



**Swick Mining Services Ltd and
its Controlled Entities**

Appendix 4D

**Half-Year Financial Report
31 December 2013**

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Period ended
Current Reporting Period	31-Dec-13
Previous Corresponding Period	31-Dec-12

					\$'000
Revenue from Ordinary Activities	Down	25%	to		56,767
Net Profit /(Loss) After Tax from Ordinary Activities	Down	108%	to		(423)
Net Profit/(Loss) After Tax Attributable to Members	Down	108%	to		(423)

Dividends

An interim fully franked dividend of 0.2 cents per ordinary share has been declared on 21 February 2014 for the period ended 31 December 2013. The dividend record date is 6 March 2014 and the payment date is 1 April 2014.

Net tangible asset backing per ordinary share (cents)

31-Dec 2013	31-Dec 2012
44.70	44.63

Net tangible asset backing per share has been calculated by dividing the net tangible assets by the closing number of ordinary shares on issue.

DIRECTORS' REPORT

The Directors of Swick Mining Services Limited (Swick) are pleased to submit their report for the half-year ended 31 December 2013.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Period of Directorship
Andrew Simpson (Chairman) (Non-Executive)	Appointed 24 th October 2006
Kent Swick (Managing Director)	Appointed 24 th October 2006
David Nixon (Non-Executive)	Appointed 1 st January 2007
Phil Lockyer (Non-Executive)	Appointed 11 th February 2008
Ian McCubbing (Non-Executive)	Appointed 1 st August 2010
Company Secretary	
Ian Hobson	Appointed 19 th July 2010

REVIEW AND RESULTS OF OPERATIONS

Operational Performance	H1 FY14	H1 FY13	% Change
Metres Drilled	564,083	736,594	-23%
Rigs in Fleet (Period end)	81	76	7%
Rigs in Use (Period End)	44	56	-21%
Revenue per Metre	\$95.68	\$ 103.18	-7%
Employees	543	589	-8%
Financial Performance	H1 FY14	H1 FY13	% Change
Revenue	\$56.8m	\$76.0m	-25%
EBITDA	\$6.8m	\$16.1m	-58%
EBIT	\$0.3m	\$8.3m	-96%
Net (Loss)/Profit After Tax	(\$0.4)m	\$5.3m	-108%
Earnings Per Share - cents	(0.19)	2.22	-112%
EBITDA %	11.9%	21.1%	-39%
EBIT %	0.5%	10.9%	-95%
NPAT %	-0.7%	6.9%	-110%
Net Assets	\$106.2m	\$108.5m	-2%
Cash	\$13.5m	\$21.1m	-36%
Debt	\$20.4m	\$23.4m	-13%
Net Debt	\$6.9m	\$2.3m	199%
Operating Cashflow	\$8.7m	\$18.4m	-53%
Free Cashflow*	\$1.0m	\$8.0m	-87%

- Free cash calculation excludes investments in Oreplore AB and 64 GEH Trust totalling \$2.7m in the period ending 31 Dec 2013.

Revenue for the six months ending December 31, 2013 was \$56.8 million, down 25% from \$76.0m in the corresponding period a year ago.

Revenue was impacted by lower demand from the client base as a result of reduced budgets and cost saving measures. In addition, the competitive market required Swick to renew and negotiate contracts at reduced pricing levels.

EBITDA was \$6.8m (11.9% margin) for the first half, down 58% from \$16.1m (21.1% margin) in the corresponding period a year ago.

The additional recently awarded contracts previously announced have commenced and are operating in line with expectations and will lead to improved revenue in the second half. Margin improvement is also expected to follow as a result of top line revenue growth from additional rigs in work, together with productivity and efficiency gains that are a continuous focus at Swick.

Two strategic international contracts that commenced last half are now improving from a profitability perspective as local crews become more skilled and the ex-pat labour component of the cost base is reduced.

Despite the lower revenue, Swick has a very strong order book and a record number of contracts and operating sites. This provides a solid foundation for a strong rebound in revenue when client budgets return to normal levels.

A total of 44 rigs from a fleet of 81 (including three client owned rigs) were operating in the field as of December 31, 2013 compared to 56 rigs in operation from a fleet of 76 (including three client owned rigs) a year ago. During January 2014 a further 6 rigs have mobilised in the APAC region and 2 in the International business, with a further 4 rigs to mobilise in February 2014 in both the APAC region and the International business.

Capex, Safety and R&D

In November Swick invested \$1.66 million into a mineral analysis business based in Sweden for an initial shareholding of 23% in the Company. Subject to research and development milestones being reached, Swick has committed up to a further \$4.9m (SEK29.9m) in debt and equity funding over the next 5 years. As at 31 December 2013 the Group's ownership interest was 31.7%.

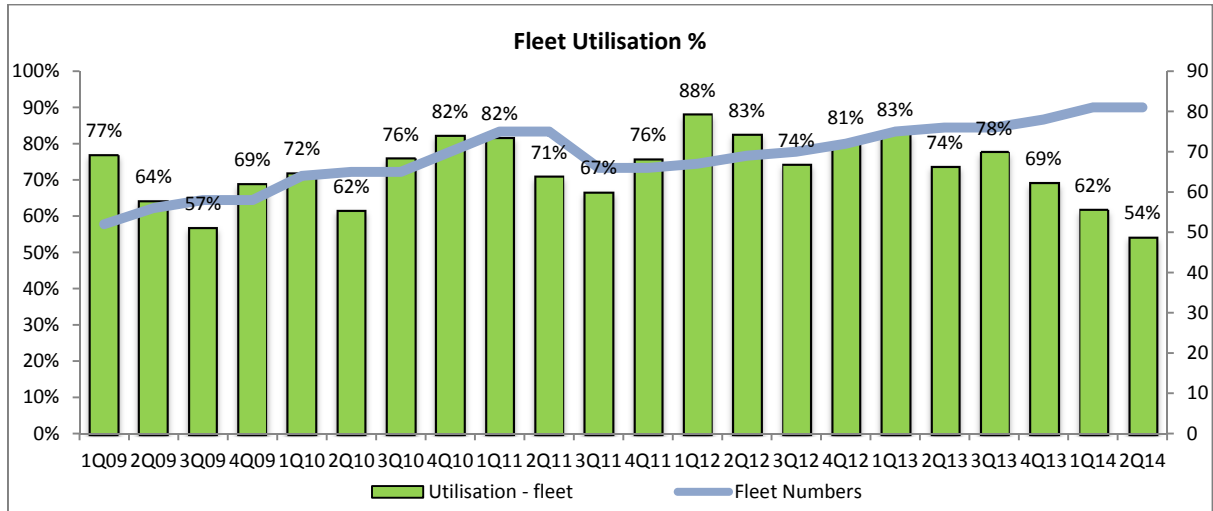
Normal business capital expenditure in the first half was \$8.1 million, of which \$2.6 million relates to specific growth capital and productivity enhancement projects including R&D projects and rig upgrades. The full year forecast remains in the vicinity of \$15m.

In the first half, Swick completed the first phase of implementation of the new Safety Management System with encouraging results to date. The current phase involves embedding the Swick specific principles and using our internal engineering expertise to introduce effective controls.

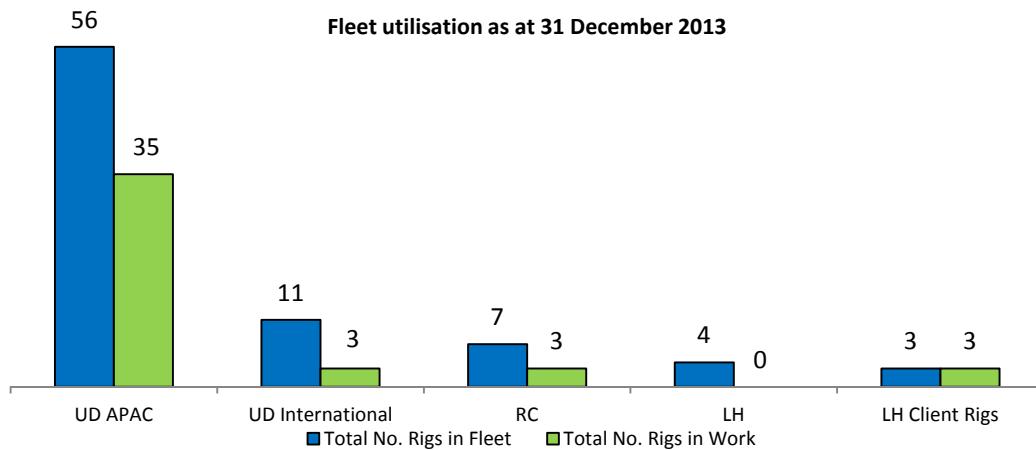
R&D initiatives remain focused on achieving the strategic objective of doubling the metres per manhour from Jun-12 to Jun-17. Numerous initiatives are in various stages of research, design and commercial release. Swick understands the critical need to improve productivity and is working with its clients to introduce many new techniques including new core retrieval techniques and semi-automated drilling into the market.

Fleet Utilisation and ARPOR

The Company’s rig utilisation against total fleet number as at 31 December 2013 is shown below:

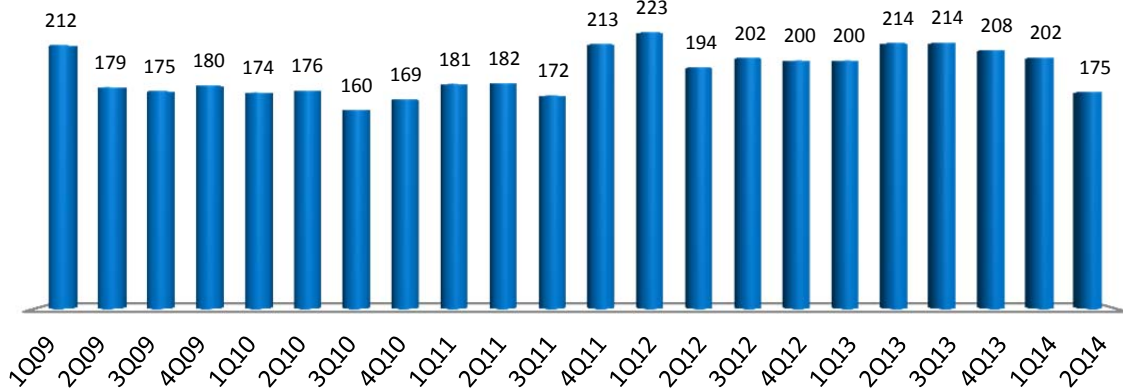


Rigs by Division as at 31 December 2013, is detailed in the graph below. As noted in the Operations update above an additional 8 rigs (6 APAC and 2 International) have been mobilised in January, with a further 4 rigs (2 APAC and 2 International) to be operational by the end of February 2014.

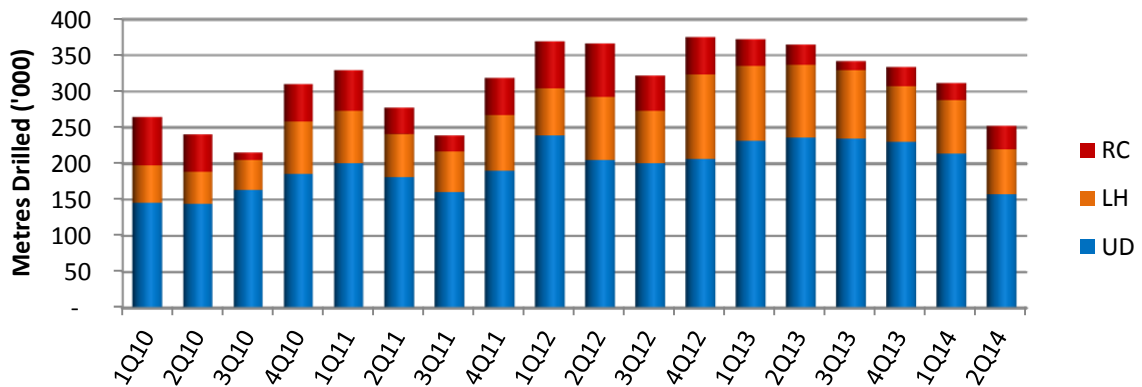


The Company’s *Average Monthly Revenue per Operating Rig* (ARPOR) metric shown below has decreased 18% compared to Q2FY13. This reflects the tougher operating environment with clients demobilising rigs in the lead up to Christmas and some conversions from double to single shift operations. With upcoming mobilisations in the Q3FY14 and signs of demand for services increasing the ARPOR is expected to recover to levels experienced in Q1FY14.

Monthly ARPOR (\$'000)



The Company’s historical metres drilled by division below illustrates the mix between the operating divisions. The reduction in overall metres in FY14 reflects the industry wide slowdown in drilling expenditure.



AUDITOR’S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Deloitte Touche Tohmatsu, which is included on page 8.

Signed in accordance with a resolution of the directors

Kent Swick
 Managing Director
 Dated: 21 February 2014

The Board of Directors
Swick Mining Services Limited
64 Great Eastern Highway
South Guildford WA 6055

21 February 2014

Dear Board Members

Swick Mining Services Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Swick Mining Services Limited.

As lead audit partner for the review of the financial statements of Swick Mining Services Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Notes	Consolidated	
		31-Dec-2013 \$'000	31-Dec-2012 \$'000
Revenue		56,500	75,709
Finance Revenue		210	290
Other Income		57	-
Total revenue and other income	4	56,767	75,999
Expenses			
Finance Costs		819	797
Other Expenses	4	56,515	67,698
Total expenses		57,334	68,495
(Loss)/Profit before income tax expense		(567)	7,504
Income Tax (Benefit)/Expense		(144)	2,254
(Loss)/Profit for the period		(423)	5,250
Items that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations		(123)	(229)
Total comprehensive income for the period		(546)	5,021
(Loss)/Earnings per share (cents per share)			
- basic; (Loss)/Earnings for the year	10	(0.19)	2.22
- diluted; (Loss)/Earnings for the year	10	(0.19)	2.20

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Consolidated	
		31-Dec-13 \$'000	30-Jun-13 \$'000
Current assets			
Cash and cash equivalents	5	13,496	20,873
Trade and other receivables		13,391	18,480
Inventories		18,864	17,328
Financial lease receivable		-	415
Other assets		1,505	2,092
Total current assets		47,256	59,188
Non-current assets			
Property, plant and equipment		92,873	92,658
Intangible assets		9,232	7,030
Other financial assets	13	1,060	-
Other assets		2	2
Investment in associate	6	1,652	-
Total non-current assets		104,819	99,690
Total assets		152,075	158,878
Current liabilities			
Trade and other payables		13,818	13,325
Income Tax Payable		4,649	4,307
Borrowings	7	519	2,658
Provisions		5,470	6,276
Total current liabilities		24,456	26,566
Non-current liabilities			
Borrowings	7	19,851	19,865
Deferred tax liabilities		908	2,115
Provisions		632	494
Total non-current liabilities		21,391	22,474
Total liabilities		45,847	49,040
Net assets		106,228	109,838
Equity			
Issued capital	8	75,880	77,644
Reserves		600	723
Retained earnings		29,748	31,471
Total equity		106,228	109,838

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CONSOLIDATED	Ordinary shares \$'000	Share Based Payments Reserve \$'000	Foreign Currency reserve \$'000	Retained earnings \$'000	Total Equity \$'000
At 1 July 2013	77,644	760	(37)	31,471	109,838
Loss for the period				(423)	(423)
Other comprehensive expense			(123)		(123)
Total comprehensive income/(loss) for the period			(123)	(423)	(546)
Share buy-back	(1,760)				(1,760)
Transaction costs on share buy-back	(4)				(4)
Dividends recognised for the period				(1,300)	(1,300)
At 31 December 2013	75,880	760	(160)	29,748	106,228
At 1 July 2012	82,580	693	(331)	22,750	105,692
Profit for the period				5,250	5,250
Other comprehensive expense			(229)		(229)
Total comprehensive income for the period			(229)	5,250	5,021
Share based payments	75	77			152
Share buy-back	(1,214)				(1,214)
Transaction costs on share buy-back	(3)				(3)
Dividends recognised for the period				(1,189)	(1,189)
At 31 December 2012	81,438	770	(560)	26,811	108,459

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated		
	Note	31-Dec-2013 \$'000	31-Dec-2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		59,676	74,387
Payments to suppliers and employees		(50,961)	(55,937)
Net cash inflow from operating activities		<u>8,715</u>	<u>18,450</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		183	291
Proceeds from sale of property, plant & equipment		326	306
Payments for plant and equipment		(5,990)	(8,507)
Payment for Intangible assets		(2,200)	(2,525)
Payments for businesses		(1,656)	-
Payments for trust investment		(1,000)	-
Net cash used in investing activities		<u>(10,337)</u>	<u>(10,435)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for share buyback (including transaction costs)		(1,764)	(1,217)
Proceeds from Borrowings		-	6,132
Repayment of Borrowings		(1,873)	(5,656)
Interest paid		(818)	(795)
Dividends paid by parent entity		(1,300)	(1,189)
Net cash used in financing activities		<u>(5,755)</u>	<u>(2,725)</u>
Net (decrease)/increase in cash and cash equivalents held		(7,377)	5,290
Cash and cash equivalents at the beginning of the period		<u>20,873</u>	<u>15,806</u>
Cash and cash equivalent at the end of the period		<u><u>13,496</u></u>	<u><u>21,096</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The financial report of Swick Mining Services Ltd (the Company) for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 21 February 2014.

Swick Mining Services Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Swick Mining Services Ltd as at 30 June 2013.

It is also recommended that the half-year financial report be considered together with any public announcements made by Swick Mining Services Ltd and its controlled entities ('the Group') during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except where stated.

The Company is a Company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the financial statements are rounded off to the nearest thousand dollars unless otherwise indicated.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Changes in accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the financial year ended 30 June 2013, except for the accounting policies on hedges and investments in associates. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The consolidated entity has also reviewed all other new standards and interpretations issued by the AASB that are relevant to its operations and effective for the current half-year. These include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Swick Mining Services Ltd and its controlled subsidiaries.

3. SEGMENT INFORMATION

Geographical Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Board for the purposes of resource allocation and assessment of performance is more specifically focused on Drilling Services in Asia Pacific and Drilling Services in International. The results from continuing operation are reflected in the table that follows.

Segment Revenue, Expense and Results for Continuing Operations

HY12/13	Drilling Services – Asia Pacific		Drilling Services – International		Total	
	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012	Half-year ended 31 Dec 2013	Half-year ended 31 Dec 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	52,163	72,416	4,337	3,293	56,500	75,709
Other income	267	290	-	-	267	290
Total Revenue	52,430	72,706	4,337	3,293	56,767	75,999
Other expenses	50,184	63,930	6,331	3,768	56,515	67,698
Finance costs	813	788	6	9	819	797
Total Expense	50,997	64,718	6,337	3,777	57,334	68,495
Segment Profit/(Loss) before Tax	1,433	7,988	(2,000)	(484)	(567)	7,504
Other segment information						
Depreciation and amortisation	5,977	7,435	547	330	6,524	7,765

Segment Assets and Liabilities

	Drilling Services – Asia Pacific		Drilling Services – International		Total	
	Half-year ended 31 Dec 2013	Year ended 30 June 2013	Half-year ended 31 Dec 2013	Year ended 30 June 2013	Half-year ended 31 Dec 2013	Year ended 30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Segment Assets	270,207	279,709	19,697	18,666	289,904	298,375
Total Segment Liabilities	(171,099)	(179,802)	(21,397)	(17,803)	(192,496)	(197,605)
Eliminations		-		-	8,820	9,068
Total net assets	99,108	99,907	(1,700)	863	106,228	109,838
Other segment information						
Non-current assets	96,532	90,758	8,287	8,932	104,819	99,690

4. REVENUE, INCOME AND EXPENSES FOR CONTINUING OPERATIONS

	Note	31-Dec-13 \$'000	31-Dec-12 \$'000
<i>Revenue</i>			
Rendering of Services		56,500	75,709
Total Revenue		56,500	75,709
<i>Finance Revenue</i>			
Interest Revenue		210	290
Total Finance Revenue		210	290
<i>Other income</i>			
Net Gain on disposal of property, plant and equipment		57	-
Total Other Income		57	-
Total Revenue and Other Income		56,767	75,999
<i>Other expenses</i>			
Raw materials and consumables used		8,671	11,215
Employee benefits expenses		30,359	37,082
Depreciation and amortisation expenses		6,524	7,765
Accommodation and travel expenses		3,406	3,630
Repairs, parts and maintenance		3,308	4,066
Equipment Hire and Freight		893	824
Insurance		1,318	1,521
Marketing and Advertising		124	93
Utilities and communication		487	305
Rent and Outgoings		358	277
Net Loss on disposal of property, plant and equipment		-	28
Share in loss of associate	6	71	-
Administration costs		996	892
Total Other Expenses		56,515	67,698

5. CASH AND CASH EQUIVALENTS

For the purposes of the half-year condensed cash flow statement, cash and cash equivalents are comprised of the following:

	Consolidated	
	31-Dec-13 \$'000	30-Jun-13 \$'000
Cash in hand	2	2
Bank balance	13,494	20,871
Cash and cash equivalents	13,496	20,873

6. INVESTMENTS IN ASSOCIATES

On 6 November 2013, the Group acquired a 23% interest in Oreplore AB, a company incorporated in Sweden and engaged in mineral analysis and measurement technology. The initial investment was \$1.66 million (23%) with further equity investment of \$2.7 million over 2.5 years in five equal tranches which will increase Swick's equity ownership in Oreplore to 52%. As at 31 December 2013 the Group's ownership interest was 31.7%. The acquisition is treated as an Investment in Associate at 31 December 2013 as Swick has significant influence as per ASSB 128.

	31-Dec-13 \$'000	30-Jun-13 \$'000
Cash	1,656	-
Less: Share in loss of associate	(71)	-
Add: Foreign exchange revaluation of investment	67	-
	1,652	-

7. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated	
	31-Dec-13 \$000	30-Jun-13 \$'000
Current Liabilities		
Bank loans	-	875
Hire Purchase Liabilities	519	1,783
	519	2,658
Non-Current Liabilities		
Bank loans	19,000	19,000
Hire Purchase Liabilities	851	865
	19,851	19,865

Hire Purchase Liabilities are fixed interest borrowings provided over a three to five year term.

Bank loans consist of a mixture of fixed and variable bank bills with maturity dates that run through to May 2015.

8. CONTRIBUTED EQUITY

	31-Dec-13 \$'000	30-Jun-13 \$'000
a) Share capital		
Ordinary shares, fully paid	75,880	77,644

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

b) Movement in Ordinary Shares on Issue

Consolidated Entity

2013 Details	Number of shares	Issue price \$	\$ Value \$'000
30 June 2013 balance	170,070,477		77,644
Performance rights converted to shares	606,124	-	-
Shares bought back and cancelled	(6,511,825)	-	(1,764)
31 December 2013 balance	164,164,776		75,880
2012 Details	Number of shares	Issue price	\$ Value \$'000
30 June 2012 balance	185,202,974		82,580
Shares issued during the year	300,000	-	532
Issue of shares under the Company's Performance Rights Plan	400,000	-	-
Shares bought back during the year	(15,832,497)	-	(5,468)
30 June 2013 balance	170,070,477		77,644

Consolidated Ordinary Shares on Issue differ from the number of securities listed on the Australian Securities Exchange due to a reverse acquisition adjustment required on the original listing of Swick Mining Services Ltd in 2007. The actual number of shares on issue in the parent entity at 31 December 2013 was 216,263,326 (30 June 2013 222,169,027), including all shares bought back during the period.

9. COMMITMENTS AND CONTINGENCIES

Commitments

Swick Mining Services Ltd has an ongoing research and development commitment of approximately \$5.4 million (33.2 million Swedish Krona) over 5 years with Orexplore AB, subject to agreed research and development milestones.

Contingent Liabilities

Contingent liabilities have a value of nil (30 June 2013: nil)

10. EARNINGS PER SHARE

	31- Dec-13	Consolidated 31-Dec-12
a) Basic (loss)/earnings per share (cents)		
From continuing operations	(0.19)	2.22
Total basic (loss)/earnings per share	(0.19)	2.22
b) Reconciliation of (loss)/earnings used to calculate earnings per share (\$'000)		
(Loss)/profit after income tax expense from continuing operation	(423)	5,250
c) Weighted average number of shares ('000)	218,163	236,037
d) Diluted (loss)/earnings per share (cents)		
From continuing operations	(0.19)	2.20
Total diluted (loss)/earnings per share	(0.19)	2.20
e) Reconciliation of (loss)/earnings used to calculate diluted earnings per share (\$'000)		
Profit after income tax expense from continuing operations	(423)	5,250
f) Weighted average number of shares used to calculate diluted earnings per share ('000)	219,346	238,164

11. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

12. EVENTS AFTER THE BALANCE SHEET DATE

On 21 February 2014 the board declared a fully franked dividend of 0.2 cents per ordinary share for the period ended 31 December 2013. The dividend record date is 6 March 2014 and the payment date is 1 April 2013.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Other financial assets consists of

	31-Dec-13 \$'000	30-Jun-13 \$'000
a) Foreign currency forward contracts	60	-
b) Units in unlisted property trust	1,000	-
	1,060	-

a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs of fair value
	\$					
	31/12/13	31/12/12				
Foreign currency forward contracts	60,438	-	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A

b) Reconciliation of Level 3 fair value measurements

31 December 2013

	Available-for-sale - units in unlisted property trust \$'000
Opening balance	-
Purchases	1,000
Closing balance	1,000

On 4 November 2013 the Group acquired a 20% interest in an unlisted property trust that purchased its leased premises located at 64 Great Eastern Highway South Guildford, Western Australia. The directors consider the carrying amount of the financial asset approximates the fair value.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Swick Mining Services Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. give a true and fair view of the financial position as at the 31 December 2013 and the performance for the half-year ended on that date; and
 - ii. comply with Australian Accounting Standards (AASB 134 *Interim Financial Reporting*) and the Corporations Regulations 2001.

- (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.

On behalf of the Board



Kent Swick
Managing Director
Perth, 21 February 2014

Independent Auditor's Review Report to the Members of Swick Mining Services Limited

We have reviewed the accompanying half-year financial report of Swick Mining Services Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Swick Mining Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Swick Mining Services Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Swick Mining Services Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Peter Rupp

Partner

Chartered Accountants

Perth, 21 February 2014