ipd group

Leading national distributor and service provider to the Australian electrical market

ANNUAL REPORT | 2022

Reliably serving Australia for 70 years

Our Vision

To build the best team, provide an outstanding end-to-end customer experience and implement solutions to the challenges faced by the industries we serve.

Contents


REFURBISH
STEVE REID
WORKSHOP

FY22 Highlights

ASX Listing
– December 2021

Successful transition
of additional ABB customers in September 2021

HTC acquisition
– October 2021

Gemtek acquisition
– April 2022

Zero Lost Time
Injury Frequency

"Our performance for the year has been a testament to the resilience of our team and the markets we service."

Proforma Revenue
$180.5m

6.4% ahead of Prospectus forecast

Proforma NPAT
$12.6m

29.9% ahead of Prospectus forecast

Proforma EBIT
$18.5m

27.6% ahead of Prospectus forecast

Cash as at 30 June 2022
$25.4m

No corporate debt

Chairman's Report

Dear Shareholders,

On behalf of the IPD Group Board, I'm delighted to provide our first Annual Report as an ASX listed company to our shareholders following our successful IPO in December 2021. A warm welcome to our new shareholders and thanks again for the support of our existing shareholders, many of whom have been involved since the formation of the company back in 2005.

Despite COVID and global supply chain disruption challenges encountered by the business over FY22, IPD Group delivered substantial profit growth, both year on year and versus prospectus targets, as highlighted in the table below.

The key growth drivers behind our record breaking financial year results encompass the successful integration of the HTC & Gemtek acquisitions, the expansion of our product range, and meeting customer lead-time needs and increased demand via an investment in additional inventory. The company remains well capitalised to execute its strategic growth plans.

From an environmental perspective, IPD Group's suite of power management, energy control and renewables products is well placed to assist clients and broader society in reducing greenhouse gas emissions and energy consumption. This capability has been further enhanced in FY22 by the additional products and solutions of HTC, particularly in regards to high energy consuming HVAC equipment and Gemtek, with respect to electric vehicle charging infrastructure. Our Addelec Power Services business is also providing testing, commissioning & installation services to these specialised systems.

The entire IPD Group team can be very proud of the excellent workplace health & safety focus adopted across FY22, with the achievement of zero lost time injuries across the business despite increased staff numbers, a highlight. The Board conducted a safety observation walk through of the main distribution centre at Wetherill Park during the year as a demonstration of its commitment to supporting a no harm safety culture.

Effective corporate governance remains a key focus area for the Board. Given the increasing threat of business disruption from malicious cyber security incursions, this has been a particular topic of governance attention in FY22. Following a detailed cyber security review of existing systems and processes, the company has made significant risk mitigation investments including the appointment of a

$m	FY21 pro forma[1]	FY22 pro forma[2]	Variance (%)	FY22 pro forma[2] prospectus forecast	Variance to prospectus (%)	FY22 statutory
Revenue	142.6	**180.5**	26.6%	169.6	6.4%	176.8
EBIT	12.0	**18.5**	54.2%	14.5	27.6%	16.6
NPAT	7.9	**12.6**	59.5%	9.7	29.9%	11.1
EBIT margin	8.4%	**10.2%**	1.8%	8.5%	1.7%	9.4%
NPAT margin	5.5%	**7.0%**	1.5%	5.7%	1.3%	6.3%

(1) FY21 pro forma results include twelve months of HTC and three months of Control logic prior to acquisition, twelve months of costs as a listed company and excludes Control Logic acquisition related expenses.

(2) FY22 pro forma results excludes IPO related expenses, includes three months of HTC prior to acquisition, five months of costs as a listed company and excludes HTC acquisition related expenses.

"The key growth drivers behind our record breaking financial year results encompass the successful integration of the HTC & Gemtek acquisitions and increased demand via an investment in additional inventory."

DAVID RAFTER
CHAIRMAN

Chief Information Officer and the deployment of improved technology, procedures and information security training to staff. In response to the political and economic turmoil that unfolded in Sri Lanka in Q4 of FY22, IPD Group has established a contingent support office in the Philippines to provide an alternate means of delivering the key back of house support services performed by our Sri Lankan team as required.

The Board approved a fully franked dividend of 3.7 cents per share for the second half of FY22, which was paid to eligible shareholders on October 3rd 2022. Pleasingly, this second half dividend was 32.1% higher than the prospectus forecast of 2.7 cents per share and represented a payout ratio of 50% of NPAT, in line with the company's dividend policy range of 40% to 60% of NPAT.

In closing, I would like to thank my fellow non-executive director Andrew Moffat for his valuable support and contribution to running an effective Board. Congratulations to our CEO Michael Sainsbury & CFO Mohamed Yoosuff in leading the delivery of these record results, whilst in parallel taking on the heavy lifting required to complete our IPO. The IPD Group senior management team stepped up admirably to support these achievements and your efforts are greatly appreciated. The Board recognises that the drive, hard work and expertise of our workforce and supply chain partners have been fundamental to our success this year and we thank all for your commitment and loyalty.

I look forward to hosting our Annual General Meeting on 28 November 2022, where we will also provide shareholders with an update on first quarter trading results. Thanks again for your support.

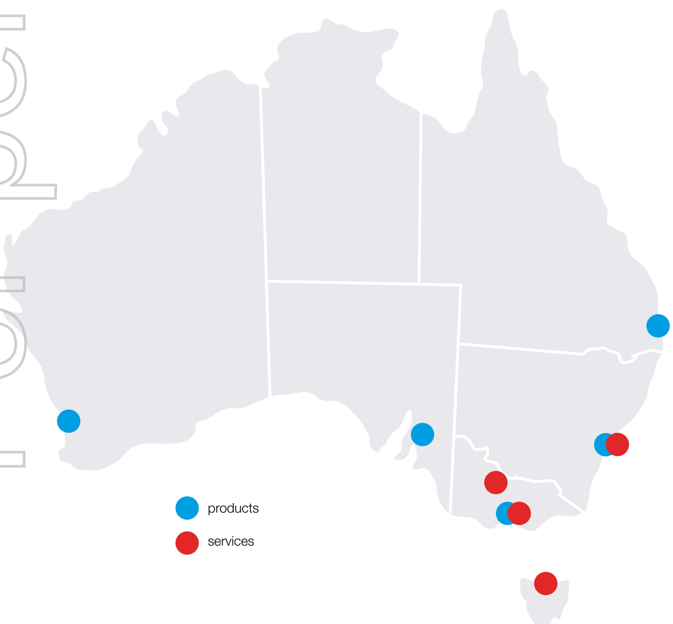
David Rafter
Chairman

Business Overview

IPD Group is a vertically integrated provider of end-to-end solutions to the Australian electrical market.

Using the latest technology, we deliver innovative customer-focused products with complementary value-add services that automate production, control power and manage energy.

IPD Group has successfully expanded its operations across every state in Australia to provide a national offering to its customer base.



Services

IPD Group's Addelec Power Services business specialises in low- and high-voltage electrical services with ISO accreditation and vast experience throughout the industrial sector. Its service offering includes design, installation, testing and commissioning, maintenance, and calibration of electrical and distribution assets.

Servicing various end markets including but not limited to commercial construction, infrastructure, resources, education, food and beverage, water and waste management, power utilities and renewables, healthcare, residential construction, data centres, hospitality and tourism.

Within these end markets there are segments which are experiencing high growth including industrial control systems security, data centres, renewable energy and electric vehicle charging infrastructure.

With Addelec, IPD Group offers a complete end-to-end solutions package that also supports customers throughout the entire product lifecycle and beyond.

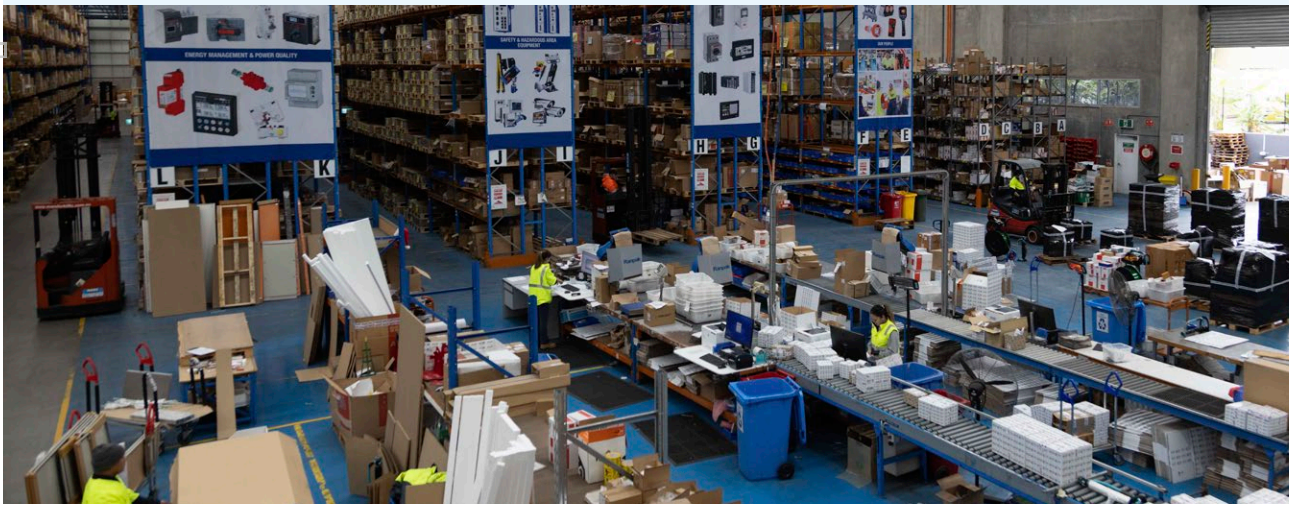
Products

IPD Group is a leading distributor of compliant and innovative electrical infrastructure products with value-add custom-made solutions, engineered and manufactured locally. Quality and reliable products are integral to our success, with an extensive network of leading global supply partners such as ABB to bring the world's best and innovative products to the local market. IPD Group core focus is power distribution, power monitoring, motor control, automation and industrial communication, and electric vehicle charging solutions.

An industry leading product portfolio reflects strategic initiatives to target and gain greater exposure in high-growth sectors, always with the customer at the centre. These key areas of growth include electric vehicle charging infrastructure, renewable energy, industrial control systems, data centres, and modular switchboard systems.

In further alignment with IPD Group's pursuit of high-growth sectors, its Gemtek business is a turnkey energy management and electric vehicle charging solutions provider with over 15 years of design, project management, and infrastructure maintenance experience. This expertise places IPD Group in a favorable position to capitalise on electric vehicle infrastructure stimulus and the growing consumer demand.

Best-in-class product supply is maintained through increased stock holding across 130,000 cubic metres of warehouse space.



> “I am proud of the team we have built at IPD Group and the warm and respectful culture we promote and foster.”

MICHAEL SAINSBURY

CEO’s Report

Fellow Shareholder,

I am very proud of our achievements this year. We successfully listed on the ASX in December, 2021 and delivered better than prospectus forecast results on all key financial metrics. We provided a safe workplace to our employees with zero lost time injuries. We acquired HTC in October 2021, Gemtek in April 2022 and successfully integrated them into the Group. This result was made possible by the hard work and dedication of our team members.

We operated in an uncertain global economy with supply chain issues combined with COVID-related lockdowns. Our strong performance is a testament to the Company’s strong business model and our ability to adapt to adverse economic and market conditions.

Our People

During my tenure as IPD Group CEO, I count the warm, caring, inclusive and respectful people focused culture I have fostered in the company as my most significant contribution to IPD Group. The Company is viewed as an attractive employer in an environment where talent is becoming increasingly difficult to recruit and retain. We are a people business and I want every employee of the Group to feel they are part of the big IPD Group family. I am confident we will maintain our people focused business culture as we grow.

Our Offering to our customers

IPD Group offers an exceptional product offering to our customers supported by our in-house technical support, installation, and maintenance teams. We represent global brands and are determined to increase the presence of these brands in our chosen markets.

Our Strategic Priorities

We are well positioned to execute on our strategic priorities, with a flexible and strong balance sheet.

Become a significant end to end solution provider to the Electric Vehicle charger market

We recognise the substantial opportunity for the Group in the EV charger market. We have appointed a Senior Executive with experience in the EV industry, to lead the EV business. The project delivery skills of the Gemtek team, our distribution agreement to promote the ABB EV chargers, our national sales force and engineering skills will enable us to become a leading player in this important market.

Expanded Product Range

The group will continue to expand our product offering to our customers by adding complementary products to our current portfolio. We are well on our way to adding UPS – Uninterrupted Power Supply, BESS – Battery Energy Storage Solutions and High Efficiency Motors. These are well aligned to our current offer and customer base.

Acquisitions

We have a proven track record off successfully acquiring and integrating businesses. Growth by acquisition remains a key part of our strategy. We are in discussions with multiple potential acquisition targets. We will carefully choose our acquisitions to ensure they are on strategy, earnings accretive and possess a good cultural alignment with IPD Group.

Strategic sales focus

In order to secure our future growth, we will invest in resources over and above the current business development pool. These additional business development managers will create pull-through demand by driving specification of IPD Group solutions through key influencers and identify significant opportunities early in the project life cycle. They will promote "packaged" solutions covering all products, create and deliver an education program for consultants, become a trusted advisor for relevant solutions to end users in key targeted vertical markets.

We are exposed to high growth market segments

I remain optimistic of our future as the group is poised to take part in multiple high growth segments. As the cost of energy escalates, the need to decarbonise and to electrify the economy continues, we have the skills and the resources to provide solutions to these challenges. EV chargers, energy management solutions, industrial control, industrial communications, rising demands for systems and components for data centres, and modular switchboard systems are examples of high growth products for IPD Group.

FY22 Financial Performance

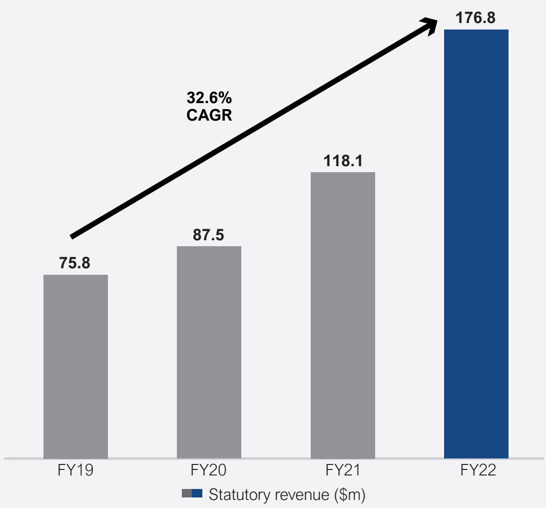
The business performed better than Prospectus forecast on all key financial indicators.

Control Logic contributed significantly to the group revenue growth as well as earnings growth.

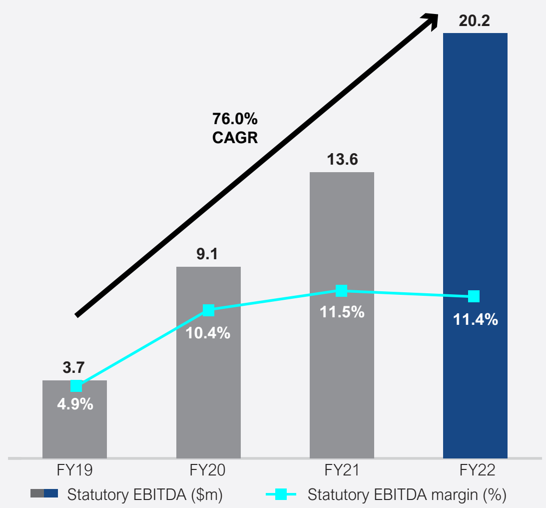
Record revenue results achieved

- Statutory revenue of $176.8 million, up 49.7% on pcp
  - strong revenue growth has been achieved despite the effect of lockdown in some states as well as global supply chain issues
  - products revenue of $159.2million, up 55.3% on pcp
  - services revenue of $17.6 million, up 12.9% on pcp
- 1.0% decline in gross profit margins on pcp as expected, due to new transitional business from ABB
- Pro forma revenue of $180.5 million, up 26.6% on pcp
- strong organic growth displayed through the pro forma revenue CAGR of 10.2% CAGR

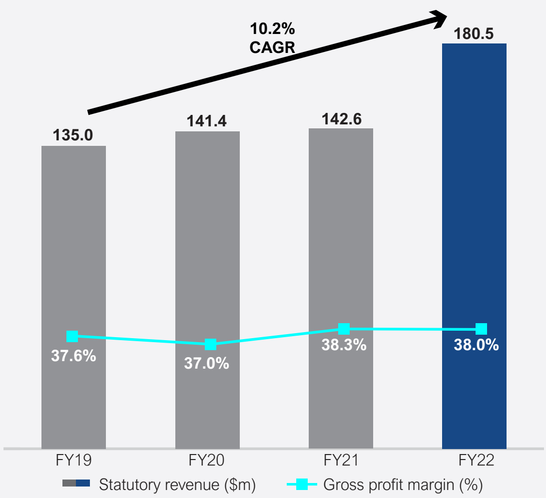
Statutory revenue and gross profit margins



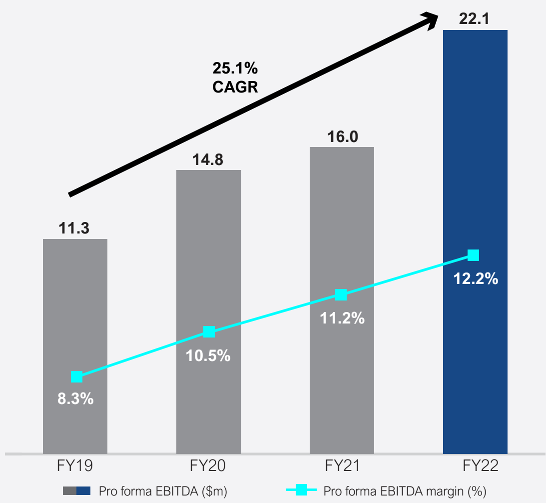
Statutory EBITDA and EBITDA margin



Pro forma[1] revenue



Pro forma[1] EBITDA and EBITDA margin



1. Includes the contribution of all acquisitions which have occurred over the period.

Record earnings results achieved

- Statutory EBITDA of $20.2 million (up 48.5% on pcp), representing a statutory EBITDA margin of 11.4%
  - statutory EBITDA CAGR of 76.0%, representing both organic and inorganic growth
  - expanded distribution agreement with ABB effective 1st September 2021 (FY22)
- Pro forma EBITDA of $22.1 million (up 38.1% on pcp), representing a pro forma EBITDA margin of 12.3%
  - pro forma EBITDA assumes acquisition of Addelec, Control Logic and HTC occurred prior to FY19, thus organic growth has resulted in a 25.1% CAGR
  - pro forma EBITDA margins have expanded year on year since FY19 showing benefits of economics of scale

Our Social Contribution

Our Australian employees raised funds for Red Cross and Cancer Council during the year. Our employees in Colombo raised funds for the flood victims in Australia. IPD Group donated $1 from every electrical wholesale order received nationally through the month of March 2022 to the Australian Red Cross to support those in flood-affected areas.

Our Colombo team has started an on the job training program for undergraduate students from leading universities in Sri Lanka.

I want to pay special thanks to the Control Logic and HTC management team for their continued commitment for the overall growth of the group and their unwavering support during the integration process.

I want to thank the IPD Group team members, my management team, the board of directors, our customers and supply partners for their support and commitment in our journey.

I am excited with the prospects for our business that lay ahead and feel confident we will deliver on our growth strategies.

Michael Sainsbury
CEO

Directors' Report

The Directors present their report in compliance with the provisions of the Corporations Act 2001 on the consolidated entity (referred to hereafter as the "Group") consisting of IPD Group Ltd ("IPD Group" or the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

Directors of IPD Group Ltd during and since the end of financial year unless otherwise stated below are:

David Rafter – Independent non-executive Chairman

Andrew Moffat – Independent non-executive Director

Michael Sainsbury – Executive Director

Mohamed Yoosuff – Executive Director

Company Secretary

Mohamed Yoosuff (resigned 5 October 2021)

Alistair McKeough (appointed 5 October 2021, resigned 18 May 2022)

Euh (David) Wang and Michael Austin (joint secretaries appointed 18 May 2022, Euh (David) Wang resigned 19 August 2022)

Corporate Governance

The Board of Directors and management of IPD Group recognise the importance of, and are committed to, achieving high corporate governance standards. Our key Corporate Governance materials including policies, code of conduct and Board and Board Committee Charters, can be found in the Corporate Governance section of our website within the Investor Relation section.

In accordance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations, the Company's Corporate Governance Statement, as approved by the Board, is published and available on the IPD Group website at https://ipdgroup.com.au/investors/corporate-governance/

Principal Activities

The Group is a national distributor and service provider to the Australian electrical market. The Group consists of two core divisions:

- the distribution of products for quality global electrical infrastructure brands such as ABB, Elsteel, Emerson & Red Lion; and
- the provision of services, including installation and commissioning, calibration and testing, maintenance and repairs and refurbishment

Products division:

The Group's core focus in the products division is the sale of electrical infrastructure products to customers including switchboard manufacturers, electrical wholesalers, electrical contractors, power utilities, OEMs and system integrators. Within the division there are five key categories of products:

- Power distribution;
- Industrial and motor control;
- Automation and industrial communication;
- Power monitoring; and
- Electric vehicle solutions.

In addition to selling products, the Group provides a range of value-added services, including custom assembly, sourcing, engineering design, technical compliance, procurement, transport, storage, regulatory management, technical support, packaging, labelling, inventory management and delivery.

Services division:

Within the Group's services division there are four categories of services:

- Installation and commissioning;
- Calibration and testing;
- Maintenance and repairs; and
- Refurbishment and other.

Review of Operations

Pro forma results summary

	FY22 pro forma[1] $ million	FY21 pro forma[2] $ million	*Change %*	Prospectus FY22 pro forma[1] forecast $ million	*Change %*
Revenue from ordinary activities	180.5	142.6	*26.6%*	169.6	*6.4%*
Gross profit	**68.6**	**54.7**	***25.4%***	**61.8**	***11.0%***
Other income	0.8	0.6	*33.3%*	0.3	*166.7%*
Operating Expenses	(47.3)	(39.3)	*20.4%*	(44.0)	*7.5%*
EBITDA	**22.1**	**16.0**	***38.1%***	**18.1**	***22.1%***
Depreciation and amortisation expenses	(3.6)	(4.0)	*-10.0%*	(3.6)	*0.0%*
EBIT	**18.5**	**12.0**	***54.2%***	**14.5**	***27.6%***
Interest	(0.5)	(0.6)	*-16.7%*	(0.5)	*0.0%*
Profit before income tax	**18.0**	**11.4**	***57.9%***	**14.0**	***28.6%***
Income tax expense	(5.4)	(3.5)	*54.3%*	(4.3)	*25.6%*
NPAT	**12.6**	**7.9**	***59.5%***	**9.7**	***29.9%***

1. FY22 pro forma results excludes IPO related expenses, includes three months of HTC prior to acquisition, five months of costs as a listed company and excludes HTC acquisition related expenses.
2. FY21 pro forma results include twelve months of HTC and three months of Control logic prior to acquisition, twelve months of costs as a listed company and excludes Control Logic acquisition related expenses.

Pro forma NPAT bridge entries	2022 $'000	2021 $'000
NPAT Statutory	11.1	6.5
IPO listing costs	1.6	–
Less tax effect of IPO listing costs	(0.4)	–
Public company costs after tax	(0.1)	–
Impact of acquisitions after tax	0.4	–
Pro forma NPAT from ordinary activities	**12.6**	**6.5**

Review of Operations continued

Underlying NPAT bridge entries	2022 $'000	2021 $'000
NPAT Statutory	11.1	6.5
IPO listing costs	1.6	–
Less tax effect of IPO listing costs	(0.4)	–
NPAT from ordinary activities, before IPO costs net of tax	**12.3**	**6.5**

The IPD Group Limited ("IPD") Board of Directors are pleased to advise of a record performance for the year ended 30 June 2022 ("FY22"), its inaugural annual result as a publicly listed company since its listing on 17 December 2021.

Sales revenue of $176.8 million was up 49.7% on the prior corresponding period, despite the effect of the lockdown in some states as well as global supply chain issues. This growth reflects the strength of the Group's operating model, successful integration of earnings accretive acquisitions and expanded product portfolios and ranges. Revenue growth of IPD's two core divisions was driven by:

Products division – revenue growth of 55.3%. This significant growth during the financial year ended 30 June 2022 was generated from:

- Expanded distribution agreement with ABB to take responsibility as a distributor for ABB's power distribution range up to and including 1000v, as well as ABB's AC range of electric vehicle chargers effective 1st September 2021. The Group executed a successful transition of the additional product range and customers from ABB and have already started receiving and dispatching orders for the ABB range of electric vehicle chargers.
- On 1st October 2021 IPD acquired 100% interest of High Technology Control Pty Ltd (HTC). HTC distribute similar products to IPD and specialises in the sale of motor control solutions. The acquisition of HTC extended IPD's power control and energy management offering into the heating, ventilation and air conditioning systems (HVAC) markets in commercial and industrial applications.
- Excluding the new ABB distribution agreement, the Group achieved strong organic grow with the pre-existing ABB product range, capitalising on the new Idec distribution agreement signed last financial year and driving synergies across the group from the acquisition of Control Logic, HTC and Gemtek.

Services division – revenue growth of 12.9%: Service revenue from 1 July 2021 to 30 September 2021 was disrupted by the government mandated COVID-19 lockdowns; however, operations continued as IPD were considered an essential service provider of low and high voltage electrical services. Certain projects were delayed but completed during the remaining months of FY22. Although revenue was disrupted by the government mandated COVID-19 lockdowns, the services division was eligible for the Government JobKeeper Payment scheme, resulting in $412,000 of Government subsidies received during the financial year.

On 4th April 2022 IPD Group also acquired the assets of Gemtek Group Pty Ltd. Gemtek is a turn-key energy management and EV solutions provider, with over 15 years of design, project management and infrastructure maintenance experience. Based in Perth, Gemtek's partners and customers include Development WA, Public Transport Authority of Western Australia (PTA), Western Australian Local Government Association (WALGA) members and the major utility providers to WA. The Group is now able to provide a complete, end-to-end solution to EV charger customers including design, hardware, electrical infrastructure, installation, network management and maintenance solutions. The Group is now one of a limited number of organisations that can provide this full suite of services in Australia.

Along with operating costs being well managed, management responded well to the ever-changing conditions related to COVID-19 to deliver an EBIT margin, before IPO costs, of 10.3% (FY21: 8.1%). Employee benefits expense increased with the acquisitions of HTC, Gemtek and additional personnel to support the expanded distribution agreement with ABB and other areas of the business to support the revenue growth. Other specific costs related to revenue such as freight and delivery expenses increased in line with revenue growth. During the year, the Group increased its investment into the Company's IT infrastructure with a number of hardware and system upgrades, integration projects and innovative cyber security strategies, some of which are one off expenses.

In the first half of FY22 the Group raised $20.0 million of growth capital through a successful listing on the ASX. As at 30 June 2022, the Group has a net cash balance of $25.4 million on its balance sheet. Operating cashflows were $11.2 million for the year, with an operating cashflow conversion of 90.7% against underlying NPAT as the Group invests into working capital to support the revenue growth and invests into inventory to reduce risks associated with supply chain issues.

As at 30 June 2022, the Group has $32.9 million of inventory on its balance sheet, $63.4 million of net assets, no borrowings and is well capitalised to execute on its strategic initiatives, as listed in the IPD Group's November 2021 prospectus.

The Group has consistently traded positively through COVID-19 with minimal disruption to the Products Division. Careful measures have been put into place at all sites for the safety of all staff and full compliance with government requirements. In FY22 warehouse and manufacturing staff were allocated into split rotating shifts as an initiative to protect staff as well as the continuity of the business.

IPD operations in Colombo have continued unaffected by the recent unstable political and economic environment in Sri Lanka. IPD's Sri Lankan support office staff have been working almost entirely from home since the start of the COVID-19 pandemic. This flexible working arrangement and temporary support packages provided to employees have enabled the business to continue as usual.

In October 2021, before the start of the Sri Lankan economic crisis, IPD Group commenced business process outsourcing in the Philippines. This will remain an ongoing strategy to provide support to the Group and reduce the impact of any risk associated with the Sri Lankan back-office operations.

The consequences of the COVID-19 pandemic are continuing to be felt around the world and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

Outlook

Expanding on the Gemtek acquisition, IPD intends to continue investment in this high growth market opportunity and increase its electric vehicle solution capabilities. IPD has recently employed a General Manager, David Sullivan, to lead IPD's dedicated EV business unit. David has joined IPD from his most recent role as the Head of ABB's Electrification Business for Australia, where he spent time in Europe and Australia covering Utility Resources, Data Centres, and Transport Sectors. David is an executive and General Manager with over 25 years of experience in management and sales and marketing positions across the electrical supply industry.

IPD's core business continues to perform well in a buoyant market. It is too early in the new financial year to provide a full year outlook given the ongoing impact of supply chain disruptions and global trade uncertainty. The Board will provide an update on Q1 trading performance at the IPD Group Limited AGM on 28 November 2022.

Management and the Board will continue to evaluate strategic acquisitions and focus on the Group's core growth strategy as defined in the IPD Group's November 2021 prospectus.

Subsequent Events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Meetings of Directors

	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
Directors' Meetings	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mohamed Yoosuff	12	12	–	–	–	–
Michael Sainsbury	12	12	–	–	–	–
David Rafter	12	12	2	2	2	2
Andrew Moffat	12	12	2	2	2	2

Information on Directors

Directors

David Rafter ***Independent, Non-Executive Chairman*** *Master of Business Administration – Charles Sturt University* *Master of Design Science (Facilities Management) – University of Sydney*	David is currently the CEO at Web FM, a global provider of construction and facilities management consulting and software solutions. Major roles across David's 30-year building services career include the CEO of O'Donnell Griffin, a $600 million electrical engineering/contracting business and CEO of Haden Engineering a $300 million HVAC construction and service company, both part of the ASX-listed Norfolk Group via an IPO in 2007. Previously, David was an Executive General Manager at Transfield Services, an ASX-listed operations, maintenance and construction services business. David was appointed as a Director on 14 August 2019 and is a member of the AICD. David is a member of the Audit and Risk Committee. David is chairman of the Remuneration and Nomination Committee. *Relevant interest in Shares* 145,834
Andrew Moffat ***Independent, Non-Executive Director*** *Bachelor of Business – Curtin University*	Andrew has 23 years' of corporate and investment banking experience, including serving as a director of Equity Capital markets and Advisory for BNP Paribas Equities. Currently a Non-Executive Director of Sports Entertainment Group Limited, 360 Capital Group Limited, ICP Funding Pty Limited and CASL Funder Pty Ltd. Andrew was appointed as a Director on 24 March 2020. Andrew is chairman of the Audit and Risk Committee. Andrew is a member of the Remuneration and Nomination Committee. *Relevant interest in Shares* 833,022
Michael Sainsbury ***Executive Director & CEO*** *Advanced Diploma Business Management – Leadership Management Australia*	Michael has over 25 years' experience in sales, business development and management within the electrical industry; he joined IPD in 2013 as the National Sales Manager and has been CEO since 2015. Prior to IPD, Michael spent over 13 years working at Schneider Electric where he held various senior management roles in the electrical solutions and power monitoring space. *Relevant interest in Shares* 1,208,257
Mohamed Yoosuff ***Executive Director & CFO*** *Associate of Chartered institute of Management Accountants (ACMA)*	Mohamed Yoosuff has been an employee and board member of IPD since 2005. Mohamed has held various roles within IPD and has been the CFO since inception. Previously held various senior management positions in manufacturing and distribution companies, including as CFO of Ludowici Group (a manufacturing and distribution business previously listed on ASX) and as Financial Controller of Otis Elevators. *Relevant interest in Shares* 11,221,666

Audited Remuneration Report

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Directors' Interests and Remuneration

Non-Executive Director remuneration

Under the Constitution, the Board may decide the total amount paid by the Company to each Director as remuneration for their services as a Director. However, under the Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of Non-Executive Directors fees approved by Shareholders at the Company's general meeting. This amount has been fixed by the Company at $400,000 per annum.

Prior to Listing, each Non-Executive Director was entitled to an annual base fee of $60,000. From Listing, the annual Non-Executive Directors' base fee agreed to be paid by the Company to:

- the Chairman, David Rafter is $110,000; and
- the Non-Executive Director, Andrew Moffat is $70,000.

From listing, Non-Executive Directors are also to be paid Committee fees of $8,000 per year for each Board Committee of which they are a Chair and a Committee fee of $2,000 for each Board Committee of which they are a non-Chair member.

All Non-Executive Directors' fees are inclusive of statutory superannuation contributions.

Non-Executive Director payments in connection with listing

As part of the Non-Executive Directors' initial remuneration, IPD agreed to issue free bonus Shares to match, on a dollar for dollar basis up to $75,000 for the Non-Executive Chairman and the Non-Executive Director, the number of Shares issued to those Non-Executive Directors under the Offer.

Both the Non-Executive Directors acquired at least $75,000 of shares under the offer and were issued free bonus shares to the value of:

David Rafter – $75,000; and

Andrew Moffat – $75,000.

Executive Director Remuneration

IPD has established a number of incentive arrangements to enable attraction, motivation and retention of management and employees.

The remuneration structure for executives of the Company is a mix of fixed remuneration and at-risk, performance -based remuneration to ensure a focus on both short-term and long-term performance, and alignment with shareholder interests. This approach is designed to attract, retain and reward executives to deliver sustainable returns for shareholders.

Audited Remuneration Report continued

Executive Director Remuneration continued

Key terms of employment contracts

Chief Executive Officer

Details regarding the terms of employment of the CEO and Executive Director, Michael Sainsbury are set out below:

Term	Description
Remuneration and other benefits	Effective from 1 July 2021, Michael Sainsbury is entitled to receive a base salary of $412,000 (exclusive of superannuation). Michael is also entitled to use of a motor vehicle, laptop and mobile phone provided by the Company.
Short Term Incentives	For FY22, Michael was eligible for and achieved a cash bonus under IPD's STI. The STI can range from 0% to 50% of Michael's base salary (exclusive of superannuation).
Long Term Incentives	For FY22, Michael participated in IPD's employee incentive plan ("EIP") and was eligible to apply for a grant of Rights under the Plan. The number of Rights to be granted are calculated at 50% of Michael's base salary, exclusive of superannuation.
Termination	Under Michael's employment contract, either Michael or the Company can terminate his employment by giving the other party 3 months' notice (which the Company may pay in lieu of notice of part or all of the notice period). The Company may also summarily terminate Michael's employment contract in certain circumstances, including if Michael engages in serious misconduct, is grossly negligent or incompetent in the performance of his duties, if he commits any serious or persistent breach of the employment contract or any workplace policy or if he is charged with a criminal offence that the Company considers adversely impacts his suitability for employment with the Company.

Chief Financial Officer

Details regarding the terms of employment of the CFO and Executive Director, Mohamed Yoosuff, are set out below:

Term	Description
Remuneration and other benefits	Effective from 1 July 2021, Mohamed Yoosuff is entitled to receive a base salary of $328,527 (exclusive of superannuation). Mohamed is also entitled to a motor vehicle allowance of $51,096 per annum and use of a laptop and mobile phone provided by the Company.
Short Term Incentives	For FY22, Mohamed was eligible for and achieved a cash bonus under IPD's STI. The STI can range from 0% to 50% of Mohamed's base salary (exclusive of superannuation).
Long Term Incentives	For FY22, Mohamed participated in IPD's EIP and was eligible to apply for a grant of Rights under the Plan. The number of Rights to be granted are calculated at 25% of Mohamed's base salary, exclusive of superannuation.
Termination	Under Mohamed's employment contract, either Mohamed or the Company can terminate his employment by giving the other party 3 months' notice (which the Company may pay in lieu of notice of part or all of the notice period). The Company may also summarily terminate Mohamed's employment contract in certain circumstances, including if Mohamed engages in serious misconduct, is grossly negligent or incompetent in the performance of his duties, if he commits any serious or persistent breach of the employment contract or any workplace policy or if he is charged with a criminal offence that the Company considers adversely impacts his suitability for employment with the Company.

Executive incentive arrangements

Short-term incentives

The Company has established a short-term incentive (**STI**) program under which cash awards may be payable to participants, subject to the satisfaction of specified performance criteria. The Company's executive employment contracts recognise the potential for the award of STIs in future years.

Under the STI program, the Board may, in its absolute and sole discretion, determine the participation in, the amount of and performance criteria for the STI program for any given year. Performance criteria may include:

- individual performance criteria tailored to each respective role; and/or
- the Company's financial performance against criteria set by the Board for the relevant financial year and may include measures such as statutory or pro-forma EBITDA, EBIT or NPAT targets.

The STI for the period ended 30 June 2022 was structured on the following basis:

- Michael Sainsbury is entitled to a cash bonus under IPD's STI award for stretch performance, measured against group EBIT performance. The maximum cash bonus for Michael for FY22 has been set at $206,000 (inclusive of superannuation), which is 50% of Michael's base salary (exclusive of superannuation) for FY22.
- Mohamed Yoosuff is entitled to a cash bonus under IPD's STI award for stretch performance, measured against group EBIT performance. The maximum cash bonus for Mohamed for FY22 has been set at $164,264 (inclusive of superannuation), which is 50% of Mohamed's base salary (exclusive of superannuation) for FY22.

Subsequent to year end, the non-executive Directors approved the payment of the STI awards for the CEO of $206,000 and for the CFO $164,264.

Equity incentives

The Company has established the EIP to assist in the motivation, reward and retention of senior management and other IPD employees from time to time. The EIP is designed to align the interests of senior management and other employees with the interests of Shareholders by providing an opportunity for employees to receive equity interests in the Company subject to the satisfaction of certain performance conditions. IPD may offer additional incentive schemes to the management and employees over time.

The EIP is a long-term incentive plan, under which options or performance rights to subscribe for or be transferred Shares (**Plan Awards**) may be offered to eligible employees (including a director employed in an executive capacity or any other person who is declared by the Board to be eligible) selected by the Directors at their discretion.

For the period ended 30 June 2022, the Company has granted Performance Rights as follows:

- Michael Sainsbury CEO and Executive Director – 171,667 Performance Rights, calculated by dividing $206,000 by the Offer Price, rounding to the nearest whole number.
- Mohamed Yoosuff CFO and Executive Director – 68,443 Performance Rights, calculated by dividing $82,132 by the Offer Price, rounding to the nearest whole number.

The impact of government subsidies received during the financial year, such as the JobKeeper Payment scheme, have been excluded from all EIP calculations.

Michael Sainsbury and Mohamed Yoosuff (the executives) are the only employees who are receiving Performance Rights pursuant to the FY22 award under the EIP.

Plan Awards will not be listed and may not be transferred, assigned or otherwise dealt with except with the approval of the Directors. Plan Awards will only vest where the vesting conditions (if any) and any other relevant conditions advised to the participant by the Directors have been satisfied or as otherwise permitted under the EIP. The Directors may determine such conditions (including vesting conditions) at their discretion. An unvested Plan Award will lapse in a number of circumstances including where performance conditions (if any) are not satisfied within the relevant time period, the participant deals with the Plan Award in breach of the rules of the EIP, or in the opinion of the Directors, a participant has acted fraudulently or dishonestly.

If a participant's employment or engagement with IPD terminates before the Plan Awards have vested, the Plan Awards that have not vested will lapse, unless the invitation provides otherwise or the Directors in their absolute discretion determine that some or all of the unvested Plan Awards will be treated in another manner. Where Plan Awards have vested prior to the termination of a participant's employment or engagement with IPD the participant will have a period of time to exercise the vested Plan Awards before they lapse.

Audited Remuneration Report continued

Executive Director Remuneration continued

On the occurrence of certain events (such as the making of a takeover bid for the Company or the approval of a scheme of arrangement in relation to the Company), unless otherwise provided for in the terms of specific Plan Awards, the Directors may in their absolute discretion determine that some or all Plan Awards vest, lapse, become forfeited or are subject to amended conditions. If there are certain variations of the share capital of the Company including a capitalisation or rights issue, subdivision, consolidation or reduction in share capital, the Directors may make such adjustments as they consider appropriate under the EIP, in accordance with the provisions of the ASX Listing Rules.

Unless and until Shares are allocated following a Plan Award vesting and, where required, being exercised, the holder has no interest in those Shares and has no rights to dividends and no rights to vote at meetings of the Company. Shares issued upon vesting and, where required, exercise, of the Plan Awards will upon allotment rank equally in all respects with other Shares, except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

For so long as Shares are Listed, the Company will apply for quotation on ASX of the Shares issued under the EIP. No Plan Awards or Share may be offered under the EIP if to do so would contravene the Corporations Act, the ASX Listing Rules or instruments of relief issued by ASIC from time to time. The EIP provide the Board with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or dishonestly, or is in breach of his or her obligations to IPD.

The Board may at any time amend all or any provisions of the EIP or the terms or conditions of any Plan Award granted under the EIP, subject to limited restrictions on amendments that adversely affect the existing rights of a holder of Plan Awards. The exercise by the Board of any discretion granted under the EIP or the terms of a Plan Award will not constitute an amendment of the provisions of the EIP. The Board may at any time waive in whole or in part any terms or conditions (including any vesting conditions) in relation to any Plan Awards granted under the EIP. The Board may, at any time, terminate or suspend the EIP.

The Key Terms of the current award under the EIP are summarised in the table below.

<table>
<tr>
<td>Vesting conditions</td>
<td>
The Performance Rights are subject to performance conditions as follows:

50% of a Participant’s Performance Rights will be tested against the Company’s total shareholder return (TSR) for FY22 in comparison to the median TSR achieved by a comparator group (TSR Rights); and
50% of a Participant’s Performance Rights will be tested against the Company’s NPAT for FY22 in comparison to the forecast statutory NPAT for FY22F disclosed in this Prospectus (NPAT Rights).

In addition to these performance conditions, the Performance Rights will only vest at their respective Vesting Date.

Performance conditions

TSR Rights

The Company’s TSR will be assessed against the median performance over the relevant performance period of the companies included in the S&P/ASX Small Ordinaries Industrials Index.

For the calculation of the Company’s TSR, the share price baseline for the TSR calculation was the Offer Price and the performance period will be the period from the date that the Company was Listed to 30 June 2022.

NPAT Rights

The Company’s NPAT will be calculated using the Company’s financial performance as reported in the Company’s audited full year audited results for FY22, excluding:

one-off or extraordinary revenue items;
revenue received in the form of government grants, allowances, rebates or other hand-outs; and
revenue or profit that has been ‘manufactured’ to achieve the performance condition.

</td>
</tr>
</table>

Vesting conditions continued	**Vesting Date** In addition, even if either of the performance conditions are satisfied, Performance Rights will only vest if the Participant continues to be employed by the Company and has not given notice on the following dates: ● 1/3 of a Participant's Performance Rights that have satisfied the relevant performance condition will vest on 30 September 2022; ● 1/3 of a Participant's Performance Rights that have satisfied the relevant performance condition will vest on 30 September 2023; and ● 1/3 of a Participant's Performance Rights that have satisfied the relevant performance condition will vest on 30 September 2024, (with each of 30 September 2022, 30 September 2023 and 30 September 2024 being a **Vesting Date**). Calculation of the performance conditions and achievement against the performance conditions and vesting schedule will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (subject to the stated exclusions from NPAT calculations applying in all cases).
Why were the vesting conditions chosen?	**Performance conditions** The performance condition for the TSR Rights was chosen to align the interests of the executives with shareholder interests in optimising TSR (including the value of any dividend) and achieving median TSR when compared to a comparator group of listed companies. The Board believes that TSR is an appropriate performance condition as it links executive reward to the Company's relative share performance which is consistent with creating shareholder value relative to the Company's peer group. The Board believes that the S&P/ASX Small Ordinaries Industrials Index represents an appropriate comparator group of listed companies as it represents a meaningful statistical sample and an appropriate group of alternative potential investments for shareholders with which to compare the Company's performance. The performance conditions for the NPAT Rights were chosen to align the interests of the executives with shareholder interests in optimising the potential funds of the Company available for distribution to Shareholders as dividends and to provide an incentive for the executives to focus on the Company's effective management of, treasury and tax matters. **Vesting Dates** The Vesting Dates have been set to assist the Company in the ongoing retention of the executives.
Vesting and expiry of Performance Rights	Unless the Board exercises a discretion available to it under the EIP: ● in the event that either performance condition is not achieved, the Performance Rights relating to that performance condition will lapse; and ● if the Participant ceases to be employed or has given notice before any of the Vesting Dates, the Performance Rights that have not yet vested at that time will lapse. Otherwise, Performance Rights will vest on satisfaction of both the relevant performance condition and the Participant's continued employment (without having given notice) at the relevant Vesting Date for the Performance Right.
Cash settlement	On vesting, the Company may exercise its discretion to make cash payments in lieu of allocating Shares to satisfy the Performance Rights.
Change of control and other circumstances which may trigger early vesting	In the event of a change of control of the Company, the Board may determine that the Performance Rights vest in accordance with the EIP, notwithstanding that the performance milestones have not been achieved, but only if the change of control of the Company is triggered by a person who does not control the Company at the time the Performance Rights are issued achieving control of more than 50% of the ordinary voting securities in the Company.

The only Plan Awards issued under the EIP are the Performance Rights referred to above.

Audited Remuneration Report continued

Executive Director Remuneration continued

Other information about Directors' interests and benefits

Directors are reimbursed for properly documented and incurred travelling and other expenses in connection with and returning from Board or Committee meetings and general meetings. Non-Executive Directors may be paid such additional remuneration as the Directors consider to be appropriate where a Director performs extra services which are in addition to the ordinary duties of a director of the Company.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions. Chapter 2E of the Corporations Act prohibits a company from giving a financial benefit to a related party (including any Director) without the prior approval of its members by ordinary resolution, unless an exemption applies.

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity for the year ended 30 June 2022 are set out in the following tables:

	Base salary $'000	STI $'000	Non-monetary Benefits $'000	Super-annuation $'000	Long Term Benefits $'000	Equity settled $'000	Total $'000
Executive directors							
Michael Sainsbury	425,700	206,000	34,177	27,500	8,443	206,000	907,820
Mohamed Yoosuff	390,086	164,264	–	27,500	7,788	82,132	671,770
Total	**815,786**	**370,264**	**34,177**	**55,000**	**16,231**	**288,132**	**1,579,590**
Non-executive directors							
David Rafter	89,388	–	–	3,189	–	–	92,577
Andrew Moffat	64,406	–	–	6,440	–	–	70,846
Total	**153,794**	**–**	**–**	**9,629**	**–**	**–**	**163,423**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration $'000	At risk – STI $'000	At risk – LTI $'000
Executive directors			
Michael Sainsbury	495,820	206,000	206,000
Mohamed Yoosuff	425,373	164,264	82,132
Non-executive directors			
David Rafter	92,577	–	–
Andrew Moffat	70,846	–	–

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Shares	Balance at the start of the year[1]	Received as part of remuneration[1]	Issued under employee gift offer	Additions	Disposals/ other	Balance at the end of the year
Executive directors						
Michael Sainsbury	919,663	262,761	833	25,000	–	1,208,257
Mohamed Yoosuff	10,418,474	131,380	833	670,979	–	11,221,666
Non-executive directors						
David Rafter	–	62,500	–	83,334	–	145,834
Andrew Moffat	525,522	62,500	–	245,000	–	833,022

1. The number of shares at the start of the year and shares issued as part of remuneration have been restated to reflect the number of shares post the pre-IPO share split.

Share-based payments granted during the current financial year

	Performance rights series	Effective grant date	Number granted	Grant date fair value $	Vesting date
Executive directors					
Michael Sainsbury	Tranche 1	9/11/2021	57,222	68,666	30/09/2022
	Tranche 2	9/11/2021	57,222	68,666	30/09/2023
	Tranche 3	9/11/2021	57,223	68,668	30/09/2024
Mohamed Yoosuff	Tranche 1	9/11/2021	22,814	27,377	30/09/2022
	Tranche 2	9/11/2021	22,814	27,377	30/09/2023
	Tranche 3	9/11/2021	22,815	27,378	30/09/2024

After successful completion of the performance hurdles for the FY21 performance rights, Michael Sainsbury was issued 3,333 shares and Mohamed Yoosuff was issued 1,667 shares during the financial year ended 30 June 2022, prior to the pre-IPO share split. Prior to the completion of the IPO offer, vesting of the remaining performance rights held by the CEO and CFO in respect of FY21 (in relation to which the Company's performance hurdles that have been achieved) was accelerated and resulted in the additional issue of 175,183 shares to Michael Sainsbury and 87,578 shares to Mohamed Yoosuff during the financial year ended 30 June 2022.

Indemnification of Officers and Auditors

During the financial period, the Group paid a premium in respect of a contract insuring Directors of the Group, the Group secretary, and all executive officers of the Group and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 25 of the financial report.

Rounding Off of Amounts

The Company is a company of the kind referred to in the Class order 2016/191 – *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Class Order amounts in the Directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s298 (2) (a) of the Corporations Act 2001.

On behalf of the Directors

David Rafter
Director

Sydney, 30 August 2022

Michael Sainsbury
Director

Sydney, 30 August 2022

Auditor's Independence Declaration

PKF

IPD Group Limited
ACN: 111 178 361

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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SCOTT TOBUTT
PARTNER

30 AUGUST 2022
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IPD GROUP LTD

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of IPD Group Ltd (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group and the consolidated entity comprising the Group and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of IPD Group Ltd is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

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

Independence

We are independent of the consolidated entity 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 (including Independence Standards) (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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key Audit Matters (cont'd)

1. Revenue from contracts with customers
(Refer to note 5) $181.2million

Why significant

Revenue from contracts with customers was a key audit matter given the:

- magnitude of the amount
- number of different revenue streams and types of variable consideration given the diversity of products and services
- complexity of the contractual arrangements

We have also focused on revenue recognition as the Group uses complex manual calculations, dependent on information from multiple billing systems, to determine the timing of revenue recognition and the value of contract liabilities for the relevant financial period for each revenue stream.

How our audit addressed the key audit matter

We assessed the Group's accounting policy in light of the requirements of Australian Accounting Standards and developed an understanding of the key terms of the arrangements with customers and performance obligations.

Our procedures included, amongst others:

- tested on a sample basis whether revenue had been recorded at the correct amount and in the correct period, in accordance with the Group's revenue recognition policy. This included assessing whether:
- evidence of an underlying arrangement with the customer existed
- appropriate performance obligations and consideration had been identified
- amounts allocated to the performance obligations were made with reference to their standalone selling prices, where relevant
- the timing of revenue recognition had been appropriately considered for each revenue stream in accordance with its performance obligations
- considered and assessed the adequacy of the Group's disclosures of revenue from contracts with customers in accordance with Australian Accounting Standards.

2. Inventory Valuation and Existence
(Refer to note 11) $32.9million

Inventory was a key audit matter due to the:

- financial significance of inventory to the consolidated balance sheet
- the geographically diverse locations where inventory is stored; and
- the principles applied in the determining the valuation of inventory.

We also considered the accounting treatment in line with the requirements of AASB 102 Inventories.

We focused our efforts on developing an understanding and testing the methodology for which the Group recognises and measures inventory. We considered the appropriateness of the Group's accounting policies to requirements of Australian Accounting Standards.

In obtaining sufficient, appropriate audit evidence, our procedures included, amongst others:

- attending, observing and assessing stocktakes performed by the Group at a sample of locations and performing independent test counts where appropriate

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Key Audit Matters (cont'd)

2. Inventory Valuation and Existence (cont'd)
(Refer to note 11) $32.9million

Why significant	How our audit addressed the key audit matter
	• reviewing the application of the Group's cycle count procedures • obtaining confirmations of inventories held at a sample of locations • evaluating whether any required adjustments identified from our count attendance, cycle count procedures or confirmations were appropriately reflected • testing, for a sample of inventory items, whether the cost was recorded at the correct amount • compared the carrying value to the NRV to identify projects with potential impairments • assessing the Group's inventory provisioning policy by comparing the prior period inventory provision to inventory sold below cost or written off in the current period; and • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.
3. Business Combination *(Refer to note 26)* We considered the accounting treatment in line with the requirements of AASB 3 Business Combinations. On 01 October 2021, IPD Group Ltd acquired 100% interest of High Technology Control Pty Ltd (HTC). The transaction gave rise to a $5.5million goodwill balance on acquisition. On 4th April 2022 the Group acquired the business name, intellectual property, contracts for supply to customers, records and employees of Gemtek Group Pty Ltd (Gemtek). The transaction gave rise to a $350,000 goodwill balance on acquisition. The accounting for the acquisition was a key audit matter because it was a significant transaction to the Group. In addition, the Group made complex	We performed the following audit procedures, amongst others: • read the sales agreement between the Group and HTC & Gemtek to obtain an understanding of the transaction and the business acquired • read relevant minutes of the Board of Directors, legal correspondence and other documents evaluating the transaction • evaluated the Group's accounting against the requirements of accounting standards • assessed the most reliable measure of the fair value of the scheme consideration at the acquisition date • obtained an understanding of the pre-existing relationships and inspected contracts to evaluate the accounting treatment of the settlement of preexisting relationships

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Key Audit Matters (cont'd)

3. Business Combination (cont'd)

(Refer to note 26)

Why significant	How our audit addressed the key audit matter

judgements when accounting for the acquisition, including:
• identifying the effective date of acquisition which is the deemed date of effective control
• estimating the purchase consideration, particularly in respect of determining the:
  • fair value of shares issued and settlement of preexisting relationships
  • determining if the pre-existing contractual relationships reflected market value at the acquisition date so that no gain or loss was recognized
  • identifying all assets and liabilities of the newly acquired business and estimating the fair value of each asset and liability for initial recognition by the Group, particularly the Customer Contracts and Relationships and Brands, which included engaging a valuation expert to assist in the assignment of provisional fair values at the acquisition date.
	• assessed, with the assistance of our valuation experts, the work performed by the Group's valuation experts over the provisional purchase price allocation to the provisional valuation of intangibles assets and the assets and liabilities reconciled the identified provisional fair values to the accounting records, and
	• considered and assessed the adequacy of the Group's disclosures of business combinations in accordance with Australian Accounting Standards.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

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Directors' Responsibilities for the Financial Report

The directors of the Group 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 consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity 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 and 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 Australian Auditing Standards, we exercise professional judgement 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 consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other 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 consolidated entity'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 consolidated entity 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.

PKF

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of IPD Group Ltd for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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SCOTT TOBUTT
PARTNER

30 AUGUST 2022
SYDNEY, NSW

Directors' Declaration

In the directors' opinion:

a) the attached financial statements and notes comply with the Corporations Act 2001, Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) the attached financial statements also comply with International Financial Reporting Standards; and

c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

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

Signed in accordance with a resolution of directors made pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

David Rafter
Director

Sydney, 30 August 2022

Michael Sainsbury
Director

Sydney, 30 August 2022

Consolidated Statement of Profit or Loss

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 $'000	Year ended 30 June 2021 $'000
Revenue from continuing operations	5	176,781	118,095
Materials and consumables used		(109,310)	(71,840)
Other income	5	599	240
Employee benefits expense		(34,069)	(24,906)
Freight and delivery expenses		(4,016)	(2,673)
Depreciation and amortisation expenses	6	(3,596)	(3,965)
Occupancy costs		(1,132)	(665)
Finance costs	6	(632)	(744)
Other expenses		(6,948)	(4,501)
IPO expense	7	(1,593)	–
Profit before income tax		**16,084**	**9,042**
Income tax expense	8	(4,969)	(2,534)
Profit after income tax expense for the period		**11,115**	**6,508**
Earnings per share			
Basic earnings per share (cents per share)	23	14.3	10.3
Diluted earnings per share (cents per share)	23	14.3	10.3

The consolidated statement of profit or loss should be read in conjunction with the Notes to the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 $'000	Year ended 30 June 2021 $'000
Profit/(Loss) after income tax for the period		**11,115**	**6,508**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(147)	(28)
Items that will not be reclassified subsequently to profit or loss			
Actuarial revaluation gain		20	6
Total comprehensive income for the period attributable to the owners of IPD Group Ltd		**10,988**	**6,486**

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Notes to the financial statements.

Consolidated Statement of Financial Position

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 $'000	Year ended 30 June 2021 $'000
Current assets			
Cash and cash equivalents	9	25,401	12,592
Trade and other receivables	10	37,604	27,049
Inventories	11	32,908	23,207
Other assets		1,108	737
Total current assets		**97,021**	**63,585**
Non-current assets			
Property, plant and equipment	12	3,354	2,669
Right-of-use assets	13	11,126	13,191
Intangible assets	14	10,459	5,230
Deferred tax assets	15	2,891	2,001
Total non-current assets		**27,830**	**23,091**
Total assets		**124,851**	**86,676**
Current liabilities			
Trade and other payables	16	40,382	28,275
Current tax liabilities	17	1,638	984
Lease liability	13	2,388	2,489
Provisions	18	6,261	3,083
Total current liabilities		**50,669**	**34,831**
Non-current liabilities			
Lease liability	13	10,174	12,111
Provisions	18	341	409
Deferred tax liabilities	19	235	134
Total non-current liabilities		**10,750**	**12,654**
Total liabilities		**61,419**	**47,485**
Net assets		**63,432**	**39,191**
EQUITY			
Issued capital	20	31,488	8,920
Reserves	21	(69)	85
Retained earnings		32,013	30,186
Total equity		**63,432**	**39,191**

The consolidated statement of financial position should be read in conjunction with the Notes to the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	Issued capital $'000	Retained Earnings $'000	Reserves $'000	Total $'000
Balance at 30 June 2020	**2,260**	**26,573**	**–**	**28,833**
Profit for the period	–	6,508	–	6,508
Other comprehensive income for the period (net of tax)	–	6	(28)	(22)
Total comprehensive income	**–**	**6,514**	**(28)**	**6,486**
Dividends paid	–	(2,901)	–	(2,901)
Share issue	6,660	–	113	6,773
Balance at 30 June 2021	**8,920**	**30,186**	**85**	**39,191**
Balance at 30 June 2021	**8,920**	**30,186**	**85**	**39,191**
Profit for the period	–	11,115	–	11,115
Other comprehensive income for the period (net of tax)	–	20	(147)	(127)
Total comprehensive income	**–**	**11,135**	**(147)**	**10,988**
Dividends paid (note 22)	–	(9,308)	–	(9,308)
Share issue (note 20)	22,568	–	(7)	22,561
Balance at 30 June 2022	**31,488**	**32,013**	**(69)**	**63,432**

The consolidated statement of changes in equity should be read in conjunction with the Notes to the financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 $'000	Year ended 30 June 2021 $'000
Cash flows from operating activities			
Receipts from customers		185,966	125,274
Payments to suppliers and employees		(169,085)	(111,357)
Finance costs paid		(628)	(24)
Income taxes paid		(5,060)	(3,602)
Net cash generated by operating activities	28	**11,193**	**10,291**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		213	1
Payment for property, plant and equipment		(1,997)	(668)
Acquisition of Subsidiary, net of cash acquired		(2,333)	(2,810)
Net cash used in investing activities		**(4,117)**	**(3,477)**
Cash flows from financing activities			
Repayment of lease liabilities		(2,406)	(2,997)
Dividends paid		(9,308)	(2,901)
Proceeds from issue of shares	20	20,000	–
Share issue transaction costs		(2,475)	–
Net cash generated from/(used in) financing activities		**5,811**	**(5,898)**
Net increase/(decrease) in cash and cash equivalents		**12,887**	**916**
Cash and cash equivalents at the beginning of the financial period		12,579	11,663
Effects of exchange rate changes on cash		(65)	–
Cash and cash equivalents at the end of the financial period		**25,401**	**12,579**

The consolidated statement of cash flows should be read in conjunction with the Notes to the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2022

1. Basis of Preparation

These general-purpose financial statements for the year ended 30 June 2022 have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The principal accounting policies adopted are consistent with those of the previous financial year.

2. Summary of Significant Accounting Policies

a. Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

b. Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

c. Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Sale of goods

Sale goods consists of industrial electrical products, including engineered solutions, direct to the "end user" customer and to the electrical wholesale markets. Revenue is recognised when our performance obligations have been satisfied, which is upon delivery of the goods.

Rendering of services

Rendering of services relates to the testing, calibration and repair of electrical testing and measurement equipment.

Revenue is recognised when the control of the promised goods and services is passed to the customer, typically upon performance or delivery of such goods and services. Accordingly, for the revenue streams described above, revenue is recognised at the point in time as the goods are delivered and services are performed.

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

Government grants are not recognised until there is reasonable assurance the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

d. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

e. Taxation

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

2. Summary of Significant Accounting Policies continued

e. Taxation continued

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tax consolidation

IPD Group Limited ('the Group') and its 100% owned Australian subsidiaries are part of a tax consolidated group. As a result, members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax obligations. At the balance date, the possibility of default is remote. The head entity of the tax consolidation is the Group.

The Group has recognised the current tax liability of the tax consolidated group.

Members of the tax consolidated group are part of a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the year. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the head entity. The Group has applied the group allocation approach to determine the appropriate amount of current and deferred tax to allocate to each member of the tax consolidated group.

f. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

g. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

h. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

i. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant and Equipment	3–10 years
Furniture, Fixtures and Fittings	4–10 years
Motor Vehicles	4–5 years
Leasehold Improvements	Over the period of the lease

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

j. Right-of-use assets

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

k. Financial Instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition the Group classifies measures its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

2. *Summary of Significant Accounting Policies* continued

k. Financial Instruments continued

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

l. Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non- financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

m. Intangible assets

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. the consideration transferred;

ii. any non controlling interest; and

iii. the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

Under the 'full goodwill method', the fair values of the non controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

n. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

o. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

p. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2. *Summary of Significant Accounting Policies* continued

q. Leases

At inception of a contract, the Group assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low value assets. The Group recognises the payments associated with these leases as an expense on a straight line basis over the lease term.

r. Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

s. Warranty provisions

Warranty provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

t. Issued capital

Ordinary shares are classified as equity.

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

u. Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

v. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w. Share-based payments

The Company has established the EIP to assist in the motivation, reward and retention of senior management and other IPD employees from time to time. The EIP is designed to align the interests of senior management and other employees with the interests of Shareholders by providing an opportunity for employees to receive equity interests in the Company subject to the satisfaction of certain performance conditions. IPD may offer additional incentive schemes to the management and employees over time.

x. Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Foreign subsidiary transactions and balances are translated at the closing rate at the end of each reporting period. Exchange differences arising on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised in equity.

y. Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

z. Rounding of amounts

The Company is a company of the kind referred to in the Class order 2016/191 – *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Class Order amounts in the Directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

3. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 29 for further information.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Net realisable value of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The realisable value is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect the recoverable amount of inventory.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

3. Critical Accounting Estimates and Judgments continued

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

4. Segment Information

Operating segments are reported in a manner which is consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the Board of Directors for the Group.

The internal reports reviewed by the Board, which are used to make strategic decisions, are separated into the Group's key market segments Products division and Services Division:

Operating segments have been defined as:

- Products division – core focus in the products division is the sale of electrical infrastructure products to customers including switchboard manufacturers, electrical wholesalers, electrical contractors, power utilities, OEMs and system integrators; and
- Services Division – provision of services, including installation and commissioning, calibration and testing, maintenance and repairs and refurbishment.

The accounting policies of the reportable secondary segments are the same as Group's accounting policies.

Year ended 30 June 2022	Products division $'000	Services division $'000	Total $'000
Revenue from external customers	159,200	17,581	176,781
Other revenue/income	126	469	595
Total revenue from ordinary activities	**159,326**	**18,050**	**177,376**
Earnings before Interest, Tax, Depreciation and Amortisation	**18,787**	**1,354**	**20,141**
Depreciation and amortisation expense			3,596
Interest expense			461
Profit before income tax			**16,084**
Income Tax			4,969
Net profit after income tax			**11,115**

Year ended 30 June 2021	Products division $'000	Services division $'000	Total $'000
Revenue from external customers	102,517	15,578	118,095
Other revenue/income	37	195	232
Total revenue from ordinary activities	**102,554**	**15,773**	**118,327**
Earnings before Interest, Tax, Depreciation and Amortisation	**12,652**	**939**	**13,591**
Depreciation and amortisation expense			3,984
Interest expense			565
Profit before income tax			**9,042**
Income Tax			2,534
Net profit after income tax			**6,508**

The Group's assets were not split by reportable secondary operating segment as the chief operating decision makers do not utilise this information for the purposes of resource allocation and assessment of segment performance.

5. Revenue and Other Income

	2022 $'000	2021 $'000
Revenue from external customers	**176,781**	**118,095**
Other Income		
Recoveries	77	166
Profit/(loss) from sale of fixed assets	73	(132)
Interest income	4	8
Other Income	445	198
Total other income	**599**	**240**
Total Revenue	**177,380**	**118,335**
Other income includes:		
Government grants including COVID Relief	412	100
Other	33	98
	445	**198**

Associated with the COVID-19 pandemic, the Group received $412,104 (June 2021: $100,000) JobKeeper support payments from the Australian Government which were passed on to eligible employees. $100,000 was received in 2021 for Cashflow Boost.

6. Expenses

	2022 $'000	2021 $'000
Depreciation		
Plant and Equipment	1,050	1,113
Buildings ROU	2,434	2,672
Plant and Equipment ROU	112	180
Total depreciation	**3,596**	**3,965**
Finance costs		
Bank charges	148	170
Interest and finance charges on lease liabilities	484	574
Total finance costs	**632**	**744**

7. IPD Expenditure

IPO net costs of $2,464,000 were incurred by the company for the successful listing on the Australian Securities Exchange. In accordance with AASB 132 the proportion of costs that are directly attributable to raising new share capital, amounting to $871,000, have been capitalised against the newly raised equity, with the remaining balance of $1,593,000 being taken up as an expense in the consolidated statement of profit or loss.

8. Income Tax Expense

	2022 $'000	2021 $'000
Income tax expense		
Current Tax Expense		
Local income tax – current period	5,365	2,728
Adjustment recognised for prior periods	(94)	–
Deferred Tax Expense		
Origination and reversal of temporary differences	(302)	(194)
Total income tax expense	**4,969**	**2,534**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	16,085	9,042
Tax at the statutory tax rate of 30%	**4,825**	**2,713**
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	46	–
Management share rights	61	–
Other non-allowable items	131	(76)
Under/(over) provision for income tax in prior year	(94)	(103)
Income tax expense	**4,969**	**2,534**

9. Cash and Cash Equivalents

	2022 $'000	2021 $'000
Cash at bank	25,401	12,592
Cash on hand	–	–
Cash and cash equivalents	**25,401**	**12,592**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2022 $'000	2021 $'000
Cash and cash equivalents	25,401	12,592
Credit card	–	(13)
Balance as per statement of cash flows	**25,401**	**12,579**

10. Trade and Other Receivables

	2022 $'000	2021 $'000
Trade receivables	38,128	27,454
Provision for impairment	(524)	(405)
Trade and other receivables	**37,604**	**27,049**

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Impairment of receivables

	2022 $'000	2021 $'000
Balance at beginning of the year	405	535
(Write off)/additional impairment loss recognised	119	(130)
Balance at end of year	**524**	**405**

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

10. Trade and Other Receivables continued

	Trade receivables $'000	Credit loss allowance	Provision for impairment $'000
Current	34,882	0.47%	163
0 – 30 days	2,064	5.24%	108
31 – 60 days	589	13.17%	78
61 – 90 days	245	23.21%	57
90+ days	349	33.97%	118
Total trade receivables	**38,128**		**524**

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

11. Inventories

	2022 $'000	2021 $'000
Finished goods	32,324	22,474
Work in progress	584	733
Total Inventories	**32,908**	**23,207**

Write downs of inventories to net realisable value during the year were $ NIL (2021: $ NIL).

12. Property, Plant and Equipment

	Plant and Equipment $'000	Computer Equipment $'000	Furniture, Fixtures and Fittings $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Total $'000
Year ended 30 June 2022						
Balance 1 July 2021	585	232	425	929	498	2,669
Additions	117	800	104	552	415	1,988
Disposals	(19)	(3)	(26)	(79)	(34)	(161)
Foreign exchange on translation	–	(94)		2	–	(92)
Depreciation expense	(220)	(214)	(83)	(344)	(189)	(1,050)
Balance at 30 June 2022	**463**	**721**	**420**	**1,060**	**690**	**3,354**
Year ended 30 June 2022						
Cost	3,215	3,196	915	2,672	1,421	11,419
Accumulated depreciation	(2,752)	(2,475)	(495)	(1,612)	(731)	(8,065)
Balance at 30 June 2022	**463**	**721**	**420**	**1,060**	**690**	**3,354**

	Plant and Equipment $'000	Computer Equipment $'000	Furniture, Fixtures and Fittings $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Total $'000
Year ended 30 June 2021						
Balance 1 July 2020	847	275	491	801	383	2,797
Additions	113	183	19	185	87	587
Additions through acquisition of entity	314	8	–	19	379	720
Disposals	(41)		–	(93)	(188)	(322)
Transfers	(383)		–	383	–	–
Depreciation expense	(265)	(234)	(85)	(366)	(163)	(1,113)
Balance at 30 June 2021	**585**	**232**	**425**	**929**	**498**	**2,669**
Year ended 30 June 2021						
Cost	3,076	2,528	876	2,525	1,075	10,080
Accumulated depreciation	(2,491)	(2,296)	(451)	(1,596)	(577)	(7,411)
Balance at 30 June 2021	**585**	**232**	**425**	**929**	**498**	**2,669**

13. Leases

Right-of-use assets

	Buildings $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2022			
Balance at beginning of year	13,027	164	13,191
Additions to right-of-use assets	958	–	958
Reductions in right-of-use assets due to changes in lease liability	(477)	–	(477)
Depreciation charge	(2.434)	(112)	(2.546)
Balance at end of year	**11,074**	**52**	**11,126**
Year ended 30 June 2021			
Balance at beginning of year	13,570	344	13,914
Additions to right-of-use assets	2,661	–	2,661
Reductions in right-of-use assets due to changes in lease liability	(532)	–	(532)
Depreciation charge	(2,672)	(180)	(2,852)
Balance at end of year	**13,027**	**164**	**13,191**

13. Leases continued

	< 1 year $'000	1 – 5 years $'000	> 5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in this Statement of Financial Position $'000
June 2022					
Lease liabilities	2,838	8,403	2,607	13,848	12,562
June 2021					
Lease liabilities	2,965	9,079	4,366	16,410	14,600

Right-of-use assets and lease liabilities

The Group has leases for various network sites and motor vehicles. Rental contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non- lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

14. Intangible Assets

	30 June 2022 $'000	30 June 2021 $'000
Goodwill	10,459	5,230

Reconciliation of the written down value at the beginning and end of the current and previous financial year is set out below:

Opening balance	**5,230**
Goodwill on acquisition of HTC	4,879
Goodwill on acquisition of Gemtek	350
Closing balance	**10,459**

Goodwill impairment was assessed that IPD is the only cash generating unit as only it will exist operationally from 1 July 2022 and assets will not be identifiable at a level distinguishable from IPD.

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the computer retailing division:

- 5% pre-tax discount rate reflects management's estimate of the time value of money.
- 12% per annum projected revenue growth rate which is a an approximate 17-year revenue CAGR for the group.

Management believes that other reasonable changes in the key assumptions on which the recoverable goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

15. Deferred Tax Assets

	30 June 2022 $'000	30 June 2021 $'000
Deferred tax assets		
Provisions and accruals	1,844	1,402
Depreciation	–	228
Right-of-use assets	404	348
Section 40-880 deduction – IPO and legal costs	583	14
Other	60	9
Total deferred tax assets	**2,891**	**2,001**

The movement of net deferred tax assets during the year is as follows:

Opening balance	**2,001**	**1,556**
Amount recognised in profit and loss	402	328
Amount recognised in equity	373	–
Adjustments recognised for prior periods	(45)	(49)
Additions through business combinations	160	166
Closing balance	**2,891**	**2,001**

16. Trade and Other Payables

	2022 $'000	2021 $'000
Trade payables	33,652	21,652
Other payables	6,730	6,623
Total trade and other payables	**40,382**	**28,275**

17. Current Tax Liabilities

	2022 $'000	2021 $'000
Income tax payable	1,638	984
Total Income tax payable	**1,638**	**984**

18. Provisions

	2022 $'000	2021 $'000
Current		
Warranties	142	100
Provision of employee benefits	6,119	2,983
Total current provisions	**6,261**	**3,083**
Non-current		
Provision of employee benefits	**341**	**409**

19. Deferred Tax Liabilities

	30 June 2022 $'000	30 June 2021 $'000
Deferred tax liabilities		
Depreciation	104	–
Unrealised foreign exchange losses	131	134
Total deferred tax liabilities	**235**	**134**

	30 June 2022 $'000	30 June 2021 $'000
The movement of net deferred tax liabilities during the year is as follows:		
Opening balance	**134**	**–**
Amount recognised in profit and loss	101	134
Amount recognised in equity	–	–
Adjustments recognised for prior periods	–	–
Additions through business combinations	–	–
Closing balance	**235**	**134**

20. Issued Capital

	30 June 2022 $'000	30 June 2021 $'000
86,285,762 fully paid ordinary shares (2021: 2,503,637)	31,487,944	8,920,000

Movement:

Date	Details	$	Number of Shares
1 July 2021	**Opening balance**	**8,920,000**	**2,503,637**
	Movement:		
9 September 2021	FY21 Performance Rights – Shares Issued	76,098	5,000
1 October 2021	Shares issued as consideration for HTC acquisition	2,865,000	119,375
9 November 2021	Share Split prior to IPO	–	66,425,893
13 December 2021	FY21 Performance Rights advanced vesting – Shares Issued	134,939	262,761
17 December 2021	New Capital raised on market	20,000,000	16,666,667
17 December 2021	Employee gift offer Shares Issued	212,916	177,429
17 December 2021	Non-Exec Director Shares Issued	150,000	125,000
17 December 2021	Share issue costs (net of tax)	(871,009)	–
30 June 2022	**Closing Balance**	**31,487,944**	**86,285,762**

21. Reserves

	2022 $'000	2021 $'000
Foreign currency translation reserve	(175)	(27)
Share-based payments reserve	106	113
Total reserves	**(69)**	**85**

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the equity settled transactions with employees based on the fair value of the equity instruments at the date at which they are granted. The fair value is determined using either the Binomial or Back Scholes model taking into account the terms and conditions upon which the instruments were granted.

22. Dividends

The following dividends were declared and paid:

	2022 $'000	2021 $'000
Final ordinary fully franked dividend of 2.7 cents per share (2021: 2.3 cents per share)	1,782	1,386
Interim ordinary fully franked dividend (2021: 2.3 cents per share)	–	1,515
Special pre-IPO fully franked dividend of 11.4 cents per share paid on 3 December 2021	7,526	–
Total dividends declared and paid	**9,308**	**2,901**

The cents per share from the dividends paid during the year ended 30 June 2022 have been recalculated to reflect the proportion of shares post share split.

On 30 August 2022, the Directors declared a final dividend of 3.7 cents per share fully franked with an ex-dividend date of 19 September 2022, record date of 20 September 2022 and payable on 03 October 2022.

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Franking credits account

	2022 $'000	2021 $'000
The franking credits available for subsequent financial years at a tax rate of 30%	13,946	14,175

The above available balance is based on the dividend franking account at year end adjusted for:

a. Franking credits that will arise from the payment of the current tax liabilities;

b. Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

c. Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

23. Earnings Per Share

	Year ended 30 June 2022 Cents per share	Year ended 30 June 2021 Cents per share
Basic earnings per share	14.3	10.3
Diluted earnings per share	14.3	10.3

Reconciliation of earnings used in calculating earnings per share

	Year ended 30 June 2022 $'000	Year ended 30 June 2021 $'000
Net profit	11,115	6,508

Reconciliation of shares used in calculating earnings per share

	Year ended 30 June 2022 No.	Year ended 30 June 2021 No.
Opening and closing balance of shares for the period	65,785,816	55,179,810
Shares issued	20,499,946	10,606,006
Closing balance of shares for the period	86,285,762	65,785,816
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**77,494,237**	**63,112,521**
Shares deemed to be issued for no consideration in respect of:		
Employee performance Rights	634,252	788,283
Closing number of shares deemed to be issued for the period	85,891,620	65,785,816
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**77,933,608**	**63,404,078**

The weighted average number of shares for the year ended 30 June 2022 has been restated to reflect the proportion of shares post share split that were on hand during the prior financial period.

24. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by PKF, the auditor of the company, its network firms and unrelated firms:

	2022 $'000	2021 $'000
Audit services – PKF Audit and Assurance		
Auditing and reviewing the financial statements	143	103
Other services PKF		
Taxation service	23	22
Other consulting services	58	–
Tax due diligence relating to IPO	28	–
Investigating accountant's report and due diligence relating to IPO	90	–
Total remuneration of auditors	**342**	**125**

25. New Accounting Standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. These Accounting Standards and Interpretations are not expected to have a material impact.

26. Business Combination

On 01 October 2021, IPD Group acquired 100% interest of High Technology Control Pty Ltd (HTC) and resulted in IPD Group Ltd obtaining control of High Technology Control Pty Ltd. This acquisition is expected to increase the Group's share of this market and reduce costs through economies of scale.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Acquiree's carrying amount $'000	Fair Value $'000
Purchase Consideration		
Cash		2,625
Shares issues		2,865
Total purchase consideration		**5,490**
Assets or liabilities acquired		
Cash	641	641
Trade receivables	2,066	2,066
Inventories	1,021	1,021
Plant and equipment	7	7
Other assets	2	2
Trade payables	(2,732)	(2,732)
Provisions	(394)	(394)
Total net identifiable assets	**611**	**611**
Identifiable assets acquired and liabilities assumed	**611**	**611**
Consideration		5,490
Less: Identifiable assets acquired		(611)
Goodwill		**4,879**

On 4th April 2022 IPD Group Ltd acquired the business name, intellectual property, contracts for supply to customers, records and employees of Gemtek Group Pty Ltd who are an energy management and electric vehicle solutions provider. Physical or net assets of Gemtek Group Pty Ltd were not acquired. The Group is now one of a limited number in Australia that can provide a complete, end-to-end solution to EV charger customers including design, hardware, electrical infrastructure, installation, network management and maintenance solutions.

Although the sale included the intangible assets and relevant employees redundancy from Gemtek Group Pty Ltd and new employment under IPD, per the standard this is subsumed into goodwill and no other intangible assets have been identified for separately recognition.

	Acquiree's carrying amount $'000	Fair Value $'000
Purchase Consideration		
Cash		350
Less: Identifiable assets acquired		–
Goodwill		**350**

Discontinued Operations

No operations were discontinued during the year ending 30 June 2022.

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27. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 2:

	Principal place of business/ Country of Incorporation	Percentage Owned (%) 2022	Percentage Owned (%) 2021
Addelec Power Services Pty Ltd	Australia	100	100
Control Logic Pty Ltd	Australia	100	100
High Technology Control Pty Ltd	Australia	100	–
IPD Colombo (PVT) Ltd	Sri Lanka	100	100
IPD Services Pty Ltd	Australia	100	100

28. Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022 $'000	2021 $'000
Profit for the year	11,115	6,508
Cash flows excluded from profit attributable to operating activities		
Non-cash flows and non-operating cash items in profit:		
• depreciation	3,596	3,965
• net (gain)/loss on disposal of property, plant and equipment	(55)	132
• interest on lease liabilities	466	559
• performance rights expense	204	113
• IPO costs	1,593	–
Changes in assets and liabilities:		
• (increase)/decrease in trade and other receivables	(10,559)	(10,131)
• (increase)/decrease in other assets	(369)	(407)
• (increase)/decrease in inventories	(9,701)	(7,575)
• (increase)/decrease in tax liability	653	(73)
• (increase)/decrease in deferred tax asset	(789)	(311)
• (increase)/decrease in financial assets	(141)	(63)
• (increase)/decrease in working capital on acquisition of subsidiary	(38)	3,571
• increase/(decrease) in trade and other payables	12,369	13,200
• increase/(decrease) in provisions	2,849	837
• increase/(decrease) in other liabilities	–	(35)
Cash flows from operations	**11,193**	**10,291**

Reclassification of Prior Year Presentation

Certain prior year expense amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. This change in classification does not affect previously reported cash flows from operating activities in the Statements of Cash Flows.

29. Share-based Payments

At 30 June 2022 the Group has the following share-based payment schemes:

The Company has established the EIP to assist in the motivation, reward and retention of senior management and other IPD employees from time to time. The EIP is designed to align the interests of senior management and other employees with the interests of Shareholders by providing an opportunity for employees to receive equity interests in the Company subject to the satisfaction of certain performance conditions. IPD may offer additional incentive schemes to the management and employees over time.

The EIP is a long-term incentive plan, under which options or performance rights to subscribe for or be transferred Shares (Plan Awards) may be offered to eligible employees (including a director employed in an executive capacity or any other person who is declared by the Board to be eligible) selected by the Directors at their discretion.

The invitations issued to eligible employees will include information such as the amount required to be paid for the Plan Award (if any), vesting conditions and any trading restrictions on dealing with Shares allocated on vesting or exercise of a Plan Award. Upon acceptance of an invitation, the Directors will grant Plan Awards in the name of the eligible employee. On vesting, one Plan Award is exercisable into or entitles the holder to one Share. Unless otherwise specified in an invitation, the Directors have the discretion to settle Plan Awards with a cash equivalent payment.

Grants of the FY22 award under the EIP were made before Completion of the Offer in exchange for cancellation of existing performance rights issued by the Company in respect of FY22. The key features of the FY22 award under the EIP that are not provided for above are outlined in the table below:

Performance rights series	Effective grant date	Number granted	Grant date fair value $	Vesting date
Tranche 1	9/11/2021	80,036	96,043	30/09/2022
Tranche 2	9/11/2021	80,036	96,043	30/09/2023
Tranche 3	9/11/2021	80,038	96,046	30/09/2024

Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects on non-transferability, performance hurdles, and employment considerations.

Performance rights series	Grant date fair value	Rights life	Dividend yield $
Tranche 1	$1.15	1 Year	4.66%
Tranche 2	$1.10	2 Years	4.66%
Tranche 3	$1.05	3 Years	4.66%

30. Financial Instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk) and credit risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments.

Foreign currency risk

Foreign currency forward contracts are used in the normal course of day-to-day business to hedge exposure to fluctuations in foreign exchange.

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Australian dollars $'000		Average exchange rates	
	2022	2021	2022	2021
Buy US dollars				
Maturity				
0 – 3 months	604	465	0.6904	0.7522
4 – 6 months	–	–	–	–
Buy Euros				
Maturity				
0 – 3 months	1,378	1,465	0.6725	0.6362
4 – 6 months	–	–	–	–
Buy Great British Pounds				
Maturity				
0 – 3 months	18	83	0.5670	0.5449
4 – 6 months	–	–	–	–

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets $'000		Liabilities $'000	
	2022	2021	2022	2021
US dollars	93	148	–	–
Euros	187	865	–	–
New Zealand dollars	14	–	–	–
Total	**294**	**1,013**	**–**	**–**

30. *Financial Instruments* continued

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position:

2022	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
Non-derivatives				
Non-interest bearing				
Trade payables	33,652	–	–	33,652
Other payables	6,730	–	–	6,730
Interest bearing – fixed rate				
Lease liability	2,838	8,403	2,607	13,848
Total non-derivatives	**43,220**	**8,403**	**2,607**	**54,230**
Derivatives				
Forward foreign exchange contracts net settled	–	–	–	–
Total derivatives	**–**	**–**	**–**	**–**

2021	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
Non-derivatives				
Non-interest bearing				
Trade payables	21,652	–	–	21,652
Other payables	6,361	–	–	6,361
Interest bearing – fixed rate				
Lease liability	2,965	9,079	4,366	16,410
Total non-derivatives	**30,978**	**9,079**	**4,366**	**44,423**
Derivatives				
Forward foreign exchange contracts net settled	–	–	–	–
Total derivatives	**–**	**–**	**–**	**–**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

31. Key Management Personnel

The individuals within the Group who have been determined to be Key Management Personnel ('KMP') for the period ended 30 June 2022 are those people who have the authority and responsibility for planning, directing and controlling the Group's activities, either directly or indirectly. The Group's key management personnel are the Directors of the company.

Compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	2022 $'000	2021 $'000
Short term employee benefits	1,374	1,053
Post employment benefits	65	55
Long term benefits	16	12
Share-based payments	288	113
Total remuneration of auditors	**1,743**	**1,233**

32. Related Party Transactions

There were no related party transactions for the year ended 30 June 2022.

33. Parent Entity

The following information has been extracted from the books and records of the parent, IPD Group Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, IPD Group Ltd has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	30 June 2022 $'000	30 June 2021 $'000
Assets		
Total current assets	78,003	50,241
Non-current assets	24,749	19,244
Total assets	**102,752**	**69,485**
Liabilities		
Current liabilities	39,947	22,854
Non-current liabilities	9,656	10,938
Total liabilities	**49,603**	**33,792**
Equity		
Issued capital	31,488	8,920
Share-based payments reserve	106	113
Retained earnings	21,555	26,660
Total equity	**53,149**	**35,693**
Summarised statement of profit and loss		
Profit for the year	4,204	4,946

34. Events after the Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

35. Shareholders Information

Distribution of shareholders

At 30 August 2022, the distribution of shareholding was as follows:

Size of shareholding	Shares held	Percentage	Number of shareholders	Distribution of shareholders
1 – 1,000	175,324	0.20%	250	31.77%
1,001 – 5,000	621,410	0.72%	218	27.70%
5,001 – 10,000	982,517	1.14%	119	15.12%
10,001 – 100,000	4,549,694	5.27%	157	19.95%
Over 100,000	79,956,817	92.67%	43	5.46%
Total	**86,285,762**	**100.00%**	**787**	**100.00%**

Substantial shareholdings

The number of shares held by the substantial shareholders listed in the Company's register of substantial shareholders as at 30 August 2022 were:

Size of shareholding	Number of shares	Held %
Mohamed Yoosuff and Mary Yoosuff	11,221,666	13.01%
Geoffrey Bacon and associated interests	11,189,965	12.97%
Dinshaw Katrak	7,292,931	8.45%
Keith William Toose & Kirry Elizabeth Toose	7,132,647	8.27%
Pendal Group Limited	5,803,983	6.73%

Twenty largest shareholders

Shareholder	Number of shares	% Held
MOHAMED YOOSUFF AND MARY YOOSUFF	11,221,666	13.01%
GEOFFREY BACON AND ASSOCIATED INTERESTS	11,189,965	12.97%
DINSHAW KATRAK	7,292,931	8.45%
KEITH WILLIAM TOOSE & KIRRY ELIZABETH TOOSE	7,127,647	8.26%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,077,074	8.20%
NATIONAL NOMINEES LIMITED	6,253,456	7.25%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,138,500	7.11%
DORIS MARIE ROBINSON	2,724,832	3.16%
MIRRABOOKA INVESTMENTS LIMITED	2,708,334	3.14%
DJOKA PTY LTD	2,404,263	2.79%
AHMAD AMIRI	1,955,431	2.27%
GARY J MCCREADY & ROZLYN BARBARA MCCREADY	1,602,842	1.86%
ANDREW MAN-TAT CHAN & KWAN-CHING WONG	1,602,842	1.86%
BRIAN C RODRICKS & LAURIANA MARY RODRICKS	1,602,842	1.86%
MICHAEL LINDEN AND LYN LINDEN	1,432,945	1.66%
MICHAEL SAINSBURY	1,208,257	1.40%
CHRIS WOODWARD	921,634	1.07%
CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	625,000	0.72%
CERTANE CT PTY LTD <BIPETA>	625,000	0.72%
CONLOG (QLD) PTY LTD	583,959	0.68%
Total top 20 shareholders	**76,304,420**	**88.43%**

Shareholders with less than a marketable parcel

As at 30 August 2022, there were 16 shareholders holding less than a marketable parcel of 500 ordinary shares in the company, totalling 557 ordinary shares.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

36. Company Information

Directors	David Rafter, Chairman, Non-executive director Andrew Moffat, Non-executive director Michael Sainsbury, CEO Mohamed Yoosuff, CFO
Company secretary	Michael Austin
Notice of annual general meeting	The details of the annual general meeting of IPD Group Limited are: Level 4 100 Walker Street North Sydney NSW 2060 28 November 2022
Registered office	43-47 Newton Road Wetherill Park NSW 2164 Phone: 1300 556 601
Principal place of business	43-47 Newton Road Wetherill Park NSW 2164 Phone: 1300 556 601
Share register	Automic Registry Services Level 5, 126 Phillip Street Sydney NSW 2000 Phone: (02) 9698 5414
Auditor	PKF Level 8, 1 O’Çonnell Street Sydney NSW 2000
Stock exchange listing	IPD Group Limited shares are listed on the Australian Securities Exchange (ASX code: IPG)
Website	www.ipdgroup.com.au


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