

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

ABN 49 000 035 512

GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2017

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

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These financial statements cover the accounts of Amaca Pty Limited (under NSW administered winding up). These financial statements are presented in Australian currency.

Amaca Pty Limited is domiciled in Australia. Its registered office and its principal place of business are at Level 6, 56 Clarence Street, Sydney, NSW 2000.

A description of the nature of the Company's operations and its principal activities is included in the directors' report. The directors' report does not form part of this financial report.

This financial report was authorised for issue by the Directors of the Company on 15 June 2017. The Company has the power to amend and reissue the financial report.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

DIRECTORS' REPORT

The directors of Amaca Pty Limited (under NSW administered winding up) ("the Company") present their financial statements of the Company for the year 1 April 2016 to 31 March 2017 and report as follows.

Directors

The names and particulars of the directors of the Company during or since the end of the financial year are as follows. Directors were in office for the entire period unless otherwise stated:

Name of Director	Date Appointed
Robert Russell	26 March 2009
Joanne Marchione	9 February 2007 until 17 November 2016
Dennis Loduwick	23 February 2012
Christopher Latham	17 November 2016

Principal Activities

The Company is under NSW administered winding up, in accordance with the provisions of the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005 (NSW) ("the Winding up Act"). The Company's affairs are managed under and in accordance with the Winding up Act. This regime ensures the continued existence of the Company, even if it is insolvent, and prohibits it from paying any liabilities except for "payable liabilities" as defined in the Winding up Act – limited to asbestos personal injury or death claims arising from exposure to asbestos in Australia and where the claim is made in Australia. The Company is expected to remain under NSW administered winding up for a period of at least 38 years from February 2007.

The Asbestos Injuries Compensation Fund comprises two trusts, the Charitable Fund and the Discretionary Fund ("the AICF Trust"). The trustee of the Asbestos Injuries Compensation Fund is Asbestos Injuries Compensation Fund Limited ("AICF"). The Company's shares are held by AICF as trustee of the Charitable Fund.

The Company's principal activities in the course of the financial year were to pursue claims under insurance policies taken out for the benefit of the Company and other members of the James Hardie Industries plc ("JHIPLC") group at the time it was a member of the JHIPLC group, and to manage any statutory and common law claims made against the Company.

Review of Operations and Results

- The profit of the Company for the financial period after providing for income tax was \$226.786 million (2016: \$204.217 million).
- The provision for future asbestos related liabilities net of insurance and other recoveries decreased during the financial period by \$224.831 million to \$2,413.761 million (2016: \$2,638.592 million). The decrease in the net provision for future asbestos liabilities at 31 March 2017 compared to the previous year was mainly attributable to expected lower average claims sizes for most disease types, reduced frequency of large mesothelioma claims reported, and a 50 basis points reduction in the long-term inflation assumption offset by a reduction in the value of insurance recoveries following the agreement reached by the Company, Amaca Pty Limited and ABN 60 Pty Limited ('Liable Entities') on 17 March 2017 with certain Lloyds Underwriters to commute the Equitas insurance policies.
- Average mesothelioma claim sizes have fallen in recent years for both single-defendant and multi-defendant claims mainly due to fewer mesothelioma claimants under the age of 70 years.
- The Company continued to meet claims which have arisen as a result of its previous asbestos manufacturing operations, which concluded in the mid 1980's.
- The Company continued to make claims under insurance policies taken out for the benefit of the Company and other members of the James Hardie Industries plc ("JHIPLC") group at the time it was a member of the JHIPLC group.
- During the year under review, claims against the Company were managed by AICF as trustee of the Charitable Fund. The Company had previously entered into a Claims Management Agreement with AICF for the management and resolution of claims against the Company, and for the payment of "payable liabilities" (as defined in the Winding up Act) on behalf of the Company.
- The Company received distributions from the AICF Discretionary Fund during the year totalling \$0.626 million (2016: \$0.640 million), and these funds were used for the payment of "payable liabilities" as defined in the Winding up Act.

AMACA PTY LIMITED
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DIRECTORS' REPORT

Review of Operations and Results - continued

- In the year to 31 March 2017 gross payments, before insurance recoveries, statutory recovery payments, AICF's legal and other fees, of \$110.496 million (2016: \$142.802 million) were made in respect of asbestos claims against the Company. Payments were made from the Company's own funds, and when these were not sufficient, payments were made by the AICF Charitable Fund on behalf of the Company.
- A detailed review of the number of claims lodged against the Company and other former JHIPLC entities during the year to 31 March 2017, and the payments in respect of those claims, is set out in the Annual Actuarial Report, prepared by KPMG Actuarial Pty Ltd, and available on the AICF website at www.aicf.org.au. The Annual Actuarial Report sets out the estimated asbestos liability of the Company and the AICF Group calculated on a central estimate basis.

Commutation of Equitas Insurance portfolio

On 17 March 2017, the Liable Entities reached agreement with certain Lloyds Underwriters consisting of Equitas Holdings Limited and certain of its subsidiaries ('Equitas') to commute the Equitas insurance policies held by the Liable Entities for the sum of \$105.029 million ('Equitas Commutation Payment').

The Equitas Commutation Payment was received by the Liable Entities on 31 March 2017 and paid to each entity in the following proportions:

Amaca	97.5%	\$102.403 million
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Amaba	2.4%	\$2.521 million
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ABN 60	0.1%	\$0.105 million
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		\$105.029 million
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The Equitas Commutation Payment will help AICF and the Liable Entities to mitigate (but not remove in full) the risk that future funds made available to these entities and AICF, including the funds available to be drawn under the AICF Loan Facility will be insufficient to meet their obligations in full as and when they become due and payable.

From 1 April 2017, the Liable Entities will cease making insurance recoveries from Equitas. Accordingly, the value of the Company's total insurance receivable as at 31 March 2017 has reduced by \$202.069 million to \$125.739 million (2016: \$327.808 million) mainly due to the commutation of the Equitas insurance portfolio on 31 March 2017.

AICF Loan Facility Agreement ('AICF Loan Facility') drawdowns and repayments

The Company is a party to the AICF Loan Facility between AICF as trustee of the Charitable Fund as borrower, the Liable Entities (the Company, Amaba Pty Ltd and ABN 60 Pty Ltd) as guarantors, and the State of New South Wales as lender.

Under the terms of the AICF Loan Facility, AICF as trustee of the Charitable Fund may borrow, subject to certain conditions, up to an aggregate amount of \$320.000 million. AICF may drawdown loans under the AICF Loan Facility up to 1 October 2030 and repay in full the amount outstanding under the AICF Loan Facility on or before 1 November 2030.

On 1 July 2016, the amount outstanding as at 30 June 2016 under the AICF Loan Facility including a draw down of \$33.125 million made on 2 May 2016 and accrued interest, totalling \$99.400 million was repaid in full by AICF from the proceeds of the Annual Payment received on same date.

The rate of interest payable during the year calculated in accordance with the AICF Loan Facility, remained unchanged at 4.6475% per annum

AICF made two drawdowns of \$34.250 million each on 15 September 2016 and 8 February 2017 under the AICF Loan Facility.

The total amount outstanding under the AICF Loan Facility as at 31 March 2017 was \$68.500 million (2016: \$66.258 million) including interest accrued to this date of \$nil (2016: \$0.008 million).

**AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)**

DIRECTORS' REPORT

AICF Loan Facility Agreement ('AICF Loan Facility') drawdowns and repayments - continued

The Company repaid to the New South Wales Government in full the amount outstanding under the AICF Loan Facility of \$68.500 million, together with accrued interest of \$0.035 million on 4 April 2017 from the proceeds of the Equitas Commutation Payment received by the Company on 31 March 2017.

The Company, together with Amaba Pty Limited and ABN 60 Pty Limited, each guarantee the payment of amounts owed by AICF and the AICF's performance of its obligations under the AICF Loan Facility. On demand, AICF must pay to the Company all amounts paid by the Company to the New South Wales Government under the AICF Loan Facility, and AICF indemnifies the Company against any loss, cost, liability or expense sustained or incurred as a direct or indirect consequence of any payment by the Company to the NSW Government under the AICF Loan Facility.

The AICF Trust repaid to the Company the payment it had made to the New South Wales Government of \$68.535 million by a set-off of the payment sum against the Company's existing liabilities payable to AICF under Section 36(2) of the Winding up Act.

Introduction of compensation payments for gratuitous care to dust diseases claims brought in Victoria

On 3 May 2016, the State of Victoria made a regulation ('3 May 2016 Regulation') that in its view would clarify damages for any loss of the claimant's capacity to provide gratuitous care to another person in dust disease claims since 19 November 2015 following amendments made to the Wrongs Act 1958 (Vic) ('section 281D damages'). Previously, damages for any loss of the claimant's capacity to provide gratuitous care to another person had not (in accordance with common law principles in effect before execution of the AFFA) been permitted to be awarded as part of dust diseases claims brought in Victoria.

Under the AFFA, JHIPLC and the State of New South Wales have certain rights and obligations with respect to the introduction of any adverse or discriminatory legislation or regulation by the NSW Government or "Other Government" where:

1. The purpose or material purpose of the introduction of any adverse or discriminatory legislation or regulation includes having the effect of increasing any of the amounts payable under the AFFA or in respect of payments of the liabilities to be funded under the AFFA, and if enacted will have the result or effect of increasing the amounts payable under the AFFA or in respect of payments of the liabilities to be funded under the AFFA; or
2. The NSW State Government or Other Government legislates to reduce or increase damages payable for dust diseases.

The AFFA contemplates that, subject to a notice being issued by JHIPLC to the Government of NSW, JHIPLC and the NSW State Government are required to negotiate in good faith to amend the AFFA (and if necessary related legislation and documentation) to ensure that the liabilities of JHIPLC, AICF and the Liable Entities are not increased as result of the 3 May 2016 Regulation.

On 22 April 2016, JHIPLC issued a notice under clause 13.4 of the AFFA to the NSW State Government advising that the State of Victoria's intention to make the 3 May 2016 Regulation would constitute adverse legislation for the purposes of the AFFA ('AFFA Clause 13.4 Notice').

As of the date of this report, the Company is unable to advise when the negotiations to amend the AFFA will be concluded or their likely outcome. Should the impact of the 3 May 2016 Regulation on the Liable Entities' liabilities be reversed then the Company's asbestos claims provision would reduce accordingly.

As the Liable Entities were obliged from 3 May 2016 by law to pay section 281D damages included in dust disease claims settled in Victoria against the Liable Entities, the entities as relevant will be obliged to pay section 281D damages up to the date such amendments as contemplated in clause 13.4 of the AFFA (to ensure that the liabilities of JHIPLC, AICF and the Liable Entities were not increased as result of the 3 May 2016 Regulation) becoming effective.

The Company's provision for asbestos claims as at 31 March 2017 includes \$101.588 million (2016: \$114.737 million) for section 281D damages.

Under the operation of the AFFA, the Liable Entities and AICF will not be made 'whole' for any payments of section 281D damages made in the period after the expiry of the AFFA Clause 13.4 Notice on 22 October 2016 and up to the date the amendments contemplated in clause 13.4 of the AFFA become effective because JHIPLC does not have obligation to fund these payments.

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DIRECTORS' REPORT

Introduction of compensation payments for gratuitous care to dust diseases claims brought in Victoria - continued

On 2 May 2017, a Victorian court found in favour of a plaintiff for an asbestos-related claim made against the Company that included section 281D damages. The Company as co-defendant to this claim paid its share of this claim including section 281D damages of \$0.066 million on 5 June 2017. For the reasons above, JHIPLC under the AFFA is not obligated to ultimately fund the payment by the Company of these section 281D damages.

Significant Changes in the State of Affairs

Apart from the matters above, there were no significant changes to the state of affairs of the Company during the year under review.

Matters Subsequent to the Financial Year

Apart from the following matters:

1. The repayment to the State of New South Wales of the amount outstanding under the AICF Loan Facility of \$68.500 million, together with accrued interest of \$0.035 million on 4 April 2017;
2. The repayment by AICF to the Company of the payment it had made to the New South Wales Government of \$68.535 million on 4 April 2017 by set-off of this payment against the Company's existing liabilities owing to AICF under Section 36(2) of the Winding up Act;
3. The payment of section 281D damages of \$0.066 million on 5 June 2017 in respect of which JHIPLC under the AFFA is not obliged to ultimately fund the Company for this payment;

no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments

There is ongoing uncertainty as to the number, quantum and timing of claims for compensation and damages that will be made against the Company and the level of compensation that the Company will be required to meet. The uncertainties relating to this liability are described in more detail in the Annual Actuarial Valuation of asbestos related disease liabilities of former James Hardie entities prepared by KPMG Actuarial Pty Limited available on the AICF website at www.aicf.org.au.

The Company's capacity to fund all payable liabilities, including compensation paid to claimants, as and when they fall due for payment will be determined by proceeds of recoveries made under certain insurance policies held by the Company (or proceeds from any commutation of insurance policies), together with funds available for payment from the AICF Charitable and Discretionary Funds managed by AICF.

In the event however that AICF determines that at some future date it appears reasonably likely that there will be insufficient funds for all payable liabilities to be paid in full as they fall due for payment, under the Winding up Act and the AFFA, AICF could seek the imposition of a Court-approved payment scheme in respect of each of the Liable Entities.

Insurance and Indemnification of Directors and Officers

The directors and officers of the Company are covered by insurance taken out by AICF against liabilities that may be incurred by directors and officers in defending civil or criminal proceedings that may be brought against them in their capacity as directors or officers of the Company, and any other payments arising from liabilities incurred by the directors or officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the directors or officers or the improper use by the directors or officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. Disclosure of the insurance premiums and the nature of liabilities covered by such insurance are prohibited by the relevant contract of insurance.

Deeds of access, insurance and indemnity provided by AICF to the Company's directors and other officers provide that AICF shall, to the maximum extent permitted by law, indemnify any director or officer who suffers any loss as a result of any action in connection with their service to the Company, except to the extent such liability arises as a result of the wilful default, fraud or negligence of the person seeking indemnification.

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DIRECTORS' REPORT

Insurance and Indemnification of Directors and Officers - continued

In May 2016, the Company's directors were each served a Notice Endorsed by Judgement issued by a Victorian Court in relation to a shortfall of \$0.130 million in the settlement of a claim. The service of these notices was to initiate enforcement proceedings against the individual directors of the Company to compel payment of the shortfall by the directors personally. The shortfall was not a "payable liability". In these circumstances AICF paid the shortfall under the terms of the Deeds of Access, Insurance and Indemnity given to the individual directors of Amaca.

Dividends

Dividends paid or payable during the period were: \$nil (2016: \$nil).

Share Options

No options over issued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Proceedings on Behalf of the Company

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period under review.

Auditors

The accounts are audited by an independent registered public accounting firm – Ernst and Young. The auditor's independence declaration is included on page 6 in the financial report.

Signed in accordance with a resolution of the Board of Directors.



Robert Russell
Chairman and Director



Dennis Loduwick
Director

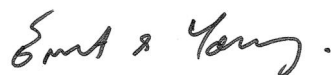
Dated: 15 June 2017

Sydney

Auditor's Independence Declaration to the Directors of Amaca Pty Limited (under NSW administered winding up)

As lead auditor for the audit of Amaca Pty Limited (under NSW administered winding up) for the financial year ended 31 March 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Paul Harris
Partner
15 June 2017

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
Revenue	2	(82,214)	(5,311)
Depreciation and amortisation expenses	3	-	-
Claims expense	3	309,021	209,542
Other expenses		(21)	(14)
Profit before income tax		226,786	204,217
Income tax expense	4	-	-
Profit for the year		226,786	204,217
Other comprehensive income after tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		226,786	204,217

The accompanying notes form an integral part of these financial statements.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	103,043	6,119
Trade and other receivables	6	10,040	29,179
TOTAL CURRENT ASSETS		<u>113,083</u>	<u>35,298</u>
Non Current Assets			
Trade and other receivables	6	121,602	303,395
Plant and equipment	7	-	-
TOTAL NON-CURRENT ASSETS		<u>121,602</u>	<u>303,395</u>
TOTAL ASSETS		<u>234,685</u>	<u>338,693</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	214	296
Provisions	9	210,600	227,800
TOTAL CURRENT LIABILITIES		<u>210,814</u>	<u>228,096</u>
Non Current Liabilities			
Trade and other Payables	8	887,794	791,606
Provisions	9	2,328,900	2,738,600
TOTAL NON CURRENT LIABILITIES		<u>3,216,694</u>	<u>3,530,206</u>
TOTAL LIABILITIES		<u>3,427,508</u>	<u>3,758,302</u>
NET LIABILITIES		<u>(3,192,823)</u>	<u>(3,419,609)</u>
DEFICIT IN SHAREHOLDER FUNDS			
Issued capital	10	18,000	18,000
Accumulated losses		(3,210,823)	(3,437,609)
TOTAL DEFICIT IN SHAREHOLDER FUNDS		<u>(3,192,823)</u>	<u>(3,419,609)</u>

The accompanying notes form an integral part of these financial statements.

AMACA PTY LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Issued Share Capital Ordinary Shares (Note 10) \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 1 April 2015	18,000	(3,641,826)	(3,623,826)
Profit for the year	-	204,217	204,217
Other comprehensive income	-	-	-
Balance at 31 March 2016	<u>18,000</u>	<u>(3,437,609)</u>	<u>(3,419,609)</u>
Profit for the year	-	226,786	226,786
Other comprehensive income	-	-	-
Balance at 31 March 2017	<u>18,000</u>	<u>(3,210,823)</u>	<u>(3,192,823)</u>

The accompanying notes form an integral part of these financial statements.

AMACA PTY LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from insurance recoveries		119,165	22,785
Payments to claimants and suppliers		(22,912)	(24,088)
Interest received		64	145
Distributions received		607	694
Net cash inflows (outflows) from operating activities	12(a)	96,924	(464)
Net increase (decrease) in cash held		96,924	(464)
Cash and cash equivalents at beginning of period		6,119	6,583
Cash and cash equivalents at end of period	5	103,043	6,119

The accompanying notes form an integral part of these financial statements.

AMACA PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements include the separate financial statement of Amaca Pty Limited (under NSW administered winding up) as an individual entity.

(a) Basis of Preparation

Reporting Basis

On 8 February 2007, the Company became subject to the *James Hardie Former Subsidiaries (Winding up and Administration) Act 2005* (NSW) (the Winding up Act) which places it in a form of statutory-based winding up and administration. This regime ensures the continued existence of the Company, even if it is insolvent and prohibits it from paying any liabilities except for "payable liabilities" as defined in the Winding up Act – limited to asbestos personal injury or death claims arising from exposure to asbestos in Australia and where the claim is made in Australia.

Following the commencement of the Amended and Restated Final Funding Agreement dated 21 November 2006 ("AFFA"), the directors expect that "payable liabilities" of the Company will be met by AICF when the Company has insufficient funds for this purpose. The Company is expected to operate for a period of 38 years from February 2007, and the Company will remain subject to the Winding up Act during this period of time.

Although the Company is subject to a form of statutory-based winding up and administration under the Winding up Act, these general purpose financial statements have been prepared in accordance with the requirements of the AICF Amended and Restated Trust Deed and the AFFA on the basis of historical cost, unless otherwise stated.

The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

(b) Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and comply with other requirements of the law. The financial statements comply with Australian Accounting Standards. The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised on a time proportional basis taking into account the effective interest rate applicable to the financial assets.

Distribution from Trusts

Distributions from trusts are recognised when the right to receive a distribution has been established.

Insurance Claim Recoveries

Insurance claim recoveries are recognised when the right to receive recoveries and the likelihood of recovery has been established.

AMACA PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

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

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

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

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

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents include cash and cash equivalents, and bank overdrafts.

(f) Trade and Other Receivables

Trade and other receivables are carried at cost less impairment.

Insurance receivables

Insurance receivables are measured at the present value of the best estimate of future amounts receivable at the reporting date on insurance policies held by the Liable Entities and include an appropriate risk margin. An independent actuarial assessment of outstanding and likely future receivables is undertaken at least annually. The discount rate used to determine the present value reflects yields on Commonwealth Government Bonds.

(g) Plant and Equipment

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses which in the opinion of the Directors is not materially different to their liquidation value.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation is provided on all plant & equipment assets. Depreciation is calculated on a straight line basis over the estimated useful life of the asset commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	5 to 20 years
Leasehold improvements	Term of lease

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Plant and Equipment (cont'd)

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(h) Impairment of Assets

At each reporting date, the Company assesses whether there are indicators that individual assets are impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(i) Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(j) Provision for Future Claims

Provisions for asbestos claims are measured at the reporting date at the present value of the best estimate of the expenditure required to settle the future compensation payments to victims of asbestos-related diseases arising from the activities of the former James Hardie companies in Australia and include an appropriate risk margin (see Note 17 below). This process involves extensive consultation with external actuaries and senior management. An independent actuarial assessment of outstanding and likely future claims is undertaken at least annually. The discount rate used to determine the present value reflects yields on Commonwealth Government Bonds.

Under a Claims Management Agreement entered into by the Company, AICF manages and resolves claims and pays payable liabilities on behalf of the Company. Accordingly, the provision does not include an estimate for the future cost of handling asbestos claims.

(k) Rounding of Amounts to Nearest Thousand Dollars

Amounts in the financial report and financial statement have been rounded off to the nearest thousand dollars (\$'000).

(l) Adoption of New and Revised Accounting Standards

During the financial year, the Company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these new standards and interpretations has not had a material impact on the Company.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

Pronouncement	Summary of Change	Effective Date	Expected Impact on Future Financial Statements
<i>Revenue from Contracts with Customers</i> AASB 15: Revenue from Contracts	This standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.	Annual reporting periods commencing or after 1 January 2018, with earlier application permitted.	There should be no change to the reported financial position and performance of the Company.
<i>Financial Instruments</i> AASB 9: Financial Instruments AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 & AASB 2012-6: Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures AASB 2015-1: Amendments to Australian Accounting Standards.	Significant revisions to the classification and measurement of financial assets, reducing the number of financial asset categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value.	Annual reporting periods beginning on or after 1 July 2018, with earlier application permitted.	There should be no change to the reported financial position and performance of the Company.
<i>Leases</i> AASB 16: Leases	This standard will replace the current accounting requirements applicable to leases in AASB 117: Leases. The main changes include: - recognition of a right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets) - depreciation of right-to-use assets in line with AASB 116: Property, Plant & Equipment in profit or loss and unwinding of the liability in principal and interest components	Annual reporting periods beginning on or after 1 January 2019, with earlier application permitted.	Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is not expected that the impact would be material to the Company's financial statements.

All other pending standards and interpretations issued have no application to the Company.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
NOTE 2: REVENUE			
Insurance recoveries			
- insurance recoveries received		119,165	22,783
- net movement in provision for insurance recoveries		(202,069)	(28,879)
		(82,904)	(6,096)
Distributions from trusts – related entities	16 (a)	626	640
Interest received		64	145
Total Revenue		(82,214)	(5,311)

NOTE 3: CLAIMS EXPENSE

Profit before income tax has been arrived at after charging for the following:

Depreciation and amortisation expense		-	-
Claims expense			
- settlements of claims		110,496	142,802
- legal and other costs net of other recoveries		7,383	7,856
- net movement in provision for future claims	9	(426,900)	(360,200)
		(309,021)	(209,542)

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$'000	\$'000

NOTE 4: INCOME TAX EXPENSE

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on profit before income tax at 30% (2016: 30%)	68,035	61,265
Tax effect of:		
- tax losses and temporary differences not brought to account	(68,035)	(61,265)
	<u>-</u>	<u>-</u>

The potential future income tax benefit in respect of tax losses and temporary differences as at 31 March 2017 not brought to account is \$1,021.176 million (2016: \$1,089.211 million).

As the Company is subject to Winding up Act directors consider that the realisation of this benefit is highly improbable.

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	103,043	6,119
	<u>103,043</u>	<u>6,119</u>
Reconciliation of cash		
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	103,043	6,119
	<u>103,043</u>	<u>6,119</u>

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
NOTE 6: TRADE AND OTHER RECEIVABLES			
<i>Current</i>			
Insurance claims receivables		9,839	29,008
Tax recoveries - GST		201	171
	6(a)	<u>10,040</u>	<u>29,179</u>
<i>Non Current</i>			
Insurance claims receivables	6(a)	115,900	298,800
Amounts owing from related parties	6(b)	5,702	4,595
		<u>121,602</u>	<u>303,395</u>
(a) All receivables are fully recoverable. No receivables are past due or impaired.			
(b) Amounts owing from related parties:			
- Asbestos Injuries Compensation Fund – Charitable Fund		5,637	4,549
- Asbestos Injuries Compensation Fund – Discretionary Fund		65	46
		<u>5,702</u>	<u>4,595</u>

NOTE 7: PLANT AND EQUIPMENT

Plant and equipment:			
- at cost		26	26
- accumulated depreciation		(26)	(26)
Total plant and equipment		<u>-</u>	<u>-</u>

There were no movements in carrying amounts during the current or prior year.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
NOTE 8: TRADE AND OTHER PAYABLES			
<i>Current</i>			
Accrued legal fees - claims	8(a)	209	291
Other payables and accrued expenses	8(a)	5	5
		<u>214</u>	<u>296</u>
<i>Non Current</i>			
Accrued NSW Dust Diseases Board payments		2,633	2,160
Amounts owing to related parties	8(b)	885,161	789,446
		<u>887,794</u>	<u>791,606</u>
(a) Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.			
(b) Amounts owing to related parties:			
- Asbestos Injuries Compensation Fund – Charitable Fund	8(b)(i)	<u>885,161</u>	<u>789,446</u>
(i) Amounts paid directly to claimants by the Asbestos Injuries Compensation Fund – Charitable Fund to discharge a liability of the Company and in respect of which AICF has a right, under section 36 of the Winding up Act, to be indemnified by the Company for such payments.			

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
NOTE 9: PROVISIONS			
Current			
Claims settlements			
Opening balance at beginning of the period		227,800	237,900
Amounts paid		(117,878)	(150,658)
Addition to provisions during the period		100,678	140,558
Balance at end of period	9(a), (b)	<u>210,600</u>	<u>227,800</u>
Non Current			
Claims settlements			
Opening balance at beginning of the period		2,738,600	3,088,700
Reduction in provisions during the period		(409,700)	(350,100)
Balance at end of period	9(a), (b)	<u>2,328,900</u>	<u>2,738,600</u>
Analysis of Total Provisions			
Current		210,600	227,800
Non current		2,328,900	2,738,600
		<u>2,539,500</u>	<u>2,966,400</u>
(a) The net liability for future asbestos related liabilities of \$2,413.761 million (2016: \$2,638.592 million) has been recognised in the financial statements as follows:			
Current claims provision		210,600	227,800
Noncurrent claims provision		2,328,900	2,738,600
Current insurance receivable		(9,839)	(29,008)
Noncurrent insurance receivable		(115,900)	(298,800)
		<u>2,413,761</u>	<u>2,638,592</u>
(b) A provision is recognised for estimated cost of settlement of claims in respect of costs incurred as a result of liabilities associated with the past manufacture and sale of asbestos related products. The measurement and recognition criteria for claims settlements have been included in Note 1(j).			

AMACA PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
NOTE 10: ISSUED CAPITAL			
1,000 (2016: 1,000) fully paid ordinary shares	10(a)	18,000	18,000
 (a) Ordinary Shares			
		Number	Number
At the beginning of the reporting period		1,000	1,000
Shares issued during the period		-	-
At reporting date		1,000	1,000

(b) Ordinary shares participate in dividends.

The activities of the Company are subject to the provisions of the Winding up Act. Asbestos Injuries Compensation Fund Limited as trustee of the Asbestos Injuries Compensation Fund holds all the issued shares of Amaca Pty Limited.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	\$'000	\$'000
NOTE 11: FRANKING CREDITS		
The amount of franking credits available for subsequent reporting periods are:		
- franking account balance at the end of the reporting date	492	492
- franking credits that will arise from the payment of income tax at the end of reporting period	-	-
Total amount of credits available for future reporting periods	492	492

The company is unlikely to derive sufficient future profits to enable the payment of dividends in future years and accordingly the franking credits are unlikely to be utilised.

AMACA PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$'000	\$'000
NOTE 12: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit after income tax:		
Profit after income tax	226,786	204,217
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	(30)	20
Decrease in insurance receivables	202,069	28,880
Increase (Decrease) in trade and other payables	391	(707)
Net increase in related party loans payable	94,608	127,326
(Decrease) in provisions	(426,900)	(360,200)
Net cash inflows (outflows) from operations	<u>96,924</u>	<u>(464)</u>

(b) Credit standby arrangements

The Company is a party to the AICF Facility Agreement between AICF as trustee of the Charitable Fund as borrower, and the Liabile Entities (the Company, Amaba Pty Limited and ABN 60 Pty Limited) as guarantors, and the State of New South Wales as lender.

Under the AICF Facility Agreement, the Company, together with Amaba Pty Limited and ABN 60 Pty Limited, each guarantee the payment of amounts owed by AICF and the AICF's performance of its obligations under the AICF Facility Agreement. On demand, AICF must pay to the Company all amounts paid by the Company to the New South Wales Government under the facility agreement, and AICF indemnifies the Company against any loss, cost, liability or expense sustained or incurred as a direct or indirect consequence of any payment by the Company to the NSW Government under the facility agreement.

The Company repaid to the New South Wales Government in full the amount outstanding under the AICF Loan Facility of \$68.5000 million, together with accrued interest of \$0.035 million on 4 April 2017 from the proceeds of the Equitas Commutation Payment received by the Company on 31 March 2017. AICF repaid to the Company the payment it had made to the New South Wales Government of \$68.535 million by a set-off of the payment sum against the Company's existing liabilities payable to AICF under Section 36(2) of the Winding up Act.

Each Obligor has granted a security interest in certain assets including cash accounts, proceeds from insurance claims, proceeds of commutation of insurance policies and payments remitted by James Hardie 117 Pty Ltd ('Performing Subsidiary') a subsidiary of James Hardie Industries plc to AICF and contractual rights under certain documents including the Amended and Restated Final Funding Agreement. Each Obligor may not deal with the secured assets until all amounts outstanding under the AICF Facility Agreement are paid, except as permitted under the terms of the security interest.

AMACA PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$'000	\$'000

**NOTE 13: KEY MANAGEMENT PERSONNEL
COMPENSATION**

The compensation of directors and key management personnel of the Company is set out below:

Short-term employee benefits	493	466
Post-employment benefits	35	35
Other long-term employee benefits	19	8
	547	509

Key management personnel are employed and remunerated by AICF. No director has received remuneration from the Company or from AICF.

NOTE 14: AUDITORS' REMUNERATION

Remuneration of the auditor for:

- auditing the financial statements	-	-
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The audit fees of the Company have been borne by AICF.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Company's principal financial instruments comprise cash, payables and receivables. The main purpose of these non-derivative financial instruments is to meet the Company's claims liabilities.

The Company has not entered into any derivative contracts throughout the year and has no derivative financial instruments at reporting date.

(i) Treasury Risk Management

The Company is wholly owned by AICF as trustee of the Asbestos Injuries Compensation Fund. The Board and management of the trustee meet as required to analyse the Company's interest rate exposure in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Market Risk

The Company's exposure to market risk from changes in interest rates relates to the Company's cash assets, payables and receivables. Interest rate risk is managed in accordance with the strategies outlined in Note 15(a)(i). For further details on interest rate risk refer to Note 15(b). The Company operates solely in Australia and is not exposed to any significant foreign currency risk.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows on at least a quarterly basis.

Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to outstanding receivables and the granting of financial guarantees. Cash and cash equivalents are only invested with one of the four major banks in Australia.

The maximum exposure to credit risk for recognised financial assets at reporting date, net of any provisions for impairment, is the carrying amount, as disclosed in the statement of financial position and notes to the financial statements. This excludes the value of any collateral or other security.

As detailed in Note 20, the Company is economically dependent on the provisions of the Amended and Restated Final Funding Agreement signed by James Hardie Industries plc and the NSW Government and the Winding up Act.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, in the following table:

For the year ended 31 March 2017

	Average Interest Rate %	Floating Interest Rate \$'000	Fixed Interest Rate \$
Financial Assets			
Cash at bank	0.95%	103,043	-

For the year ended 31 March 2016

	Average Interest Rate %	Floating Interest Rate \$'000	Fixed Interest Rate \$
Financial Assets			
Cash at bank	1.96%	6,119	-

All other financial assets and financial liabilities are non-interest bearing.

Sensitivity

The Company's main interest rate risk arises from cash and cash equivalents and other financial assets with varying interest rates. At 31 March 2017 if interest rates had changed by +/- 50 basis points from the year end rates, with all variables held constant, post tax profit would have been \$0.003 million higher/lower (2016: \$0.031 million higher/lower) as a result in higher/lower interest income from these financial assets.

(c) Net Fair Values

The carrying amounts and fair values of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements. Fair values are materially in line with carrying values.

**AMACA PTY LIMITED,,
(UNDER NSW ADMINISTERED WINDING UP)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$'000	\$'000
NOTE 16: RELATED PARTY TRANSACTIONS		
<i>Transactions with related parties</i>		
Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.		
Amounts of receivables and payables with related parties are disclosed in Notes 6 and 8, respectively. Other transactions with related parties are as follows:		
(a) Distribution revenue received from Asbestos Injuries Compensation Fund – Discretionary Fund	626	640
(b) Settlement claims paid by Asbestos Injuries Compensation Fund – Charitable Fund on the Company's behalf	95,715	128,241

Parent entities

The parent entity is Asbestos Injuries Compensation Fund Limited (“AICF”) as trustee of the Asbestos Injuries Compensation Funds.

Amaca Pty Limited is a controlled entity of AICF as all the shares in the Company are held by AICF.

AICF is deemed to be a subsidiary of James Hardie Industries plc (“JHIPLC”), an Irish public limited company under the Corporations Act as JHIPLC, and among other things has the power (except in certain circumstances specified in the AFFA) to appoint or remove the majority of directors of AICF.

Accordingly, JHIPLC is the ultimate holding company of Amaca Pty Limited.

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 17: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Provision for future claims

Provision is made for the estimated future cost of asbestos claims incurred but not settled at reporting date. The estimated net costs of claims include direct expenses that are expected to be incurred in settling those claims and expected insurance recoveries.

Under a Claims Management Agreement entered into by the Company, AICF manages and resolves claims and pays payable liabilities on behalf of the Company. Accordingly, the provision does not include an estimate for the future cost of handling asbestos claims.

The Company's process for establishing the outstanding claims provision involves extensive consultation with external actuaries, claims managers and senior management. An independent actuarial assessment of outstanding and likely future claims is undertaken at least annually.

The provision for outstanding claims comprises the central estimate (being the present value of expected future payments) and an appropriate risk margin which is added to the central estimate, in accordance with Australian accounting requirements to recognise the inherent uncertainty in the central estimate. The outstanding claims provision is discounted to present value at risk free rates of return to reflect the time value of money.

The Company has adopted a policy of setting aside a risk margin that reflects the greater of

1. a provision that provides probability of sufficiency of not less than 75%; or
2. an amount statistically derived that amounts to a half standard deviation above the mean of the distribution.

At 31 March 2017, a risk margin of \$720.2 million (2016: \$788.3 million) has been adopted that provides an 80.2% (2016: 80.2%) probability of sufficiency.

The determination of the provision for future asbestos claims involves a number of critical assumptions which are summarised below. Some of the uncertainties impacting these assumptions are as follows:

- changes in patterns of claims incidence, reporting and payment;
- volatility in the estimation of future costs due to the long period of time over which claims are expected to arise;
- changes in the legal environment, including the interpretation of liability laws and the quantum of damages; and
- social and economic trends, for example inflation and interest rates.

2017

Number of claims	Mesothelioma	Asbestosis	Other
Reported to date	5,102	2,210	2,871
Assumed unreported as at end of year	3,124	907	800
Total projected ultimate number of claims	8,226	3,117	3,671
<hr/>			
Average claim size settled in the year	\$233,690	\$70,285	\$32,093
Assumed future average claims size	\$372,373	\$107,597	\$65,897

AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 17: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

2016

Number of claims	Mesothelioma	Asbestosis	Other
Reported to date	4,745	2,116	2,786
Assumed unreported as at end of year	3,440	1,061	889
Total projected ultimate number of claims	8,185	3,177	3,675
Average claim size settled in the year	\$299,030	\$92,558	\$65,827
Assumed future average claims size	\$377,949	\$111,275	\$67,080

The following key assumptions were used in determining the provision for future asbestos claims.

Key Assumptions	2017	2016
Long term inflation rate (including superimposed inflation)	6.08%	6.60%
Discount rate	1.61% - 5.50%	1.80% - 6.00%

The table below illustrates sensitivities to the Company's exposures to changes in the future number of claims reported, average claim size and long term inflation rate.

Sensitivity	Impact on reserves 2017	
	Increase (\$m)	Decrease (\$m)
15% Increase / Decrease in future number of claims reported	362	(362)
5% Increase / Decrease in average claim size	121	(121)
2% Increase / Decrease in long term inflation rate	390	(313)

NOTE 18: CONTINGENT LIABILITIES

The Company has received claims from WorkCover Queensland estimated at \$10.977 million (2016: \$11.357 million) in relation to reimbursement of compensation paid by WorkCover Queensland to claimants of asbestos-related diseases as statutory recovery claims under an indemnity in s207B(7) of the Workers Compensation & Rehabilitation Act 2003 (QLD). Under the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005 (NSW) (Winding Up Act), statutory recovery claims made by WorkCover Queensland cannot be paid by the Company.

No amount has been recognised in the financial statements relating to this matter.

AMACA PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 19: EVENTS AFTER THE REPORTING DATE

Apart from the repayment to the State of New South Wales of the amount outstanding under the AICF Loan Facility of \$68.500 million, together with accrued interest of \$0.035 million on 4 April 2017, the repayment to the Company of the payment it had made to the New South Wales Government of \$68.535 million by set-off of the payment against the Company's existing liabilities owing to AICF under Section 36(2) of the Winding up Act and the payment of section 281D damages of \$0.066 million on 5 June 2017 in respect of which JHIPLC under the AFFA is not obliged to ultimately fund the Company for this payment, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 20: ECONOMIC DEPENDENCY

The Company is economically dependent on the provisions of the Amended and Restated Final Funding Agreement signed by James Hardie Industries plc and the NSW Government and the *James Hardie Former Subsidiaries (Winding up and Administration) Act 2005* (NSW).

**AMACA PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)**

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 28, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 March 2017 and of the performance for the year ended on that date of the Company.

2. The directors note Section 27 of the *James Hardie Former Subsidiaries (Winding up and Administration) Act 2005* ("Act") authorises the directors and Company to continue to conduct the Company's business in accordance with the Act even if it is insolvent and note that the Company is being managed in accordance with Part 4 of the Act. Accordingly, the financial statements have been prepared on a Going Concern basis. However, the Directors are unable, based on the information available to them at the present time, to conclude that the Company will be able to pay its debts including such debts that may arise from section 281D of the *Wrongs Act 1958 (Vic)* for which James Hardie Industries plc under section 13.4 the Amended & Restated Final Funding Agreement dated 21 November 2006 is not obligated after the 22 October 2016 to ultimately fund as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Robert Russell
Chairman and Director



Dennis Loduwick
Director

Dated: 15 June 2017
Sydney

Independent Auditor's Report to the Members of Amaca Pty Limited

Opinion

We have audited the financial report of Amaca Pty Limited (the Company), which comprises the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Amaca Pty Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 31 March 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – going concern

Without qualifying our opinion, we draw attention to the Directors' Declaration and to Note 1(a) in the financial report. Although the company is under administration and shows a significant net asset deficiency, the directors have determined that the going concern basis of preparation is appropriate as the company is subject to a form of statutory-based winding up and administration under the *James Hardie Former Subsidiaries (Winding Up and Administration) Act 2005 (NSW)*. This regime provides for the continued existence of the Company, even if it is insolvent and prohibits it from paying any liabilities except for "payable liabilities" as defined in the Act.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Paul Harris
Partner
Sydney
15 June 2017