



Interim



Report



2017



AWF MADISON



AWP | KEEPING NZ
WORKING.



We are optimistic
our results for the
full year to March
2018, will reflect the
new resilience that
we have built.

Simon Bennett, CEO

Contents

CEO'S REPORT – SIMON BENNETT	4
FINANCIAL STATEMENTS	7
NOTES TO THE FINANCIAL STATEMENTS	12
DIRECTORY	20

A better business.

Simon Bennett, CEO

Despite the disappointment of reporting a lower net profit for the first half of FY2018, we are optimistic our results for the full year to March 2018, will reflect the new resilience that we have built into your company over the past few years.



We are, simply, doing better business than we have in the past, and the signs are becoming apparent. At the end of a good business chain is cash, and our cash generation during the first half of this year was strong.

As noted when we reported our preliminary results, tighter working capital controls have resulted in a reduction in receivables from trade debtors. We ended the period with a cash balance of \$10.3 million, up from \$1.1 million at 31 March 2017.

The lower first half profit number was due almost entirely to a difficult operating environment for AWF, where revenue fell by around 17% compared with the first half of FY 2017.

This was due in part to a deliberate re-evaluation of our customer base which resulted in our relinquishing some lower-margin work.

And while nobody wants to “blame the weather”, the very wet 2017 winter had a substantial effect on the timing of below-ground work in civil construction, and on the maintenance activities performed for councils around the country.

In Auckland, construction activity took a breather, with many projects reaching Stage 1 completion but delaying the start of finishing work such as glass installation and interior fit-out.

While building activity fell in the June quarter (1), the longer term picture improved

substantially. The Ministry of Business, Innovation & Employment in August upgraded its forecast peak for construction in this cycle to \$42 billion in 2020, from a \$37 billion peak this year. (2) We continue to build a larger pool of skilled and capable candidates.

Another short-term factor that weighed on AWF's performance was the implementation of our new CRM system.

This gives us far greater visibility over day-to-day operational performance and management, reducing workloads. For example, payroll has been transitioned out of the branches altogether, leaving staff free to concentrate on sourcing candidates, serving customers and winning new business.

However, in the short term, implementation has meant extra hours as our people adjust.

Our new management structure for AWF, with two strong operational General Managers; one for the upper North Island, and one for the lower North Island and the South Island, has proved very successful with Fleur Board and Donna Lynch 'setting the bar' very high. It is pleasing to see our Health & Safety culture continuing to evolve on the back of strong leadership, driving stronger performance against key indicators.

Madison's revenue contribution eased back slightly on the first half, when compared with the same period a year ago. However, we are confident full-year performance will at least equal that of FY 2017.

At this stage of the economic cycle, employers remain committed to large internal teams and permanent positions.

During the second half Madison will start work on its Census contract. This will straddle Census Day, 6 March, 2018. The scope of the work will depend on online uptake – in short, more forms completed electronically will mean less door-knocking.

In a demonstration of confidence, Madison and Absolute IT were both reappointed to the All-of-Government recruitment services panel.

In the first half, our purchase of Absolute IT fully justified our investment, contributing strongly to both revenue and earnings as a consequence of an excellent performance. We expect to make a final earn-out payment in line with guidance given in the 2017 Annual Report.

Structurally, AWF Madison Group is now well-organised to drive profitable business, and we have a clear understanding of our operating model.

Our priority for the second half of this year is to add to AWF's top line business that we can convert into profit. We've made a good start.

(1) Statistics NZ, June quarter 2017 Value of Building Work Put in Place

(2) MBIE, National Construction Pipeline Report 2017

Revenue

Up 19.9%, from \$119.3m in the same period last year

**\$143.1
Million**

Net Profit After Tax

Down 12.8% on the same period last year

**\$3.4
Million**

Net Operating Cash Flow

Up from \$11.4m last year

**\$11.9
Million**

Group Earnings Per Share

Down from 12.1cps last year

10.5_{cps}

Dividend

Interim dividend last year 8.0cps

8.0_{cps}

Net Bank Debt

Compared with \$14.0m last year (up following acquisition of Absolute IT)

**\$23.2
Million**

Financial Statements.

AWF Madison Group Limited**Condensed statement of comprehensive income
For the six month period 30 September 2017 (unaudited)**

	GROUP	
	6 months to 30 September 2017 (unaudited) \$'000	6 months to 30 September 2016 (unaudited) \$'000
Revenue	143,078	119,284
Investment revenue	-	7
Direct costs	(986)	(1,531)
Employee benefits expense	(129,001)	(104,933)
Depreciation and amortisation expense	(1,864)	(1,162)
Impairment	-	(222)
Other operating expenses	(5,998)	(5,044)
Finance costs	(741)	(585)
Profit before tax	4,488	5,814
Income tax expense	(1,070)	(1,884)
Profit for the period	3,418	3,930
Other comprehensive income for the period	-	-
Total comprehensive income for the period	3,418	3,930
Profit for the period income is attributable to equity holders of the Group	3,418	3,930
Total comprehensive income is attributable to equity holders of the Group	3,418	3,930
Earnings per share		
Total basic earnings per share (cents/share)	10.5	12.1
Total diluted earnings per share (cents/share)	10.5	12.1

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

AWF Madison Group Limited**Condensed statement of financial position
As at 30 September 2017 (unaudited)**

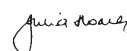
	GROUP		
	30 September 2017 (unaudited) \$'000	30 September 2016 (unaudited) (RESTATE) \$'000	31 March 2017 (audited) \$'000
Assets			
Non-current assets			
Property, plant and equipment	3,076	2,543	3,348
Intangible assets – goodwill	38,620	30,784	38,620
Intangible assets – other	16,948	13,134	18,314
Total non-current assets	58,644	46,461	60,282
Current assets			
Cash and cash equivalents	10,317	6,967	1,225
Trade and other receivables	33,593	27,853	45,533
Total current assets	43,910	34,820	46,758
Total assets	102,554	81,281	107,040
Equity and liabilities			
Non-current liabilities			
Deferred tax liabilities	2,596	2,256	3,117
Borrowings	33,500	21,000	33,500
Total non-current liabilities	36,096	23,256	36,617
Current liabilities			
Trade and other payables	24,781	19,072	28,107
Bank overdraft	–	–	108
Taxation payable	201	971	1,636
Provisions	200	333	217
Absolute IT Limited earn-out payment	3,420	–	3,420
Total current liabilities	28,602	20,376	33,488
Total liabilities	64,698	43,632	70,105
Net assets	37,856	37,649	36,935
Capital and reserves			
Share capital	27,534	27,624	27,624
Treasury account	–	(319)	(319)
Group share scheme reserve	429	451	450
Retained earnings	9,893	9,893	9,180
Total equity	37,856	37,649	36,935

For and on behalf of the Board who authorise the issue of the financial statements on 25 October 2017:

ROSS KEENAN, Chair



JULIA HOARE, Chair, Audit and Risk Committee



The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

AWF Madison Group Limited**Condensed statement of changes in equity****For the six month period 30 September 2017 (unaudited)**

	GROUP				
	Share capital	Treasury shares	Group share scheme reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 30 September 2016					
Balance at 1 April 2016	27,946	(641)	370	8,599	36,274
Comprehensive income					
Profit for the period	-	-	-	3,930	3,930
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3,930	3,930
Transactions with shareholders					
Dividends paid	-	-	-	(2,636)	(2,636)
Restricted shares redeemed	(322)	322	-	-	-
Share based payments	-	-	81	-	81
Total transactions with shareholders	(322)	322	81	(2,636)	(2,555)
Balance at 30 September 2016	27,624	(319)	451	9,893	37,649
Period ended 30 September 2017					
Balance at 1 April 2017	27,624	(319)	451	9,180	36,936
Comprehensive income					
Profit for the period	-	-	-	3,418	3,418
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3,418	3,418
Transactions with shareholders					
Dividends paid	-	-	-	(2,705)	(2,705)
Restricted shares redeemed	(90)	90	-	-	-
Restricted shares exercised	-	229	-	-	229
Share based payments	-	-	(22)	-	(22)
Total transactions with shareholders	(90)	319	(22)	(2,705)	(2,498)
Balance at 30 September 2017	27,534	-	429	9,893	37,856

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

AWF Madison Group Limited**Condensed statement of cashflows****For the six month period ended 30 September 2017 (unaudited)**

	GROUP	
	6 months to 30 September 2017 (unaudited) \$'000	6 months to 30 September 2016 (unaudited) \$'000
Cashflows from operating activities		
Receipts from customers	154,350	124,776
Payments to suppliers and employees	(138,915)	(111,465)
Net cash generated from operations	15,435	13,311
Interest received	-	7
Interest paid	(741)	(585)
Income taxes paid	(2,815)	(1,334)
Net cash from operating activities	11,879	11,399
Cashflows from investing activities		
Proceeds from disposal of property, plant and equipment	72	71
Purchase of property, plant and equipment	(248)	(997)
Purchase of intangible assets	(27)	-
Net cash (used in)/from investing activities	(203)	(926)
Cashflows from financing activities		
Proceeds from the issue of share capital	229	-
Dividends paid to share holders of the parent	(2,705)	(2,636)
Net cash from/(used in) financing activities	(2,476)	(2,636)
Net increase/(decrease) in cash held	9,200	7,837
Cash and cash equivalents at start of the period	1,117	(870)
Net cash and cash equivalents at end of the period	10,317	6,967

The notes to the interim condensed consolidated financial statements form an integral part of these financial statements

AWF Madison Group Limited

Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2017 (unaudited)

About this report.

REPORTING ENTITY

AWF Madison Group Limited is a listed company incorporated and domiciled in New Zealand.

The address of its registered office and principal place of business is disclosed in the directory to the interim report.

The interim condensed consolidated financial statements of AWF Madison Group Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') and have been prepared:

- in accordance with IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting;
- in accordance with the requirements of the Financial Market Conduct Act 2013, the Companies Act 1993, and the NZX listing rules;
- on the basis of historical cost, modified by revaluation of certain assets and liabilities; and
- in New Zealand dollars, with values rounded to thousands (\$000) unless otherwise stated.

The principal services of the Group are the supply of temporary staff and recruitment of permanent staff.

The interim condensed financial statements were authorised for issue by the directors on 25 October 2017.

BASIS OF PREPARATION

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended and as at 31 March 2017.

The accounting policies used in preparation of these interim condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended and as at 31 March 2017, except for the adoption of any new standards effective as of 1 April 2017, and the early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of new and revised Standards and Interpretations

New standards and amendments and interpretations to existing standards that came into effect during the current accounting period beginning on 1 April 2017.

There have been no new or revised standards, amendments and interpretations that became effective for the year beginning 1 April 2017.

New standards and amendments and interpretations to existing standards that are not yet effective for the current accounting periods beginning on 1 April 2017.

The Group have not early adopted any new standards, amendments and interpretations that have been issued but are not yet effective.

The new standards, amendments and interpretations that will have an impact on the Group are discussed below and the Group intends to adopt these new standards, amendments and interpretations when they become mandatory.

• NZ IFRS 9 Financial Instruments

NZ IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in NZ IAS 39, 'Financial Instruments: Recognition and Measurement', that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ('OCI') and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

AWF Madison Group Limited

Notes to the interim condensed consolidated financial statements For the six month period ended 30 September 2017 (unaudited)

NZ IFRS 9 also relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The Group is currently in the process of undertaking an assessment of the possible impact NZ IFRS 9 will have on the Group's financial statements.

The indicative impacts of implementing NZ IFRS 9 are as follows:

Classification and measurement of financial instruments:

The Group's financial assets currently include only those measured at amortised cost. The Group anticipates that the classification and measurement of its financial assets will remain unchanged under NZ IFRS 9.

Impairment model change from incurred losses to expected credit losses:

The introduction of the expected credit losses impairment model is expected to involve a change in the timing of when impairment losses are recognised.

With regards to the Group's trade receivables, the Group's incurred credit losses from these financial assets have historically not been material (with the exception of one significant debtor over the past two years which is considered to be an isolated case). Consequently the introduction of the expected credit losses impairment model is not expected to have a material impact on the Group's financial statements, given the Group's low exposure to counterparty default risk as a result of the Group's credit risk management processes that are in place.

Hedge accounting

The Group does not have any material hedging arrangements.

The Group intends to adopt NZ IFRS 9 no later than the accounting period beginning on 1 April 2018.

NZ IFRS 15 Revenue from Contracts with Customers

NZ IFRS 15 'Revenue from Contracts with Customers' will replace NZ IAS 18 'Revenue'.

NZ IFRS 15 provides a five-step model to be applied to the recognition of revenue arising from contracts with customers:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the entity satisfies a performance obligation.

NZ IFRS 15 also introduces new disclosures for revenue.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The Group is currently in the process of completing an assessment of the possible impact NZ IFRS 15 will have on the Group's financial statements.

Under NZ IFRS 15 the Group would recognise revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, a company would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

The adoption of NZ IFRS 15 is expected to result in a change in the timing of when revenue is recognised by the Group along with refinements to the Group's business systems and processes. The Group will recognise revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. This means that revenue will be recognised when control of services is transferred, rather than when the rendered services can be estimated reliably and recognised by reference to the stage of completion of the transaction at the end of the reporting period.

AWF Madison Group Limited

Notes to the interim condensed consolidated financial statements For the six month period ended 30 September 2017 (unaudited)

Currently the Group's revenue is earned from the following:

- supply of temporary staff (to industry, commerce and IT);
- recruitment of contract and permanent staff (to commerce and IT); and
- organisational development related consulting services.

No consideration of the quantum revenue to be deferred has been performed at this stage as Management is currently in the process of completing an assessment of the possible impact NZ IFRS 15 will have on the Group's financial statements.

The Group intends to adopt NZ IFRS 15 no later than the accounting period beginning on 1 April 2018.

• NZ IFRS 16 Leases

NZ IFRS 16 'Leases' will replace NZ IAS 17 'Leases'. NZ IFRS 16 eliminates the distinction between operating and finance leases for lessees and will result in lessees bringing most leases onto their Statements of Financial Position.

The main changes affect lessee accounting only – lessor accounting is mostly unchanged from NZ IAS 17.

NZ IFRS 16 introduces the following:

- Use of a control model for the identification of leases. This model distinguishes between leases and service contracts on the basis of whether there is an identified asset controlled by the customer.
- Distinction between operating and finance leases is removed. Assets (a right-of-use asset) and liabilities (a lease liability reflecting future lease payments) will now be recognised in respect of all leases, with the exception of certain short-term leases and leases of low value assets.

NZ IFRS 16 supersedes NZ IAS 17 and associated interpretative guidance.

The effective date is annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, if NZ IFRS 15 Revenue from Contracts with Customers has also been adopted.

The indicative impacts of implementing NZ IFRS 16 are as follows for all leases that the Group is a party to:

Initial recognition and measurement:

- Recognition of a right of use ('ROU') asset. Initial measurement of the ROU asset would also include the lessee's initial direct costs, prepayments made to the lessor, less any lease incentives received from the lessor and restoration, removal and dismantling costs; and
- Recognition of a lease liability, which would reflect the initial measurement of the present value of lease payments.

Subsequent measurement:

- ROU asset: Depreciate the ROU asset based on NZ IAS 16 Property, plant and equipment.
- Lease liability: Accrete liability based on the interest method, using a discount rate determined at lease commencement (as long as a reassessment and a change in the discount rate have not occurred) and reduce the liability by payments made.

An indication of the Group's operating lease liabilities is set out in note F4 of the Group's annual financial statements for the year ended and as at 31 March 2017.

The Group intends to adopt NZ IFRS 16 no later than the accounting period beginning 1 April 2019. The impact of NZ IFRS 16 has not yet been quantified and will be dependent on the leases that the Group is a party to as at the beginning of the comparative accounting period presented in the Group's financial statements for the year ended 31 March 2020.

AWF Madison Group Limited

Notes to the interim condensed consolidated financial statements For the six month period ended 30 September 2017 (unaudited)

SEGMENT INFORMATION

The directors have identified the following reportable segments:

Temporary staffing to industry

The Group operates branches under the brand names AWF Labour, AWF Manufacturing and Logistics, AWF Trades and Tradeforce Recruitment in major towns and cities throughout New Zealand. These brands derive their revenues from temporary staffing services to industry and are considered to be one operating segment and one reportable segment for which discrete financial information is available and whose operating results are regularly reviewed by the Group's chief operating decision maker.

Temporary, contract and permanent staff services to commerce

The Group operates branches under the brand names Madison Recruitment, Madison Force, Interim Taskforce and Absolute IT (from November 2016) in major cities throughout New Zealand. These brands derive their revenues from temporary, contract and permanent staff services to commerce and are considered to be one operating segment and one reportable segment for which discrete financial information is available and whose operating results are regularly reviewed by the Group's chief operating decision maker.

	Segment revenue		Segment profit	
	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)
SEGMENT REVENUE AND RESULTS	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Temporary staffing to industry	66,645	80,585	3,185	5,413
Temporary, contract and permanent staff services to commerce	76,433	38,699	3,368	2,213
Total for continuing operations	143,078	119,284	6,553	7,626
Other income			-	7
Central administration costs and directors fees			(1,324)	(1,234)
Finance costs			(741)	(585)
Profit/(loss) before tax			4,488	5,814
Income tax expense			(1,070)	(1,884)
Profit for the year			3,418	3,930

Revenue reported above represents revenue generated from external customers. Inter-segment sales in the year were \$333,000 (2016: \$366,000) and have been eliminated from the above table.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in this report. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment revenue, finance costs, and income tax expense. This is the same measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

AWF Madison Group Limited**Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2017 (unaudited)**

	30 September 2017 (unaudited)	30 September 2016 (unaudited) (RESTATED)
	\$'000	\$'000
SEGMENT ASSETS		
Temporary staffing to industry	29,092	30,584
Temporary, contract and permanent staff services to commerce	72,226	49,551
Total segment assets	101,318	80,135
Unallocated assets	1,236	1,146
Total assets	102,554	81,281

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than cash, cash equivalents and tax assets of the parent.

	30 September 2017 (unaudited)	30 September 2016 (unaudited) (RESTATED)
	\$'000	\$'000
SEGMENT LIABILITIES		
Temporary staffing to industry	14,298	13,899
Temporary, contract and permanent staff services to commerce	16,023	9,865
Total segment liabilities	30,321	23,764
Unallocated liabilities	34,377	19,868
Total liabilities	64,698	43,632

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the liabilities attributable to each segment. All liabilities are allocated to reportable segments other than bank loans and tax liabilities of the parent.

AWF Madison Group Limited**Notes to the interim condensed consolidated financial statements****For the six month period ended 30 September 2017 (unaudited)**

OTHER SEGMENT INFORMATION	6 months to 30 September 2017 (unaudited) \$'000	6 months to 30 September 2016 (unaudited) \$'000	6 months to 30 September 2017 (unaudited) \$'000	6 months to 30 September 2016 (unaudited) \$'000
	Depreciation and amortisation		Impairment	
Temporary staffing to industry	546	323	-	222
Temporary, contract and permanent staff services to commerce	1,318	839	-	-
Unallocated	-	-	-	-
Total	1,864	1,162	-	222
	Employee benefits		Net additions to non-current assets	
Temporary staffing to industry	60,176	70,399	(345)	(177)
Temporary, contract and permanent staff services to commerce	68,139	33,964	(1,293)	(259)
Unallocated	686	570	-	-
Total	129,001	104,933	(1,638)	(436)

AWF Madison Group Limited

Notes to the interim condensed consolidated financial statements For the six month period ended 30 September 2017 (unaudited)

GEOGRAPHICAL INFORMATION

The Group operates in one geographical area, New Zealand (country of domicile). All revenues from external customers, and non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are attributed to the Group's country of domicile.

INFORMATION ABOUT CUSTOMERS

The Group has no customers individually making up 10% of Group revenue and therefore does not

have a reliance on its major customers (for the six month period ended 30 September 2016, one customer represented 10.0% of Group revenue).

FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments at balance date approximate the fair value at that date.

CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 September 2017 or 30 September 2016.

	GROUP	
	6 months to 30 September 2017 (unaudited)	6 months to 30 September 2016 (unaudited)
RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES	\$'000	\$'000
Net profit after income tax	3,418	3,930
<i>Adjustments for operating activities non-cash items:</i>		
Depreciation and amortisation	1,864	1,384
Loss on disposal of property, plant and equipment	(25)	(21)
Movement in doubtful debts provision plus bad debt write off in current year	10	228
Movement in deferred tax	(521)	(25)
Equity-settled share-based payments	(22)	81
Total non-cash items	1,306	1,647
<i>Movements in working capital excluding movements relating to purchase of subsidiaries:</i>		
(Increase)/ decrease in trade and other receivables, net of bad debt expense	11,633	5,036
Increase/(decrease) in trade and other payables	(3,026)	254
Increase/(decrease) in provisions	(17)	(113)
Increase/(decrease) in taxation payable	(1,435)	645
Total movement in working capital	7,155	5,822
Cash flow from operating activities	11,879	11,399

AWF Madison Group Limited**Notes to the interim condensed consolidated financial statements
For the six month period ended 30 September 2017 (unaudited)****DIVIDENDS PAID**

During the six months ended 30 September 2017, the group paid dividends of \$2.705 million (six months ended 30 September 2016: \$2.636 million).

PRIOR PERIOD RESTATEMENT

A prior period restatement was made to recognise deferred tax on the Madison brand of \$2.09 million as a result of the IASB Interpretations Committee clarification released from its December 2016 meeting that indefinite life intangibles such as brands where there is no intention to sell, then a deferred tax liability must be recognised. Accordingly the 'intangible assets – goodwill' and 'deferred tax liabilities' amounts presented in the statement of financial position as at 30 September 2016 have been restated.

EVENTS SUBSEQUENT TO REPORTING DATE**Interim dividend**

On 25 October 2017 the directors approved the payment of a fully imputed interim dividend of \$2.645 million (8.0 cents per share) to be paid on 27 November 2017.

Other

There were no other material events subsequent to reporting date.

Directory

Directors

Ross Keenan (Chairman)
Eduard van Arkel (Independent Director)
Julia Hoare (Independent Director)
Simon Hull (Non-Executive Director)
Wynnis Armour (Non-Executive Director)

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AWF MADISON