Name	Number of shares	% Held
Darren John Hotchkin	3,837,500	14.76
ANZ Nominees Limited <Cash Income A/c>	1,489,200	5.73
Duncan Francis Smith	1,087,500	4.18
Jennifer Ann Hotchkin	1,000,000	3.85
National Nominees Limited	909,534	3.50
J P Morgan Nominees Australia Limited	752,126	2.89
Chainzone Technology (South Pacific) Limited	598,000	2.30
Contemplator Pty Ltd <ARG Pension Fund A/C>	589,230	2.27
Harold Gordon Hotchkin	500,000	1.92
Mr Kevin Frederick Dale & Mrs Myrney Clarice Dale <K&M Dale Super Fund A/c>	478,473	1.84
Equity Trustees Limited <SGH Micro Cap Trust>	337,848	1.30
Ruminator	334,065	1.29
Darren John Williames	283,451	1.09
Koonung Nominees Pty Ltd	275,000	1.06
Jeffrey Stewart Herdman	266,000	1.02
Mr Noel Thompson and & Mrs Lorraine Thompson	221,032	0.85
AD McColloch Pty Ltd	211,000	0.81
Mr Noel Thompson & Mrs Lorraine Thompson & Miss Katherine Thompson	171,117	0.66
Mr Bill Jauleska & Mrs Yagoda Jauleska	150.000	0.58
Mr Hamish John Webb	140,000	0.54
	13,631,346	**52.43**

Distribution of shareholdings

Range	Total Holders	Units
1 – 1,000	190	119,014
1,001 – 5,000	467	1,538,132
5,001 – 10,000	239	2,080,791
10,001 – 100,000	279	7,927,432
100,001 – and over	26	14,334,631
	1,201	26,000,000

SAFEROADS HOLDINGS LIMITED
ABN 81 116 668 538

LESS THAN MARKETABLE PARCEL

The number of shareholders holding less than a marketable parcel is **209**

VOTING RIGHTS

All ordinary shares carry one vote per share.

NUMBER OF ORDINARY SHARES SUBJECT TO ESCROW

Nil

SAFEROADS HOLDINGS LIMITED
ABN 81 116 668 538

CORPORATE DIRECTORY

FOR YEAR ENDED 30 JUNE 2009

Directors
Gary Bertuch (Chairman)
Darren Hotchkin (Managing Director)
Duncan Smith
Gerard (Ged) Keeghan

Company Secretary
Bill Cruickshank

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ASX Code
SRH