SRG GLOBAL

2023 ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2023
ABN: 81 104 662 259

WHEN IT HAS TO BE DONE RIGHT

SRG Global is a diversified industrial services company. We bring an engineering mindset to deliver critical services for major industry through our asset maintenance, mining services and engineering and construction businesses to solve complex problems across the entire asset lifecycle.

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SRG GLOBAL LTD ABN 81 104 662 259

THIS IS US

WHO WE ARE

We are a **diversified industrial services** company

WHAT WE DO

We bring an **engineering mindset** to deliver **critical services** for major industry

- Engineer
- Construct
- Sustain

OUR VISION

The most **sought-after** diversified industrial services business

MAKING THE COMPLEX SIMPLE

OUR OPERATING SEGMENTS

Asset Maintenance

Mining Services

Engineering and Construction

The most sought-after asset maintenance capability

The Asset Maintenance segment continued its sustained growth in FY23 with numerous long-term contract awards and extensions.

What we do

SRG Global bring an engineering mindset, a large scale multi-disciplinary workforce and the access solutions to make maintaining critical infrastructure and industrial assets easier. We are an embedded partner to our clients delivering continuous maintenance services, large scale shutdown solutions and sustaining capital projects. The breadth of our skills and capabilities means asset owners only have to deal with one contractor, which significantly reduces risk, time, cost and complexity. SRG Global is a contractor with the diverse technical know-how, the workforce and all the access equipment needed to sustain or extend the life of any critical asset.

Core Services

Integrated Maintenance Services
Mechanical, electrical and plumbing for fixed plant maintenance.

Access Solutions
Scaffold and rope access.

Industrial Services
Industrial cleaning, paint and blast, NDT and insulation and lagging.

Refractory
Installation of refractory, gunning and casting of refractory products and installation of refractory anchors.

Remediation Services
Protective coatings, waterproofing, concrete repair and strengthening.

Civil Maintenance
Maintenance of tailings storage facilities and other ancillary site infrastructure.

Asset Care
Asset monitoring, inspection and testing.

Key Projects

- **Rio Tinto** – Specialist remediation contract at QAL's South Trees Island Wharf in Gladstone, Queensland
- **Genesis Energy** – Asset maintenance services for hydro and wind farm infrastructure across NZ
- **Department of Transport (DoT)** – Bridge maintenance works at the West Gate Bridge in Melbourne, Victoria

Key Clients

RioTinto	Fortescue	SOUTH32	woodside	Alcoa	ROY HILL	ADBRI
Shell	LIBERTY	BHP	origin	NEW ZEALAND STEEL	Fonterra Dairy for life	Chevron
Meridian.	YARA	TRANSPOWER	methanex the power of agility	WAKA KOTAHI NZ TRANSPORT AGENCY	REFINING NZ	Fremantle PORTS


SRG
SRG
SRG

Applying our technology and data driven approach to optimise mining productivity

SRG Global's Mining Services segment achieved a strong financial result in FY23 due to excellent operational execution and asset utilisation, as well as securing a number of long-term contracts that will underpin this segment and provide a platform for further growth.

What we do

SRG Global is the only drill and blast contractor that offers an integrated range of complementary technical services to significantly improve safety and productivity on a mine site. Working with our quality clients, SRG Global applies our custom-built software 'Orbix' to provide a uniquely adaptive approach to drilling and blasting, optimising both productivity and asset utilisation. We are dynamic in how we work, executing drilling programs with precision and responding confidently to challenges that arise in the open pit each day. SRG Global is continually investigating safer and more innovative ways of working, as well as re-engineering our machines to improve performance for each customer's mine site.

Core Services

Production Drill and Blast
Production drilling, pre-split drilling, blasting services, explosives supply and management, drill and equipment hire.

Specialist Drilling Services
Reverse circulation grade control, high reach drilling, geotech specialist drilling and horizontal depressurisation (dewatering) drilling.

Specialist Geotech
Geotechnical investigation, instrument installation, rope access services, mine wall support and remediation, rockfall protection systems, depressurisation, ground support product manufacture and supply.

Key Projects

- **Northern Star, Bronzewing gold operations, WA** – Specialist drill and blast services, explosives management and grade control drilling
- **Northern Star, Thunderbox and Carosue Dam gold operations, WA** – Specialist drill and blast services, explosives management and grade control drilling
- **Evolution Mining** - Specialist drill and blast services, explosives management and grade control drilling across multiple sites in Australia

Key Clients

BHP	RioTinto	Fortescue	NORTHERN STAR RESOURCES LIMITED
Evolution MINING	KCGM	LIBERTY	RED5
FIRST QUANTUM MINERALS LTD.	NORTON GOLD FIELDS PTY LTD	GENESIS MINERALS LIMITED	silverlake RESOURCES


SRG


Orbix™

Bringing an engineering mindset to deliver critical services

SRG Global's Engineering and Construction segment continued to deliver solid results in FY23 across key areas of specialist civil and engineering, facades and structure packages.

What we do

SRG Global's Engineering and Construction team solve problems to construct both more efficiently and cost effectively by providing specialist technical expertise, innovative technology and equipment and a highly skilled workforce. We provide specialist engineering and construction services in key markets including dams, bridges, mine site infrastructure, wind farms, aviation and tanks as well as specialist facade and structural construction with repeat, tier one clients. Decades of experience across all forms of iconic infrastructure has allowed us to develop the innovative techniques and the specialised tools needed to make any infrastructure project less complex.

Core Services

Civil Infrastructure

Complex structures, dam construction and strengthening, bridges, tanks, windfarms, mine site infrastructure, civil maintenance and remediation, aviation and marine infrastructure.

Engineered Products

Structural products, architectural and facade products, post-tensioning products, reinforcing products and ground stabilisation products.

Specialist Facades

Facade design and construction, curtain wall facade design and certification and facade installation.

Structures West

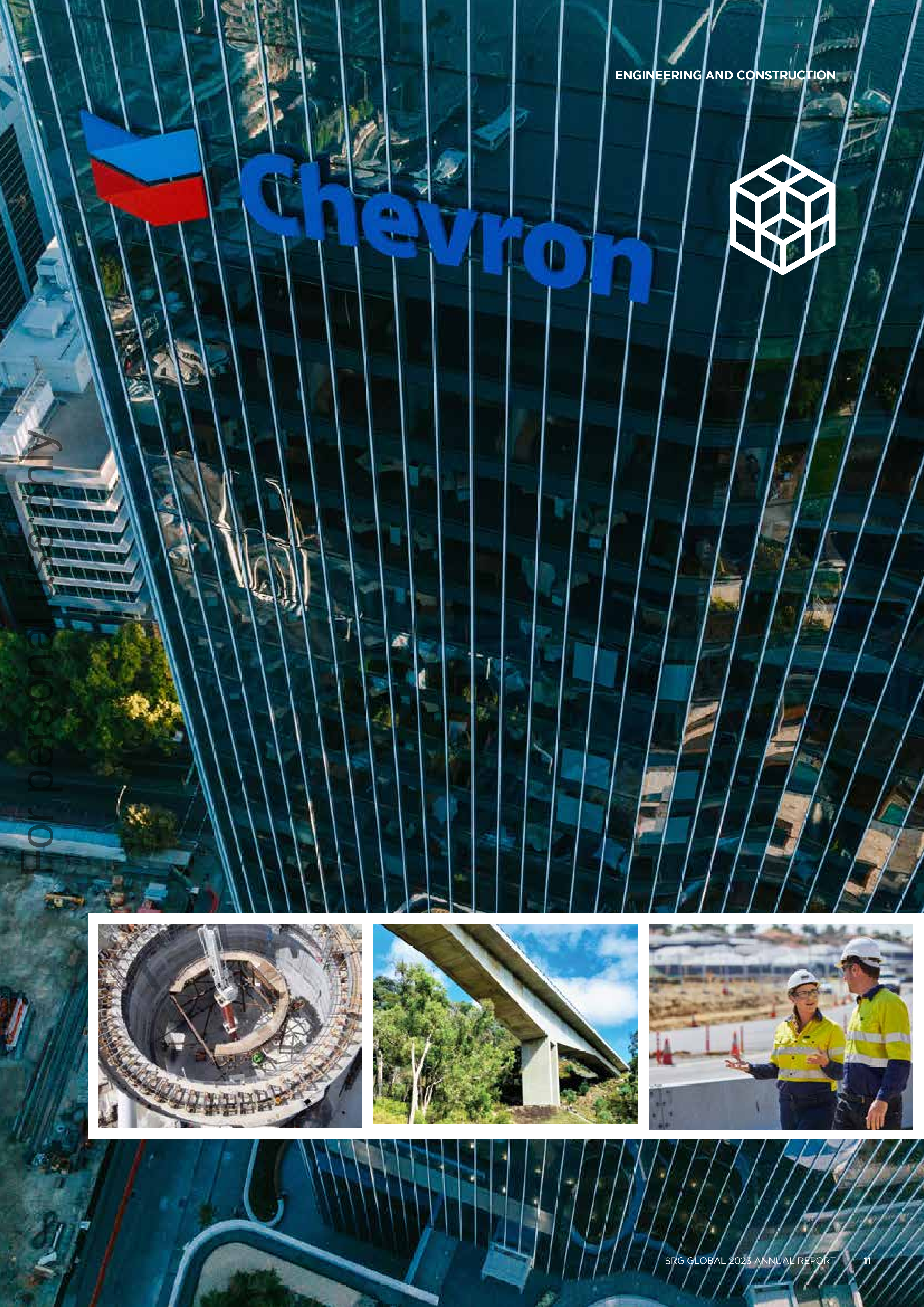
End to end delivery of structural concrete construction.

Key Projects

- **Water Corporation –** Specialist Civil water infrastructure project in WA to construct an ocean outfall transition tower, associated pipework and other wastewater infrastructure assets
- **FMG –** Construction of a 21km haul road at the existing Eliwana Mine site
- **Multiplex –** Design, supply, and installation of specialist engineered curtain wall facades and structures works for the Edith Cowan University Campus in Perth's CBD

Key Clients

NSW Government Transport for NSW	WaterNSW	Water Corporation	mainroads Western Australia	Alcoa	Fortescue
SA Water	South32	Australian Government Defence	seqwater Water for life	sunwater	vicroads
Built.	Multiplex Built to outperform.	Hyundai Engineering & Construction	lendlease	Albemarle Corporation	Fremantle Ports


Chevron

Executing our strategy and increasing shareholder value

On behalf of the Board, it is with great pride that I present the FY23 SRG Global Limited Annual Report.

I am pleased to report that our transformation to a diversified industrial services business is delivering record results as we continue to execute our strategy of delivering long-term sustainable growth. Our FY23 performance demonstrates the strength of our business, our ability to capitalise on strategic acquisitions and the dedication of our people who underpin our ability to provide increasing returns to shareholders.

CONTINUED PERFORMANCE AND PATHWAYS FOR SUSTAINABLE GROWTH

SRG Global's vision is to be the "most sought-after" diversified industrial services company in the industries in which we operate. Our strategic transformation to a company with a two thirds annuity earnings profile provides us with a solid platform to grow and leverage our engineering mindset to deliver critical services for major industry.

The combination of exceptional work winning coupled with strong operational performance across our expanded geographic footprint has contributed to a record financial result. The Board would like to sincerely thank all our people for their efforts in stepping up to every challenge and opportunity as we continue to become the company I know we can be.

SRG Global will continue to focus on the revenue synergies that exist between our integrated service offerings by applying our specialist expertise with our long term, blue-chip client base across the diverse sectors in which we operate. We are also well positioned to capitalise on further growth opportunities through existing relationships that are aligned with our commercial framework.

In February 2023, we successfully completed a transformational acquisition that enhances and accelerates the group's growth ambitions. The addition of Asset Care brings together two highly complementary businesses that provide significant cross selling opportunities with existing customers. It is also consistent with SRG Global's strategy of delivering step change growth in recurring asset maintenance services and enhances our broader offering across the asset management lifecycle by adding significant capability and expertise in front-end monitoring and testing.

The Board would like to acknowledge the company's strong leadership and in particular, SRG Global's Managing Director David Macgeorge and his Executive team on a transformative and highly successful year. Their ability to execute our strategy through creating a high-performing culture that empowers people to "be their best" is the foundation for the company's long-term sustainable growth. The company continues to go from strength to strength and is incredibly well positioned for the future.

BOARD AND GOVERNANCE

The Board is very pleased with the ongoing work around our governance framework and associated processes which has ensured it remains both robust and fit for purpose. This year, there has been a significant focus on both supply chain and cyber risk mitigation which will ensure we are well positioned to support SRG Global's growth and expansion plans into the future.

I would like to extend my thanks to the Board for their support and contribution to achieving our vision of being the most sought-after diversified industrial services business.

We will continue to monitor and assess the skillset and composition of the Board and I am confident that we have an excellent mix of expertise and experience that will underpin our continued success in delivering increasing returns to our shareholders.

POSITIONED FOR LONG-TERM GROWTH

SRG Global has made excellent progress this year and with the strong foundations that have been established through our transformation, the company is well positioned to capitalise on a broad range of opportunities in the key markets in which we operate.

We will remain disciplined and measured whilst delivering strong returns to shareholders by continuing to provide smart, critical services to our clients. The foundation we have established through the execution of our strategy is the platform for the next phase of our growth journey. I am confident that we not only have the right strategy but also the right people, capability and culture to position SRG Global well into the future.

On behalf of the Board, we appreciate the ongoing support of our shareholders and look forward to an exciting and rewarding future ahead for SRG Global.

Peter McMorrow
Non-Executive Chairman

Live for the challenge

We live to solve problems and have the courage to challenge the status quo and what's considered possible.

Smarter together

Individually, we're all pretty smart but when we pool our resources and work together as one, we're capable of taking on the world.

WHAT WE STAND FOR

Never give up

We're doers. We are resilient and relentlessly pursue excellence in everything we do. 100% accountability, zero excuses.

Have each other's backs

We're stronger as one team. We look out for each other and keep each other out of harm's way.

Delivering record results and a strong platform for the future

SRG Global has achieved both exceptional results in FY23 and step change growth in building the most sought-after diversified industrial services business.

The company has delivered record returns to shareholders driven by our ability to win and execute work, expanded and strengthened our position in key growth markets across Australia and New Zealand, and made significant progress on our growth strategy through the acquisition of Asset Care. In a macro environment where increased costs are a challenge for industry, our EBITDA margin has improved for FY23. This is evidence of our disciplined commercial and delivery model, strong execution and the dedication of our teams.

The transformation to a diversified industrial services business is delivering results and we have set the foundations to continue providing positive and sustainable returns to shareholders.

OUR PEOPLE

We are a hard-working, high-performing business and our continued growth is a result of an exceptional level of work winning and execution. Our success is an outcome of the dedication of our people and I could not be prouder of the commitment our teams have shown and how we have come together and embraced this period of intensive growth, whilst continuing to deliver exceptional results. To this end I would like to thank all our people for their contribution to a transformative year and for continuing to drive the one business-one team approach where we live for the challenge, are smarter together, never give up and have each other's backs.

We recognise that a skilled and diverse workforce is a key to creating great outcomes. In FY23 we continued to implement new and innovative ways to bring diversity into the business. Our culture supports and values an inclusive and diverse workforce. We foster an environment that drives both different thinking and approaches to making the complex simple.

Our commitment to making a positive impact in the communities in which we operate is also embedded in the way we do business. Again, this year we have made a positive contribution, both financially and socially, through our many partnerships in the local communities where we operate. In addition through our training and employment initiatives, we were also able to provide structured upskilling and capability development opportunities that also underpin many shared and lasting outcomes.

We continue to build on the broad range of initiatives we have in place to maximise opportunities for local Indigenous people. Our relationship with the Njamal people through our established JV Company, Bugarrba, has been successful in securing further works that provide sustainable employment opportunities for Aboriginal People. Importantly we have made significant progress on our Reconciliation Action Plan and advanced our long-term commitments to strengthening our relationships with First Nations People.

In FY23 we have continued to embed sustainable practices to improve our processes, systems and customer focus and ensure we deliver a


WINDFARM MAINTENANCE, NEW ZEALAND

WOMEN IN CIVIL AWARD, CCF WA

positive environmental impact across our operations. Through proactive engagement with our customers and community groups we have undertaken many new initiatives including; multiple renewable energy installations on our facilities and site offices to optimise our energy consumption, significant reduction in carbon outputs in our use of "green" concrete and various other carbon offset programmes such as tree planting and water conservation.

ZERO HARM

Zero Harm is a journey that never ends and I often refer to it as the glass ball in business that you can never drop. Our established Zero Harm Committees

ASSET MONITORING AND TESTING

operate at all levels within the business including at Board level. This drives our Zero Harm culture by setting clear goals, giving employees the necessary skills and training they need to do their work safely and encouraging our people at all levels to be involved in our Zero Harm journey.

As the size of our business and workforce grows, it is imperative that we continue to drive the safety and well-being of everyone at SRG Global. This year we have strengthened our health and safety initiatives, which has included the rolling out of multiple new leadership and training programs. We continually invest in new technology and equipment enhancements to drive Zero Harm excellence across the business.

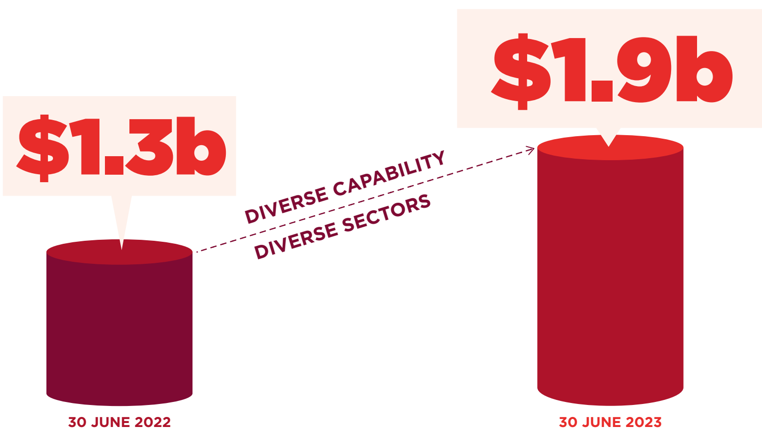
Our efforts in fostering a safety-conscious culture have yielded positive results. Nevertheless, we recognise that our journey towards excellence is ongoing and has no finish line, and we remain firm in our commitment to achieving Zero Harm in all aspects of our operations. Safety is always at the forefront of our minds, and we will continue to strive for even greater progress in the future.

DELIVERING ON OUR STRATEGY

The transformation to a diversified industrial services business is delivering above-market earnings growth driven by the implementation of our long-term strategy. Through achieving a higher level of annuity type earnings profile across a diverse range of sectors, geographies and capabilities, the Company is now well positioned to achieve sustainable growth across all our operating segments.

Further, our ability to capitalise on strategic acquisitions, deliver continued margin improvement, secure record work in hand and maintain strong operational performance across each of our operating segments has all

RECORD WORK IN HAND



contributed to our strong FY23 result.

We have also added market leading technical expertise in front-end asset integrity and reliability services to complement SRG Global's back-end maintenance expertise through the addition of the Asset Care business. I am incredibly proud of how everyone has come together as one team to ensure a seamless transition and how quickly we have progressed a number of significant cross-selling opportunities. Importantly this transaction has been very well received by our respective customer bases who have quickly identified the potential of this combined service offering.

We continue to innovate by investing in expertise and technology that enhances our ability to apply real value engineering to the delivery of critical services for major industry. We have positioned SRG Global at the "smart end" of technology, to continue along a pathway that builds upon our 60-year track record of making the complex simple and also ensuring we remain integral to our clients' ongoing success. Critical to achieving this outcome is robust and industry best practice systems, and to this end I would like to acknowledge our internal Project Evolve team for their efforts enhancing our systems to position SRG Global for success now and into the future.

OPERATIONAL REVIEW

Asset Maintenance Services

For FY23 the Asset Maintenance segment delivered revenue of $302.2m (2022: $214.8m) and EBITDA of $35.8m (2022: $25.2m).

The Asset Maintenance segment delivered further growth in FY23, driven by multiple long-term contract awards and extensions. Our relationship-based approach has enabled us to secure a number of contracts with existing clients and expand on the services we perform across their sites.

In addition, an increased focus on the marine infrastructure sector enabled us to secure multiple contracts in key industrial hubs including Swanston Dock in Victoria and the port in Fremantle. The addition of our Asset Care business also complemented our existing operations exceptionally well which included a number of significant cross-selling opportunities being won. Examples of key achievements include the following:

Mining

- 5-year maintenance and shutdown contract with FMG Iron Bridge JV at Iron Bridge Mine Site in the Pilbara region of WA;
- 5-year multi-disciplinary services term contract for scaffold services at port operations and facilities with FMG (through SRG Global's Aboriginal JV 'Bugarrba'); and
- 5-year term contract with BHP to provide shutdown engineered access services in the Pilbara region of WA (through SRG Global's Aboriginal JV 'Bugarrba').

Refinery – Alumina

- 4-year Industrial services term contract with Alcoa at both its Wagerup and Pinjarra operations in WA.

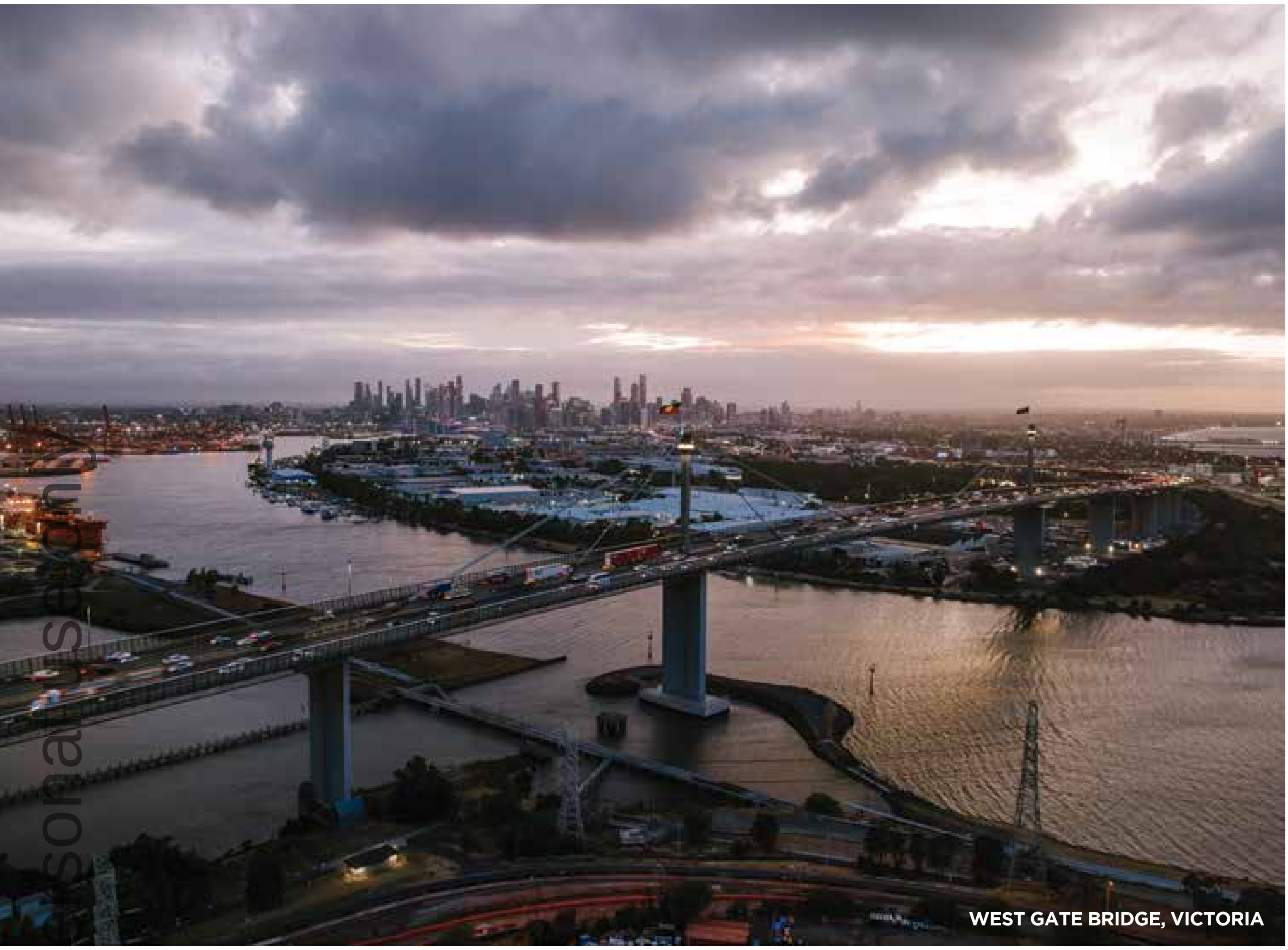
Refinery - Lithium

- 2.5-year contract with Marble Lithium Operations (Albemarle) at its new Kemerton facility in WA for specialist access services.

Marine Infrastructure

- 2-year contract for wharf remediation works as part of Port of Melbourne's Swanson Dock West Remediation Project in VIC;
- 3-year term contract with QAL to provide specialist remediation works at the South Trees Island Wharf in Gladstone, QLD; and
- 3-year marine remediation contract with Fremantle Ports at Kwinana Bulk Jetty, WA.

FMG FACILITIES, PILBARA REGION OF WA



WEST GATE BRIDGE, VICTORIA

Manufacturing

- Maintenance contract for specialist refractory installation for Visy Australia.

Renewable Energy

- 7-year term contract with Meridian Energy to maintain its hydro and wind assets across New Zealand (NZ); and
- 3-year term contract with Genesis Energy Ltd to provide asset maintenance services for its hydro and wind farm infrastructure in NZ.

Energy

- 1-year term contract with Transpower New Zealand to provide coatings and minor steel replacement services for transmission tower refurbishments.

Fuel Terminal

- 3-year term contract with Channel Infrastructure New Zealand to provide industrial coatings for maintenance of fuel storage assets and associated infrastructure at Marsden Point.

Bridge Maintenance

- Bridge maintenance works at the West Gate Bridge for the Department of Transport Victoria (DoT);
- Bridge maintenance works at the Nine Mile Creek Bridge for the DoT;
- Bridge maintenance works at the Glenferrie Road over Caulfield Rail Bridge for the DoT; and
- Bridge maintenance works at the Donnybrook Road Bridge over Barbers Creek for the DoT.

Asset Care

- 2-year contract for the supply of non-destructive testing, condition monitoring and inspection services for BHP Iron Ore across all its WA iron ore mine sites, rail, road and port infrastructure.

These contracts represent another significant step forward in our strategy to expand services with blue-chip clients across multiple industries and build on our portfolio of annuity / recurring earnings agreements as we move into FY24.

ALCOA KWINANA REFINERY, WA

OPERATIONAL REVIEW

Mining Services

For FY23 the Mining Services segment delivered revenue of $140.4m (2022: $114.0m) and EBITDA of $29.5m (2022: $23.9m). Our excellent financial result can be attributed to the exceptional execution of our operations and efficient utilisation of our assets within our production drill and blast business, serving high-calibre clients in the gold and iron ore sectors.

Throughout the year, the Mining Services business has delivered outstanding operational performance and demonstrated its industry leading capabilities by securing several significant contracts and extensions. These project wins form a solid foundation for our ongoing success, not only reinforcing our pipeline of production-based long-term contracts but paving the way in the expansion of our client base within the mining sector. Our relationship with Northern Star continues to grow, with a remarkable 25-year+ partnership at the Kalgoorlie Super Pit, where we have further expanded this relationship with several new term contracts secured.

Notable achievements by the Mining Services Segment include:

- 5-year term contract with Northern Star at its Bronzewing gold operations in WA where the scope of works include the provision of specialist drill and blast services, explosives management and grade control drilling;
- 2-year contract extension at Northern Star's Thunderbox and Carosue Dam gold operations in WA. The scope of services includes the provision of specialist drill and blast services, explosives management and grade control drilling; and
- 5-year term contract for geotechnical ground support, rock fall protection systems, depressurisation drilling and rope access services at Northern Star's KCGM gold operations in WA.

The SRG team is continuously developing best practice initiatives to stay ahead of the market through innovation and advanced technologies. Our in-house developed analytics software 'Orbix' continues to be enhanced to maximise data driven insights that improve decision making, for both SRG Global and our clients.

This technology-led approach provides a competitive advantage in the production drill and blast sector and positions our specialist teams to work collaboratively with our clients and leverage the data-driven insights to improve overall operational efficiency.

With an increased order book, industry leading technology-led capabilities and an efficient operating model the Mining Services business is in a position to continue to grow sustainably through opportunities with top-tier clients.

THUNDERBOX MINE SITE, WA

OPERATIONAL REVIEW

Engineering and Construction

The Engineering and Construction segment maintained its robust performance in FY23 delivering revenue of $366.4m (2022: $315.4m) and Underlying EBITDA of $31.8m (after excluding one-off costs of $2.0m relating to exiting the Building Post-Tensioning ('PT') and Middle East businesses) (2022: $22.8m).

The strong performance of the Engineering and Construction segment is evidenced through exceptional work winning and operational execution. Our relationship-based model has delivered a range of new project awards and extensions to existing term contracts with existing clients that further adds to revenue mix. Our ability to target any major road and bridge projects in Australia, through now having the highest possible road and bridge accreditation (R5/B4), has resulted in key contract opportunities and more broadly unlocked a market where we draw on our specialist skillsets to selectively pursue projects under collaborative contracting models.

The Civil business in Australia continues to excel operationally across a range of segments and secured key projects with existing clients by applying our engineering-led approach to the delivery of bridges, tanks and dams. Notably, our Civil team have been recognised for their expertise and capabilities at the CCF WA Earth Awards for the Karratha 20ML Water Tank project for Water Corporation.

The Infrastructure business unit (formerly WBHO Infrastructure) has been successfully integrated and is exceeding expectations in its first full year with SRG Global. Sustained construction activity in the resources sector has resulted in multiple contract awards with existing and new clients. Importantly key term contracts with long-term clients were renewed in FY23 for critical works that require the specialist skillsets held within the Infrastructure team.

Our international business successfully completed works on the Hazelmere Dam Project in South Africa, progressed multiple discussions with engineered products resellers in Europe (where SRG Global looks to expand its offering in that market) and also successfully exited operations in the Middle East. Moving forward the focus will be to continue to monitor opportunities where our specialist capabilities can be applied to engineer, construct and sustain dams, bridges and tanks.

The Structures West business continues to perform exceptionally across a range of sectors. The delivery of iconic projects that modernise city skylines is evidenced through delivery of projects in Elizabeth Quay, Capital Square and in conjunction with our Specialist Facades team, for the development of the Edith Cowan University (ECU) City project development all located in the Perth CBD. The Structures West team continue to embed SRG Global in the Defence sector through the successful delivery of key infrastructure projects at various bases across Western Australia.

The Specialist Facades business has also reaffirmed its position as the market leader for Tier 1 projects across Australia. During FY23 the business has won and executed numerous projects across Australia, working with key repeat clients across diverse sectors, including health, education, defence, retail, commercial, hospitality, and high-rise residential. The business demonstrated remarkable performance in FY23, and as a result, it now boasts a record level of work in hand and a strong pipeline for the next three years.

The following FY23 contract awards demonstrate our strong position across a diverse range of sectors:

Water Infrastructure

- Specialist civil water infrastructure project with Water Corporation Western Australia, to construct an ocean outfall transition tower, associated pipework and other wastewater infrastructure assets.

Mining

- Term contract extension with South32 for civil maintenance works at Worsley Alumina;
- Construction of a 21km haul road at the existing Eliwana mine site for FMG;

- Earthworks and civil construction contract for the laydown area to facilitate the delivery of Trains 3 and 4 for Albemarle at their Kemerton lithium processing plant;
- Specialist earthworks, mechanical, electrical and HDPE lining associated with the construction of tailings storage facility for BHP Nickel West;
- Tailings storage facility construction contract at Northern Star Resources' Gidji mine site; and
- Contract for the earthworks and civil contract extension with BCI Minerals at Mardie Salt and Potash.

Aviation

- Aviation infrastructure contract for the upgrade to the Tropicana Aerodrome in the Goldfields region for AngloGold Ashanti Australia.

Rail

- Supply of engineered products and specialist engineering services at the Cross River Rail project in Queensland.

High-rise Commercial

- Specialist facades contract for the Atlassian Headquarters that will be the world's tallest hybrid timber building in Sydney;
- Specialist facades contract for the 51 Flinders Lane development in Melbourne; and
- Specialist Facades contract with Lendlease for One Circular Quay in Sydney.

Education

- Design, supply, and installation of specialist engineered curtain wall facades and structures works for the Edith Cowan University Campus in Perth's CBD.

Health

- Specialist facades contract for the new Dunedin hospital development in NZ; and
- Specialist facades contract for the Frankston Hospital Redevelopment in VIC.

Our Engineered Products team has undergone a year of tremendous growth and broadened our offering both domestically and internationally in line with our strategic pillar. The business has enhanced its internal product development capabilities and leveraged our specialist expertise to introduce new products to established markets and networks. Expansion into new markets where we operate, specifically New Zealand, has enabled the Engineered Products business to expand offshore with the establishment of our Auckland Facility.

In line with our strategic objective to expand the Engineered Products business, the acquisition of Bartek

TROPICANA AERODROME, GOLDFIELDS WA

has enabled SRG Global to solidify its position as a prominent supplier of rebar couplers to the infrastructure and building sectors, leading also to improved access to well-established international suppliers.

I believe this area of the business can continue to grow both organically and through the acquisition of other complementary engineered products businesses that in turn will benefit from our well established sales and purchasing networks.

FINANCIAL STRENGTH

Our underlying FY23 EBITDA result of $80.1m (after excluding one-off transaction costs of $4.5m for the Asset Care acquisition and $2.0m relating to exiting the Building Post-Tensioning and Middle East businesses) is above our previously upgraded guidance range of $79m to $80m.

This is 40% higher than the FY22 result which is a terrific outcome. SRG Global's continued strong margin performance has been underpinned by excellent operational execution. Our EBITDA margin performance of 9.9% is 1% higher than FY22 and is clear evidence of our ability to win and execute contracts with quality clients under the right commercial terms. This has been achieved despite the challenging macroeconomic environment we have been operating in.

SRG Global is in a robust financial position with available funds of $143.8m. Importantly, the Company generated excellent operating cash flow in FY23 with EBITDA to Cash Conversion of 68%, and this being despite acquiring Asset Care for $80.0m and net investment of $27.2m in capital expenditure during the period. Our overall net cash position decreased to a net debt position of $17.0m and continues our strong track record of cash generation.

The strength of our balance sheet provides the foundation to fund our future growth plans. This enables the Company to be agile when opportunities present themselves, such as the Asset Care acquisition, and therefore provides a strategic advantage in the market.

We will continue to invest in the business for growth as well as continue to reward our shareholders with above market returns whilst maintaining financial strength and discipline. The Board has also resolved to pay a final dividend of 2.0 cents per share fully franked, bringing the full year total to 4.0 cents per share and representing a 33% increase on last year.

STRATEGIC TRANSFORMATION DELIVERING SUSTAINABLE GROWTH

SRG Global's continued strong performance is evidence of the successful execution of our strategic transformation to a truly diversified industrial services company. With greater than $1.2 billion of new contract wins in FY23, many of them long-term, SRG Global is well positioned for the future. Importantly, the contract wins are being achieved at strong margin, across a diversity of sectors and geographies and thereby positioning SRG Global for long-term, sustainable growth. The Company has record work in hand of $1.9 billion, which is up 46% on FY22 with two thirds annuity earnings profile and positive exposure to the asset maintenance, industrial and mining sectors as well as significant investment in the infrastructure and construction sectors.

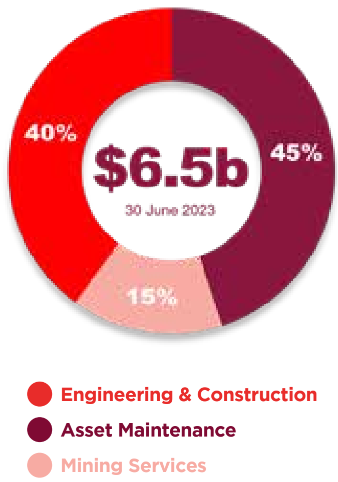
I would personally like to again acknowledge all of our 3,300 SRG Global employees for the way they have contributed to making our company what it is today. I am sure this will continue in FY24 as we live for the challenge, are smarter together, never give up and have each other's backs.

I would like to take this opportunity to thank our shareholders for their strong support for our successful equity raising this year for the purchase of ALS Asset Care. I look forward to continuing to deliver for all our shareholders on what will be an exciting journey ahead as we build SRG Global into the company that I know we can be.

David Macgeorge

David Macgeorge
Managing Director

OPPORTUNITY PIPELINE



BUILDING THE MOST SOUGHT-AFTER DIVERSIFIED INDUSTRIAL SERVICE BUSINESS

LEADERSHIP HORIZON

- ✓ Zero Harm / ESG industry leader and recognised employer / partner of choice
- ✓ Domestic / International growth in Engineered Products across all SRG operating segments
- ✓ Selective strategic acquisitions to complement capability / footprint
- ✓ Consistent, above market shareholder returns (EPS and TSR)
- 80% annuity / recurring and 20% project-based earnings

GROWTH HORIZON

- ✓ Step change growth in recurring Asset Maintenance Services
- ✓ Innovation and selective growth in Mining Services
- ✓ Targeted growth in Civil Infrastructure Construction / Remediation
- ✓ Specialist services and products in Building Construction with key repeat clients
- ✓ 67% annuity / recurring and 33% project-based earnings

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2023

The Directors present their report on the consolidated entity consisting of SRG Global Limited (the 'Company' or 'SRG Global') and the entities it controlled (the 'Group') at the end of, or during the year ended 30 June 2023.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Name		
Peter McMorrow	Non-Executive Chairman	Full Financial Year
David Macgeorge	Managing Director	Full Financial Year
Peter Brecht	Non-Executive Director	Ended 13 October 2022
Michael Atkins	Non-Executive Director	Full Financial Year
Amber Banfield	Non-Executive Director	Full Financial Year

EXPERIENCE, QUALIFICATIONS AND RESPONSIBILITIES

Peter McMorrow
Non-Executive Chairman

Peter McMorrow joined the Board of SRG Global as Deputy Chairman in September 2018 and was appointed Chairman on 26 November 2019. He is also a member of the SRG Global Audit Committee and Chair of the Remuneration & Nomination Committee.

Peter has over forty years' project and executive experience and is a respected leader in the infrastructure and resources industries. Encompassing a wide variety of large and complex infrastructure projects both overseas and within Australia, his industry knowledge extends to all facets of engineering, project identification, winning and delivery as well as management of dynamic, profitable and long lasting business operations.

Prior to joining SRG Global, Peter was Managing Director of Leighton Contractors from 2004 to 2010. Under his guidance, Leighton Contractors expanded considerably with turnover increasing to over $5 billion and the workforce increasing fourfold to approximately 10,000 employees. Peter was previously a board member for Valmec Limited until October 2021.

Peter is an advocate for health and safety and brings a strong zero harm vision to both SRG Global and the industry in which it operates.

David Macgeorge
Managing Director

David Macgeorge was appointed Managing Director of SRG Global in September 2018. Prior to this, David held the role of Managing Director for SRG Limited since May 2014.

David has extensive senior executive experience in contracting, logistics, infrastructure and mining service industries and has a strong record of leading business transformations, driving value creation and growth through a unique understanding of strategy, customer focus and shareholder returns.

Prior to joining SRG, David held senior executive roles with BIS Industries, Cleanaway and CHEP (a subsidiary of Brambles). He also provided consultancy to Leighton Contractors.

David holds a Bachelor of Business and has completed the Senior Executive Management program at INSEAD Business School in France.

Michael Atkins
Non-Executive Director

Michael joined the SRG Global Board as a Non-Executive Director in September 2018 and is Chairman of the SRG Global Audit Committee.

Michael was a founding partner of a national Australian Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia. Since 1987 he has been both an executive and non-executive director of numerous publicly listed companies with operations in Australia, USA, South East Asia and Africa.

Michael is currently Non-Executive Chairman of Australian listed company Castle Minerals Limited.

Michael more recently was Non-Executive Chairman of Australian listed company Legend Mining Limited, Senior Advisor - Corporate Finance at Canaccord Genuity (Australia) Limited, Non-Executive Director of Australian listed company Warrego Energy Limited and Non-Executive Chairman of Azumah Resources Limited.

Michael is a Fellow of the Australian Institute of Company Directors.

Directors' Report (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Amber Banfield
Non-Executive Director

Amber joined the SRG Global Board as a Non-Executive Director on 25 October 2021. Amber is a member of the SRG Global Remuneration and Nomination Committee and is Chair of the SRG Global Zero Harm Board Committee. Amber was previously a member of the Audit Committee.

Amber brings valuable experience in transformational growth supporting the customers, markets and sectors serviced by SRG Global, as well as additional skills in sustainability and new energy markets.

Amber has been involved in the resource and energy sectors for over 25 years. She held operations, management and advisory positions with several ASX-listed entities, including Worley Limited (ASX: WOR) supporting the company's growth to become the world's largest energy and resources engineering service provider. Her roles related to strategy, commercial, sustainability, mergers and acquisitions, servicing the sectors of mining, renewable power, gas and infrastructure. More recently, Amber has supported companies relating to ESG, decarbonisation and sustainable investments.

Amber is also a Non-Executive Director of Perseus Mining, an ASX/TSX-listed international gold miner, Non-Executive Director of Leo Lithium, an ASX-listed lithium developer and is on the Board of the Western Australian Football Commission, responsible for the governance of Australian Rules football in WA.

Amber holds a Bachelor of Engineering (Environmental) degree and a Master of Business Administration, both awarded by the University of Western Australia.

COMPANY SECRETARIES

Name	
Roger Lee	Full Financial Year
Judson Lorkin	Full Financial Year

Roger Lee
Chief Financial Officer & Joint Company Secretary

Roger was appointed CFO & Company Secretary for SRG Global in September 2018. Prior to this, Roger held the role of CFO & Company Secretary for SRG Limited since July 2014 and brings over twenty five years' experience in senior and executive management in Australia. Roger is a qualified CPA and is a graduate of the University of Western Australia in Commerce, majoring in Finance and Accounting.

Judson Lorkin
Group Financial Controller & Joint Company Secretary

Judson was appointed Group Financial Controller & Company Secretary on 27 August 2021. Judson joined SRG Global in 2016 as the Group Manager for Corporate Development. Prior to SRG Global, Judson held senior roles in investment banking, corporate finance and capital markets advisory.

Judson qualified as an Actuary (AIAA) after completing his Bachelor of Science (Actuarial Science), holds a Graduate Diploma in Applied Finance (Corporate Finance) and is a Fellow of Financial Services Institute of Australasia (FINSIA), Fellow of the Governance Institute of Australia (GIA) (formerly Chartered Secretaries Australia), Associate CPA and MAICD.

DIRECTORS' SHAREHOLDINGS

The following table sets out each Directors' relevant interest in shares, debentures and rights or options in shares or debentures of the Company as at the date of this report.

Name	Fully Paid Ordinary Shares Number	Performance Rights Number
P McMorrow	12,500,000	-
D Macgeorge	5,438,389	2,400,000
M Atkins	1,000,000	-
A Banfield	-	-

MEETINGS OF DIRECTORS

The number of meetings of SRG Global's Board of Directors and each Board Committee held during the year ended 30 June 2023 and the number of meetings attended by each Director was:

	Board of Directors meetings		Meetings of committees			
			Audit Committee		Remuneration & Nomination	
Name	Eligible	Attended	Eligible	Attended	Eligible	Attended
P McMorrow	9	9	3	3	3	3
D Macgeorge	9	9	-	-	-	-
P Brecht	3	3	-	-	1	1
M Atkins	9	9	3	3	-	-
A Banfield	9	9	-	-	3	3

Directors' Report (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

PRINCIPAL ACTIVITIES

During the financial period, the principal continuing activities of the Group consisted of delivering a suite of engineering-led specialist asset maintenance, mining services and engineering & construction services across the entire asset lifecycle.

SIGNIFICANT CHANGES IN STATES OF AFFAIRS

Other than the acquisition of ALS Industrial Pty Ltd during the financial year, there have been no other significant changes in the state of affairs of the Group.

OVERVIEW AND FINANCIAL RESULTS

Information on the operations and financial position of the Group and its business strategies is set out in the Managing Director's Report on pages 14 to 25.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 18 July 2023, the Group secured a contract with Lendlease in Victoria, valued at $30m. The scope of the contract included the design, supply and installation of specialist engineered curtain wall facades at the Frankston Hospital Redevelopment located in Victoria. The contract will commence immediately and is expected to be completed in 2024.

On 15 August 2023, the Group secured a contract with Multiplex in Western Australia, valued at $25m. The scope of the contract included the design, supply and installation of specialist engineered curtain wall facades at Nine The Esplanade located in the Elizabeth Quay precinct in Perth. The contract will commence immediately and is expected to be completed in 2024.

On 22 August 2023 the Group announced a final, fully franked dividend of 2.0c per share. The record date for this dividend is 7 September 2023 with the payment to be made on 7 October 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the Group's state of affairs in future financial years other than the matters noted above.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS IN OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations has not been included in this report as the Directors believe it would likely result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATIONS

The operations of the Group are subject to environmental regulation under country, state, and territory legislation.

The Directors are not aware of any breaches of environmental regulations during the year or as at the date of this report. The Company has met all its reporting requirements under the relevant legislation during the year and continually aims to improve its environmental performance.

The Company does not currently meet the thresholds of the National Greenhouse and Energy Reporting Act 2007 and is therefore not currently subject to its reporting requirements.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company, nor have any applications been made in respect of the Company under Section 237 of the *Corporations Act 2001.*

CORPORATE GOVERNANCE

The Board is committed to achieving the highest standards of corporate governance. The Board reviews and improves its policies and procedures to ensure they are effective for the Group and fulfill the expectations of stakeholders. The Board's Corporate Governance Statement can be located on the Company's website via the following URL: http://www.srgglobal.com.au/who-we-are/corporate-governance/.

DIVIDENDS

The Board has declared the following dividends in relation to the 2023 financial year:

- A final, fully franked $10.4m (2.0 cents per share) dividend on 22 August 2023. The record date for this dividend is 7 September 2023 with payment to be made on 7 October 2023.
- An interim, fully franked $10.4m (2.0 cents per share) dividend on 16 March 2023. This dividend was paid on 14 April 2023.

The total fully franked dividends declared by the Company in relation to the 2023 financial year are $20.8m (4.0 cents per share).

RISK MANAGEMENT

To ensure SRG Global continues to deliver value to its internal and external stakeholders the Company understands the need to manage its exposure to events that may impact its ability to achieve its strategic objectives. The voracity of these events range in severity and are managed both at an operational and corporate level. In its assessment of severity, the Company recognises the significant material risk events ('MRE') it is exposed to are:

- Changes in regulation and regulators
- Safety and Harm to Employees
- Global and domestic financial market conditions
- Climate conditions, predominantly in regional and remote locations
- Disruption to Information Technology systems and Cyber Security events
- Client appetites to contract risk transfer

The Company's exposure and response to each MRE are summarised in the table below:

MRE	Impact Assessment
Changes in regulation and regulators	The Company operates across a number of domestic (Australian) states and territories, with permanent operations in New Zealand and intermittent project works in multinational jurisdictions. In addition to operations, the Company is an importer of goods from certain international markets including China. Amendments to regulations, regulators or geopolitical instability can impact the operations of the Company by: • Requiring it to carry more liquidity. • Increasing employment of locals or nationals. • Altering the structure of its operations including the diversification of existing markets and industry segments. • Investment in new technologies or equipment (including low or reduced emissions products). • Disrupting its supply chain. To manage its exposure to this MRE the Company constantly monitors changes in the domestic and international regulatory environments in which it operates and its reliance on certain markets for its supply chain operations. The result of such monitoring activities include alterations to business continuity planning, sourcing of alternative suppliers, resourcing requirements and entry into new and emerging markets, or divesture from existing markets.
Safety and Harm to Employees	Employees of the Company operate in industries which can carry inherent risk of injury and harm to themselves and members of the community. Management of the exposure to injury and harm remains a key priority for the Board, the ELT and is embedded in the core values of SRG Global. The Company maintains a strong focus on safety with a health and safety framework certified to ISO45001 for occupational health and safety management. Supplementing this certification is a stringent review process of safety and safety incidents across the Company's operations led by the Zero Harm Leadership Team, filtered down to site operations and a strong culture of 'Have Each Others Backs'.
Global and domestic financial market conditions	Movements in market conditions may impact operations of the Company in three ways: • Increased cost of capital for operations. • Industry segment volatility (changes in commodity prices and Client project funding). • Fluctuations in foreign exchange rates. In response to each exposure point the Company has implemented a number of strategies to offset its exposure including: • A strong focus on cash conversion to mitigate the exposure to fluctuations in the cost of capital and leverage the strength of its balance sheet. • Robust financial modeling including cash flow forecasting, budgeting and monthly reviews. • Reviews of operational and key financial risks at regular Board meetings. • Transfer of foreign exchange risk in contract pricing and procurement via fixing of rates, hedging and denominations where practicable. • Reducing its exposure to single industries or segments (including commodity) to offset potential downturns. • Balancing revenues between annuity projects, providing a constant revenue source and project revenue.

RISK MANAGEMENT (CONTINUED)

MRE	Impact Assessment
Climate conditions, predominantly in regional and remote locations	Changing climatic conditions can lead to volatility in weather conditions and predictability of the environment in which the Company delivers its projects, primarily in regional and remote locations. The impact is primarily attributed to delays and increased cost of delivery. Events may include: • Unseasonal or prolonged flooding events. • Increased severity of bushfires including smog events. • Heatwaves. • Extended rain delay events. Assessment of the potential for climatic events that may impact the Company commences with pre-contract and project reviews to identify the internal and external influences that may impact the ability of the Company to deliver. This includes environmental conditions, staffing needs, local sourcing requirements, contractual obligations and client profile. SRG Global has implemented a Contract Approval Policy which addresses contractual exposure and seeks equitable relief for uncontrollable events. Climate remains a focal point for the Board to ensure the Company continues to remain resilient to changes in the locations it operates.
Disruption to Information Technology systems and Cyber Security events	Increasing prevalence of cyber security events including third party denial of service attacks can lead to a disruption of operations (including financial loss or loss of operations), regulatory scrutiny and heightened reputational damage arising from an event occurrence. The Company undertakes regular assessments of its exposure to disruption events and the impact of an event on its ability to operate. This assessment considers: • Level of system reliance to deliver its core objectives. • Sources of disruption categorised as internal and external. • Capability to meet its expected Recovery Time and Recovery Point Objective through Disaster Recovery measures. • Employee Education and Awareness. Whilst prevention remains a high focus objective, the Company recognises the increased diversification of threat events and continues to invest in robust processes of detection and employee education and awareness campaigns to ensure the integrity of its cyber operating environment.
Client appetites to contract risk transfer	To manage the Company's exposure to contract risk transfer, a robust framework of assessment, negotiation and restricted delegation of authority enable SRG Global to manage its exposure to unreasonable contract conditions.

The Company continues to monitor the evolution of new and emerging MREs and recognises that these changes may lead to an increase in the volume and opportunity management each MRE may present. SRG Global remains confident however that its risk management framework remains suitable to meet the present and future needs of this changing landscape.

REMUNERATION REPORT (AUDITED)

1. OVERVIEW

The directors of SRG Global Limited present the Remuneration Report (the 'Report') for the Company and its controlled entities for the year ended 30 June 2023. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for the Company's key management personnel ('KMP'):

- Non-executive directors
- Executive directors and senior executives (collectively the 'Executives').

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the Company.

The table below outlines the KMP of the Company and their movements during the year ended 30 June 2023.

Name	Position	Term as KMP
Non-executive directors		
P McMorrow	Non-Executive Chairman	Full financial year
M Atkins	Non-Executive Director	Full financial year
A Banfield	Non-Executive Director	Full financial year
P Brecht	Non-Executive Director	Ended 13 October 2022
Executive directors		
D Macgeorge	Managing Director	Full financial year
Senior executives		
R Lee	Chief Financial Officer / Company Secretary	Full financial year
N Combe	Executive General Manager - Construction and Engineering	Full financial year
D Williamson	COO - Asset Maintenance and Mining Services	Ended 29 June 2023
P Dawson	Executive General Manager - Building	Full financial year

2. EXECUTIVE REMUNERATION FRAMEWORK

2.1 Executive remuneration policy

The Company's remuneration policy ensures that executives are rewarded fairly and responsibly in accordance with the market, having regard to the following:

- Remuneration levels are set at a level that ensures the Company can attract and retain qualified, experienced, and high-quality executives;
- Fixed remuneration is structured at a level that reflects the executives' duties and responsibilities;
- Remuneration packages are structured to encourage improved performance and to align the executive's interests with the short-term and long-term objectives of the Company;
- The Company benchmarks remuneration packages at least annually to ensure competitive positioning within the market; and
- Short-term incentives are designed to incentivise individual contributions to achieving results.

2.2 Executive remuneration framework

The Company rewards executives with a level and mix of remuneration appropriate to their positions, responsibilities and performance, in a manner that aligns with the Company's strategy. Executives receive fixed remuneration and variable remuneration (as applicable), consisting of short and long-term incentive opportunities. Executive remuneration levels are reviewed annually by the Remuneration and Nomination Committee with reference to the remuneration framework, guiding principles and market movements.

2.3 Elements of Remuneration

2.3.1. Fixed remuneration

Executive fixed remuneration is competitively structured and comprises the fixed component of the remuneration package. The fixed component may include cash and superannuation to comprise the executive's total employee cost.

Fixed remuneration is designed to reward the Executive for:

- The scope of the executive's role;
- The executive's skills, experience and qualifications; and
- Individual performance.

In order to ensure the fixed remuneration of the Managing Director and other Executives are market-competitive to attract and retain qualified, experienced and high-quality executives, we are guided by several factors, one of which is external benchmarking. The other factors include the competitive landscape for executive talent, internal relativities and the individual's experience and performance. As a global diversified industrial services company, we do not have any direct ASX-listed peers of a similar size. As such we benchmark against an ASX-listed comparator group with companies in the following sectors; Asset Maintenance, Mining Services and Engineering & Construction, along with global industrial services companies.

2.3.2. Short-term incentives (STI)

The Company has implemented a short-term incentive plan. Executives have the opportunity to earn an annual incentive award, delivered in the form of cash.

The objective of a variable STI remuneration is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The Company's STI objectives are to:

- Motivate executives to achieve the short-term annual objectives linked to Company success and shareholder value creation;
- Create a strong link between performance and reward;
- Share Company success with the executives that contribute to it; and
- Create a component of the employment cost that is responsive to short and medium term changes in the circumstances of the Company.

The key STI measures for the Company are set out below:

- EBITDA target based on the Board approved budget and stretch targets;
- Executive General Managers also have Individual Business Unit EBITDA targets based on the Board approved budget and stretch targets; and
- Personal performance against personal objectives including safety, people, business growth, budget, cash management and other personal objectives. Up to 25% of the relevant STI Plan ('STIP') award is at risk against personal objectives.

  The Remuneration and Nomination Committee is responsible for determining the achievement of targets. The Board is responsible for assessing as to whether a bonus amount is paid and also has the discretion to adjust short-term incentives or make no payments in response to unexpected or unintended circumstances and where market issues dictate such a decision.

FY23 STI Hurdle and Outcomes

The table below shows the potential STI awards, as a percentage of Base Salary available to the executive KMP under the FY23 STIP.

	Threshold target	Stretch target
	EBITDA $70.0m	At least EBITDA $75.0m
Executive Director	70% of Base Salary	100% of Base Salary
Senior Executives	Between 40% and 50% of Base Salary	Between 60% and 75% of Base Salary

The Remuneration and Nomination Committee has assessed the FY23 EBITDA to be $80.1m after adjusting for one-off costs of $2.0m related to exiting the Middle East and Building Post-Tension businesses and $4.5m of transaction and integration costs related to the acquisition of the Asset Care business in FY23. Therefore, the Board has approved payment of the STI amounts in full based on achieving the Stretch target.

2.3.3. Long-term incentives (LTI)

The LTI offered to the Executives forms a key part of their remuneration and assists to align their interest with the long-term interest of shareholders. The purpose of the LTI is to reward the Executives for attaining results over a long measurable period and for staying with the organisation. The LTI is a share-based plan consisting of Performance Rights and / or Options (collectively "Rights or Options") which have pre-determined vesting conditions. The LTI Plan ('LTIP') was approved by Shareholders at the Annual General Meeting on 27 November 2018.

Under the LTIP, Rights or Options may be offered to eligible persons as determined by the Board and are an entitlement to receive ordinary shares in the Company at no cost. The LTI cover a three-year vesting period, comprising a two-year performance period plus a one-year retention period. The LTI are subject to the following conditions; 50% are subject to an Earnings Per Share (EPS) hurdle and 50% are subject to an Absolute Shareholder Return (ASR) hurdle.

Upon exercise of vested Rights or Options, shares will be issued or transferred to the participant unless the Company is in a "Blackout Period" (as defined in the Company's Securities Trading Policy) or the Company determines in good faith that the issue or transfer of shares may breach the insider trading provisions of the Corporations Act or the Securities Trading Policy, in which case, the Company will issue or transfer the shares as soon as reasonably practical thereafter.

The LTIP is designed to create a strong link between the Company's performance and the KMP performance.

FY23 LTI Hurdle and Outcomes

The Board during 2021, set the FY23 LTI hurdles as presented in the tables below.

EPS at start of performance period was 3.3c per share.

50% of the FY23 LTI are subject to EPS hurdles as follows:

EPS Hurdle (cents per share)	Percentage of LTI Allocated
Below 3.9	0%
Above 3.9 and below 4.7	Pro-rata (0% to 25%)
Above 4.7 and below 5.0	Pro-rata (25% to 50%)
Above 5.0 and below 5.5	Pro-rata (50% to 75%)
Above 5.5 and below 5.8	Pro-rata (75% to 100%)
Above 5.8	100%

50% of the FY23 LTI are subject to ASR hurdles over the performance period from 1 July 2021 to 30 June 2023 as follows:

ASR Hurdle (%)	Percentage of LTI Allocated
Below 18%	0%
Above 18% and below 30%	Pro-rata (0% to 25%)
Above 30% and below 36%	Pro-rata (25% to 50%)
Above 36% and below 42%	Pro-rata (50% to 75%)
Above 42% and below 48%	Pro-rata (75% to 100%)
Above 48%	100%

ASR is calculated as the total shareholder return over the measurement period adjusted for dividends paid during the measurement period. The share price at the start and the end of the measurement period will be calculated based on the 5 day volume weighted average price at those dates.

The Remuneration and Nomination Committee has assessed FY23 EPS by adjusting for one-off costs of $2.0m related to exiting the Middle East and Building Post-Tension businesses and $4.5m of transaction and integration costs related to the acquisition of the Asset Care business in FY23. The Board has therefore assessed that the FY23 EPS and ASR outcomes are above 5.8 cents per share and 48% respectively and approved the allocation of the Performance Rights in full. The allocated Performance Rights are subject to a further twelve-month retention period before vesting and being capable of exercise.

The table below shows the maximum potential of LTI awards, as a percentage of TFR available to the KMP under the FY23 LTIP. The maximum potential is based on the accounting value of the LTI at grant date, divided by TFR.

	Maximum potential LTI awards
Executive Director	12% of TFR
Senior Executives	3% - 10% of TFR

3. HOW REMUNERATION IS GOVERNED

3.1 Remuneration and Nomination Committee

The objective of the Remuneration and Nomination Committee is to make recommendations on policies, strategies, and structures on compensation arrangements for directors and executives. The committee is charged with the development and review of the Company's remuneration framework which:

- Recommends remuneration levels for directors and executives;
- Proposes non-executive director fees;
- Establishes incentive plans which apply to executives;
- Devises key performance indicators to align remuneration and incentives to performance and achievement; and
- Formulates identification of talent, development, retention, and succession planning strategies for key executives.

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee.

Refer to the Corporate Governance Statement on the Company's website for further information on the role of the Nomination and Remuneration Committee.

3.2 Voting and comments made at the Company's last Annual General Meeting

The Company received 72.82% of 'yes' votes on its Remuneration Report for the financial year ended 30 June 2022. As more than 25% of the votes cast were against the adoption of the Remuneration Report this constitutes a first "strike" for the purposes of the Corporations Act 2001 (Cth). The Company actively engaged with shareholders to understand the concerns that prompted the "strike" and responded by increasing disclosure in the remuneration report.

3.3 Securities trading policy

The Company's Securities Trading Policy applies to all non-executive directors and executives. The Securities Trading Policy prohibits KMP from dealing in the Company's securities while in possession of non-publicly available information relevant to the Company.

The Company's Securities Trading Policy is available on the Corporate Governance section of the Company's website.

3.4 Executive employment / service agreements

Each KMP has entered into an employment contract with the Company. All KMP are entitled to receive payment in lieu of notice of any accrued statutory entitlement (i.e. annual and long service leave) on cessation of their employment. In addition, all KMP are entitled to participate in the STIP and LTIP that has been disclosed in Note 2.3 of the remuneration report.

The following table outlines the contractual terms of the employment contracts:

Component	Managing Director	Senior Executives
Fixed Remuneration	$1,003,425	Range between $570,000 and $620,000
Contract Term	Ongoing	Ongoing
Notice Period	6 months	1-6 months
Annual Leave	20 days per annum	20-30 days per annum

Directors' Report (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

4. OVERVIEW OF NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate fees paid to a level which reflects the responsibilities and demands made on non-executive directors and provides the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Remuneration and Nomination Committee reviews non-executive directors' remuneration annually against comparable companies. The Remuneration and Nomination Committee may also consider advice from external advisors if deemed necessary.

Non-executive director fees are determined within an aggregate non-executive director fee pool limit of $900,000 per annum. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is evaluated by the Remuneration and Nomination Committee annually.

The remuneration of non-executive directors for the year ended 30 June 2023 is detailed in section 6.2 of this report.

5. OVERVIEW OF COMPANY PERFORMANCE

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year. The following information relates to SRG Global Limited for the comparative periods.

	2019	2020	2021	2022	2023
Profit / (loss) for the year attributable to owners ($'000)	9,419	(29,687)	12,053	20,132	22,561
Share price at end of the year (cents)	0.50	0.21	0.51	0.61	0.75
Basic EPS (cents)	2.3	(6.7)	2.7	4.5	4.8
Total dividends (cents per share)	1.5	1.0	2.0	3.0	4.0

	2019	2020	2021	2022	2023
Profit before tax	**6,744**	**(34,881)**	**18,618**	**26,994**	**35,881**
Finance costs	1,345	2,962	2,499	2,563	4,347
Impairment of goodwill	-	24,761	-	-	-
COVID-19 related bad debt expense	-	7,900	-	-	-
Amortisation of acquired intangibles	6,621	5,082	4,013	3,620	3,313
Costs associated with exiting the PT businesses in Australia and the Middle East	-	-	-	-	2,000
Restructuring costs	2,800	4,200	-	-	-
Acquisition and integration costs	5,000	-	-	1,003	4,500
EBIT(A) (1)	**22,510**	**10,024**	**25,130**	**34,180**	**50,041**
Depreciation	9,498	19,119	21,922	23,052	29,455
Amortisation	-	-	-	-	642
EBITDA	**32,008**	**29,143**	**47,052**	**57,232**	**80,138**
Net profit after tax	**9,419**	**(29,687)**	**12,053**	**20,132**	**22,561**
Amortisation of acquired intangibles	4,635	3,557	2,809	2,534	2,319
Impairment of goodwill	-	24,761	-	-	-
COVID-19 related bad debt expense	-	5,530	-	-	-
Costs associated with exiting the PT businesses in Australia and the Middle East	-	-	-	-	1,400
Restructuring costs	1,960	2,940	-	-	-
Acquisition and integration costs	3,500	-	-	702	4,500
Tax impact from prior year	-	-	-	(1,000)	1,000
NPAT(A) (1)	**19,514**	**7,101**	**14,862**	**22,368**	**31,780**
EPS(A) (cents) (1)	**4.8**	**1.6**	**3.3**	**5.0**	**6.7**

(1) EBIT(A), NPAT(A) and EPS(A) represent profit before amortisation of acquired intangibles.

6. DETAILS OF REMUNERATION

6.1 Executive KMP remuneration for the years ended 30 June 2023 and 30 June 2022

		Short-term benefits			Post-employment	Long-term benefits	Share-based payments		
	Financial Year	Cash salary, fees and annual leave provision	Short-term incentives[1]	Non-monetary benefits	Super-annuation	Long service leave	Perfor-mance rights	Total remuneration	Perfor-mance related
		$	$	$	$	$	$	$	%
Executive Directors									
D Macgeorge	**2023**	**1,025,320**	**1,050,825**	**-**	**25,292**	**31,029**	**164,465**	**2,296,931**	**53**
	2022	1,052,482	997,500	-	23,568	28,997	270,298	2,372,845	53
Senior Executives									
R Lee	**2023**	**552,581**	**517,256**	**-**	**27,500**	**18,025**	**77,628**	**1,192,990**	**50**
	2022	633,444	479,375	-	27,500	16,242	119,556	1,276,117	47
N Combe	**2023**	**580,949**	**150,663**	**-**	**25,292**	**16,844**	**66,400**	**840,148**	**26**
	2022	566,109	250,000	-	25,000	22,870	40,600	904,579	32
D Williamson[2]	**2023**	**600,040**	**-**	**-**	**25,292**	**-**	**3,523**	**628,855**	**1**
	2022	562,979	300,000	-	23,568	-	97,464	984,011	40
P Dawson[3]	**2023**	**563,654**	**300,000**	**-**	**27,500**	**16,054**	**75,178**	**982,386**	**38**
	2022	573,378	300,000	-	27,500	19,496	(21,167)	899,207	31
J Thomas[4]	**2023**	-	-	-	-	-	-	-	-
	2022	248,206	-	-	19,740	(52,542)	-	215,404	31
Total Executive KMP	**2023**	**3,322,544**	**2,018,744**	**-**	**130,876**	**81,952**	**387,194**	**5,941,310**	**40**
	2022	3,636,598	2,326,875	-	146,876	35,063	506,751	6,652,163	43

(1) Short-term incentives relate to cash bonuses that are linked to achievement of the Company's operational targets.
(2) Employment ended 29 June 2023.
(3) The negative amount of share-based payment for 30 June 2022 is due to performance rights that lapsed during the year.
(4) Employment ended 31 December 2021. The negative amount of long service leave is due to leave balance paid out on 31 December 2021.

6.2 Non-executive remuneration for the years ended 30 June 2023 and 30 June 2022

		Short-term benefits	Post-employment	
	Financial Year	Cash salary and fees	Superannuation	Total Remuneration
		$	$	$
P McMorrow	**2023**	**200,000**	**-**	**200,000**
	2022	192,500	-	192,500
P Brecht [1]	**2023**	**35,070**	**3,682**	**38,752**
	2022	121,364	12,136	133,500
M Atkins	**2023**	**123,169**	**12,933**	**136,102**
	2022	121,364	12,136	133,500
A Banfield [2]	**2023**	**130,000**	**-**	**130,000**
	2022	86,667	-	86,667
Total Non-Executive KMP	**2023**	**488,239**	**16,615**	**504,854**
	2022	521,895	24,272	546,167

(1) Ended 13 October 2022.
(2) Appointed on 25 October 2021.

6.3 Shareholdings of KMP

The number of shares in the Company held directly or indirectly during the financial year by each director and KMP of the Group, including their related parties, are set out below. There were no shares granted during the reporting period as compensation.

	Balance as at 30 June 2022	Received on exercise of rights	Purchased	Sold	Net change other	Balance as at 30 June 2023
Non-Executive Directors						
P McMorrow	12,500,000	-	-	-	-	12,500,000
P Brecht [1]	2,150,541	-	-	-	(2,150,541)	-
M Atkins	1,000,000	-	-	-	-	1,000,000
A Banfield	-	-	-	-	-	-
Executive Directors						
D Macgeorge	6,625,889	1,312,500	-	(2,500,000)	-	5,438,389
Senior Executives						
R Lee	3,653,451	562,500	-	-	-	4,215,951
N Combe	1,099,933	-	-	-	-	1,099,933
D Williamson [2]	52,000	468,750	-	-	(520,750)	-
P Dawson	5,925,000	-	-	(300,000)	-	5,625,000

[1] P Brecht held 2,150,541 shares in the Company as at 13 October 2022.
[2] D Williamson held 520,750 shares in the Company as at 29 June 2023.

The number of performance rights held directly or indirectly during the financial year by each director and KMP of the Group are set out below.

	Balance as at 30 June 2022	Exercised in the year	Net change other	Balance as at 30 June 2023
Executive Directors				
D Macgeorge	3,712,500	(1,312,500)	-	2,400,000
Senior Executives				
R Lee	1,762,500	(562,500)	-	1,200,000
N Combe	800,000	-	-	800,000
D Williamson [1]	1,368,750	(468,750)	(900,000)	-
P Dawson	950,000	-	(150,000)	800,000

[1] D Williamson held 900,000 performance rights which lapsed as at 29 June 2023.

No other KMP have been granted performance rights in the current financial year except as disclosed above.

6.4 Other transactions with KMP

The following transactions occurred and were outstanding at reporting date in relation to transactions with related parties:

	Transactions 2023 $'000	Recievables 2023 $'000	Payables 2023 $'000
Properties from which the Group's operations are performed are rented from Portovenere Investments Pty Ltd, a company related to Paul Dawson	(39,996)	-	-
Fees paid for professional services provided by Wandarra (WA) Pty Ltd, a company related to Peter McMorrow	(60,000)	-	-

	Transactions 2022 $'000	Recievables 2022 $'000	Payables 2022 $'000
Properties from which the Group's operations are performed are rented from Portovenere Investments Pty Ltd, a company related to Paul Dawson	(30,449)	-	-
Fees paid for professional services provided by Wandarra (WA) Pty Ltd, a company related to Peter McMorrow	(45,000)	-	-

SRG Global assesses fees paid to related parties on a periodic basis to ensure it is on an arm's length basis.

End of Audited Remuneration Report

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified the Directors and Officers of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

For the current financial year, the total amount paid or payable to the auditor of the parent entity for non-audit services was $nil (2022: $nil). This is outlined in Note 7 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 7 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 40.

This Directors' Report is made in accordance with a resolution of directors, pursuant to Section 298(2)(a) of the *Corporations Act 2001.*

Peter McMorrow
Non-Executive Chairman
22 August 2023

Auditor's Independence Declaration

FOR THE YEAR ENDED 30 JUNE 2023

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Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF SRG GLOBAL LIMITED

As lead auditor of SRG Global Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SRG Global Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth

22 August 2023

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2023

SRG GLOBAL LIMITED ABN 81 104 662 259
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the Group's financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. At the date of this declaration there are reasonable grounds to believe that the members of the extended closed group identified in Note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in Note 25.

4. Note 1 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

5. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Peter McMorrow
Non-Executive Chairman
22 August 2023

Independent Auditor's Report

FOR THE YEAR ENDED 30 JUNE 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of SRG Global Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SRG Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial 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 are independent of the Group in accordance with 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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.

BDO

Revenue Recognition

Key audit matter	*How the matter was addressed in our audit*
The Group has several material revenue streams in the form of construction revenue, services revenue, products revenue and rental revenue. In the case of construction revenue, revenues are recognised by reference to the stage of completion of the contract activity. The Group recognises in contract assets and contract liabilities progressive measurement of the value to customers of goods and services transferred and valuation of work completed as well as amounts invoiced to customers. The recognition of these amounts is based on management's assessment of the expected amounts recoverable from the customer. As disclosed in Note 1(c), the principles under AASB 15 involve significant judgment and estimates therefore there is a risk that revenue has not been recognised correctly.	Our procedures included, but were not limited to the following: • Assessing the appropriateness of management's revenue recognition policy, ensuring that the policy is in accordance with the five step model adopted by the relevant Australian Accounting Standard, AASB 15; • Understanding and documenting the processes and controls used by the Group in recognising construction contract costs and for estimating the costs to complete construction projects; • Testing the operating effectiveness of internal controls designed by the Group in recognising revenue over time; • Evaluating management's ability to accurately forecast construction costs and estimate costs to complete projects by assessing the accuracy of historic forecast against actual results; • Enquiring with executive management on the progress of the Group's major projects to obtain an understanding of the projects' stage of completion, any material contract variations and the remaining forecast financial performance of the project against management's initial assessment; • Performing analytical procedures on revenue recorded during the year by setting expectations based on each project's stage of completion and the respective contract price; • Agreeing a sample of costs incurred to supporting documentation, including testing the appropriate allocation to the correct project. We also evaluated payments made subsequent to reporting date to assess whether costs were accrued in the correct period; and • Assessing the adequacy of the related disclosures in Note 1(c), 2 and 29

Acquisition of ALS Industrial Pty Ltd

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 26 of the financial report, the Group acquired 100% of the issued share capital of ALS Industrial Pty Ltd (a company incorporated in Australia) on 28 February 2023. The accounting for this acquisition is a key audit matter as it involved significant estimation and judgement in determining the consideration paid, the identifiable assets acquired and the fair value of net assets acquired.	Our procedures included, but were not limited to the following: • Reviewing the share sale agreement to understand the terms and conditions and of the transaction; • Evaluating management's assessment of the accounting acquirer and whether the transaction constituted a business combination or asset acquisition; • Comparing the assets and liabilities recognised on acquisition against the executed share sale agreement and the historical financial information of the acquired business; • Challenging management on the key assumptions used in calculating the fair value of the assets and liabilities and separately identifiable intangible assets acquired; • Obtaining a copy of the external valuation reports obtained by management to assess the determination of the fair value of plant and equipment and identifiable intangible assets acquired; • Assessing the independence and competence of management's specialists who valued the plant and equipment and identifiable intangible assets; • In conjunction with our internal valuation experts, challenging management's cash flow forecasts for customer relationship intangible assets and comparing key assumptions to historic results and underlying contract terms; and • Assessing the adequacy of the related disclosures in Note 1(b) and 26.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 31 to 38 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of SRG Global Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth

22 August 2023

Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $'000	2022 $'000
Revenue	2	808,987	644,241
Other income	3	2,776	2,214
Construction, servicing and contract costs		(360,842)	(304,840)
Employee benefits expense		(348,515)	(262,247)
Other expenses		(28,767)	(23,137)
Equity accounted investment results		(1)	(2)
Depreciation expense	4	(29,455)	(23,052)
Amortisation expense	4	(3,955)	(3,620)
Finance expenses	3	(4,347)	(2,563)
Profit before income tax		**35,881**	**26,994**
Income tax expense	5	(13,320)	(6,862)
Net profit for the year		**22,561**	**20,132**
Other comprehensive income			
Exchange differences arising on translation of foreign operations		242	(1,798)
Fair value movement of cash flow hedging		-	(209)
Total comprehensive income for the year, net of tax		**22,803**	**18,125**

		2023	2022
Earnings per share attributable to members of the parent entity			
Basic earnings per share (cents per share)	9	4.8	4.5
Diluted earnings per share (cents per share)	9	4.7	4.5

The above statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

AS AT YEAR ENDED 30 JUNE 2023

	Note	2023 $'000	2022 $'000
CURRENT ASSETS			
Cash and cash equivalents	23	47,713	59,302
Trade and other receivables	10	110,253	97,876
Contract assets	10	87,964	60,756
Inventories	11	21,475	18,714
Other current assets		4,157	2,902
Derivative financial instrument asset		144	2,410
Equity accounted investments	25(c)	133	130
Current tax assets		-	160
Total Current Assets		**271,839**	**242,250**
NON-CURRENT ASSETS			
Property, plant and equipment	12	119,043	104,343
Right of use assets	15	25,822	17,275
Intangible assets	13	170,417	102,641
Contract assets	10	1,243	1,557
Deferred tax assets	17	2,801	16,497
Total Non-Current Assets		**319,326**	**242,313**
TOTAL ASSETS		**591,165**	**484,563**
CURRENT LIABILITIES			
Trade and other payables	14	116,126	122,396
Contract liabilities	10	34,825	33,116
Borrowings	16	20,314	13,983
Right of use liabilities	15	11,420	7,654
Current tax liabilities		452	-
Provisions	18	46,905	32,402
Total Current Liabilities		**230,042**	**209,551**
NON-CURRENT LIABILITIES			
Borrowings	16	44,382	24,792
Right of use liabilities	15	15,742	10,860
Provisions	18	10,521	4,794
Total Non-Current Liabilities		**70,645**	**40,446**
TOTAL LIABILITIES		**300,687**	**249,997**
NET ASSETS		**290,478**	**234,566**
EQUITY			
Issued capital	19	267,488	218,096
Reserves	20	7,997	6,927
Retained earnings		14,993	9,543
TOTAL EQUITY		**290,478**	**234,566**

The above statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

	Share Capital $'000	Reverse Acquisition Reserve $'000	Total issued Capital $'000	Retained Earnings $'000	Share-Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Hedging Reserve $'000	Total Equity $'000
Balance at 1 July 2021	**306,576**	**(88,480)**	**218,096**	**556**	**8,410**	**(470)**	**209**	**226,801**
Profit for the year	-	-	-	20,132	-	-	-	**20,132**
Other comprehensive income	-	-	-	-	-	(1,798)	(209)	**(2,007)**
Total comprehensive income	**-**	**-**	**-**	**20,132**	**-**	**(1,798)**	**(209)**	**18,125**
Transactions with owners in their capacities as owners								
Issue of ordinary shares, net of transaction costs	-	-	-	-	-	-	-	**-**
Share-based payments	-	-	-	-	785	-	-	**785**
Dividends paid	-	-	-	(11,145)	-	-	-	**(11,145)**
Transfer to retained earnings	-	-	-	-	-	-	-	**-**
Balance at 30 June 2022	**306,576**	**(88,480)**	**218,096**	**9,543**	**9,195**	**(2,268)**	**-**	**234,566**
Balance at 1 July 2022	**306,576**	**(88,480)**	**218,096**	**9,543**	**9,195**	**(2,268)**	**-**	**234,566**
Profit for the year	-	-	-	22,561	-	-	-	**22,561**
Other comprehensive income	-	-	-	-	-	242	-	**242**
Total comprehensive income	**-**	**-**	**-**	**22,561**	**-**	**242**	**-**	**22,803**
Transactions with owners in their capacities as owners								
Issue of ordinary shares, net of transaction costs	49,392	-	**49,392**	-	-	-	-	**49,392**
Share-based payments	-	-	-	-	828	-	-	**828**
Dividends paid	-	-	-	(17,111)	-	-	-	**(17,111)**
Transfer to retained earnings	-	-	-	-	-	-	-	**-**
Balance at 30 June 2023	**355,968**	**(88,480)**	**267,488**	**14,993**	**10,023**	**(2,026)**	**-**	**290,478**

The above statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $'000	2022 $'000
Receipts from Customers		884,071	705,686
Interest Received		188	18
Payments to Suppliers & Employees		(834,110)	(645,985)
Interest Paid		(4,536)	(2,581)
Income Tax (Paid)/Refund		(2,487)	3,979
Cash Inflow from Operating Activities	23(a)	**43,126**	**61,117**
Payments for Property, Plant & Equipment		(30,274)	(18,722)
Proceeds from Sale of Property, Plant & Equipment		4,427	2,456
Cash Acquired from Acquisition	26	5,832	-
Payment for Acquisition of Subsidiary, net of cash	26	(81,112)	(15,142)
Payment of Software development costs		(1,356)	(2,154)
Cash (Outflow) from Investing Activities		**(102,483)**	**(33,562)**
Proceeds from Borrowings		44,466	21,060
Repayment of Borrowings		(28,269)	(24,457)
Proceeds from Equity Issue, net of cash	19	48,771	-
Payment of Dividends	8(b)	(17,111)	(11,145)
Cash Inflow / (Outflow) from Financing Activities		**47,857**	**(14,542)**
Net Cash (Decrease) / Increase in Cash and Cash Equivalents Held		**(11,500)**	**13,013**
Effect of exchange rates on cash and cash equivalent holdings		(89)	53
Cash and cash equivalents at beginning of financial year		59,302	46,236
Cash and Cash Equivalents at End of Financial Year	23	**47,713**	**59,302**

The above statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information

SRG Global Limited (the Company) is a for-profit public company listed on the Australian Securities Exchange Limited (ASX) and is incorporated in Australia. The Company is primarily involved in engineering, mining, maintenance and construction contracting.

The consolidated financial statements of the Company comprise the Company and its controlled entities ('Consolidated Group' or 'Group') and the Consolidated Entity's interest in associates and joint arrangements. The separate financial statements of the parent entity, SRG Global Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The consolidated financial statements were authorised for issue by the Board of Directors on the date of signing the accompanying Directors' Declaration.

Basis of preparation

These financial statements are general purpose financial statements and have been prepared in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*. The consolidated financial statements also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Any new, revised or amended Accounting Standards and Interpretations that have been issued but not yet mandatory have not been early adopted. Details of these new, revised or amended Accounting Standards and Interpretations that have been issued but not yet mandatory are set out in Note 1(w).

Historical Cost Convention

The financial statements have been prepared on an accruals basis with the exception of cash flow information, and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Presentation

The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency. All values presented in the financial statements have been rounded to the nearest thousand dollars ('$000) unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Foreign currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars using the exchange rates at the reporting date and the income statements are translated at the average exchange rates for the year. Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income, in the period when the operation is disposed.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key accounting estimates and judgements

In applying Australian Accounting Standards, management is required to make judgements, estimates and form assumptions that affect the application of accounting policies and reported amounts presented herein. On an ongoing basis, management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated group.

The following key estimates and judgements were relevant to the Group for the financial year:

- Determination of a project's stage of completion requires an estimate of expenses incurred to date as a percentage of total estimated costs. Key assumptions regarding costs to complete include estimations of labour, technical costs, impact of delays and productivity. These estimates are performed by qualified professionals within the project teams.
- Estimation of allowance for expected credit losses on financial assets and liabilities (Note 32)
- Assessment and impairment of intangible assets (Note 13)
- Employee long-term entitlements (Note 18)
- Recovery of deferred tax assets and provision for income tax (Note 17)
- Determination of variable consideration on revenue (Note 1c)
- Determination of lease term and incremental borrowing rate (Note 1u)
- Determination of fair value of net assets acquired in a business combination (Note 26)
- Determination of the fair value of share-based payments (Note 30)

Accounting policies

This note provides all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) controlled by the Company. The Group controls an entity when the Group 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 activities of the entity.

The consolidated financial statements are prepared by consolidating the financial statements of all entities within the Group as defined in AASB 10 *Consolidated Financial Statements*. The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. The acquisition method of accounting is used to account for business combinations by the Group.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-Group transactions have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Significant influence is presumed to exist when the Group owns between 20% and 50% of the voting power of another entity. Investments in associates are accounted for using the equity method, after initially being recognised at cost.

Joint arrangements

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined to have both joint operations and joint ventures.

- Joint operations - The Group recognises its direct right, and its share of, jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings. Details of joint operations are set out in Note 25(b).
- Joint ventures - Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost. Details of joint ventures are set out in Note 25(c).

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity with adjustments made to the 'Investments accounted for using the equity method' and 'Share of profit of equity accounted investees' accounts. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of the equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 1(q).

Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 Share-Based Payments at the acquisition date (see below).
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Right-of-use assets and right-of-use liabilities for leases are recognised in accordance with AASB 16. However, right-of-use assets and right-of-use liabilities are not recognised for leases for which the lease term ends within 12 months of the acquisition date, or for which the underlying asset is of low value.
- Reacquired rights are recognised as an intangible asset on the basis of the remaining contractual term of the related contract regardless of whether market participants would consider potential contractual renewals when measuring fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(c) Revenue

The Group operates two main revenue streams throughout various geographical locations – Construction and Services.

Construction Revenue

The Group derives revenue from construction of buildings and civil projects globally. The construction of each project is generally taken as one performance obligation. Where contracts are entered with several performance obligations, the total transaction price is allocated to each performance obligation based on stand-alone selling prices.

As per normal practice, the transaction price of a project is fixed at the start containing bonus and penalty elements based on performance construction criteria known as variable consideration.

The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed, they are controlled by the customer and have no alternative use for the Group.

Revenue earned is recognised on the measured input of each process based on resources consumed per appraisals that are agreed with the customer on a regular basis.

Services Revenue

Maintenance and other services are performed by the Group for a variety of industries. Contracts entered into can cover services which may involve various different processes or servicing of related assets. Where these processes and activities are highly interrelated, and the Group provides a significant service of integration for these activities, they are taken as one performance obligation.

The transaction price is allocated across each performance obligation based on contracted prices. Variable consideration may be included in the transaction price.

The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance to date.

Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms in accordance with stand-alone selling prices for each performance obligation.

Variable Consideration

Contracts may include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Revenue recognition of variable consideration is only satisfied when there are no uncertainties to its entitlement, this is known as the "constraint" requirements.

The Group assess the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance.

Where modifications to contracts are made, the transaction price is updated to reflect these. Where the modification price is not confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Transaction Price and Contract Modifications

The transaction price is the amount of consideration to which the Company expects to be entitled to under the customer contract and which is used to value total revenue and is allocated to each performance obligation.

The determination of this amount includes both 'fixed consideration', (for example the agreed lump sum, aggregated schedule of rates or pricing for services) and 'variable consideration'.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The main variable consideration elements are claims (contract modifications) and consideration for optional works and provisional sums, each of which need to be assessed. Contract modifications are changes to the contract approved by the parties to the contract. When determining whether approval has been granted by the parties to the contract, the Group takes into consideration factors including, but not limited to, contract terms, customary business practices, the status of the negotiation process, the ability to enforce the other party and expert legal opinion.

A contract modification may exist even though the parties to the contract may not have finalised the scope or price (or both) of the modification. Contract modifications may include a claim, which is an amount that the contractor seeks to collect as reimbursement for costs incurred (and/or to be incurred) due to reasons or events that could not be foreseen and are not attributable to the contractor, for more work performed (and/or to be performed) or variations that were not formalised in the contract scope.

The right to income from a contract modification shall be provided to the extent the agreement with the customer creates enforceable rights and obligations. Once the enforceable right has been identified, the Group applies the guidance given in AASB 15 in relation to variable consideration. This requires an assessment that it is highly probable that there will not be a significant reversal of this revenue in the future.

Costs to Obtain and Fulfil a Contract

Costs incurred during the tender/bid process are expensed, unless they are incremental to obtaining the contract and the Group expects to recover those costs or where they are explicitly chargeable to the customer regardless of whether the contract is obtained. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Financing Components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

(d) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except where they are directly attributable to the acquisition, construction or production of an asset. The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate on the Group's borrowings outstanding during the period.

(e) Income tax

The Group is subject to income taxes in Australia and other jurisdictions around the world in which the entities within the Group operates.

Income tax expense (income)

The income tax expense (income) on profit or loss for the year comprises current and deferred tax expense (income). Current income tax expense (income) is the tax payable (receivable) on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustments to tax payable in respect of previous years. Deferred income tax expense (income) reflects movements in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, as well as unused tax losses.

Current and deferred tax expense (income) are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax expense (income) are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax expense (income) arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets (liabilities)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where the amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where temporary differences exist in relation to investments, subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. In addition to its own current and deferred tax amounts, the head entity also recognised current tax liabilities (assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the Group have entered into a tax funding agreement. Under the funding agreement, the allocation of tax within the Group is based on a group allocation. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-company receivable (payable) which is at call.

(f) Goods and services tax (GST)

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

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset, or as an expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. 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.

Commitments and contingencies are disclosed net of the amount of GST receivable from, or payable to, the taxation authority.

(g) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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 financial costs associated with dilutive potential ordinary shares and the weighted average number of shares outstanding plus the weighted average number of ordinary shares that would be issued on the conversion of all potential ordinary shares into ordinary shares.

(h) Fair value of assets and liabilities

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly (i.e. unforced) transaction between market participants at the measurement date. It assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

(i) Cash and cash equivalents

Cash and cash equivalents are measured and carried at amortised cost. Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts with original maturities of three months or less.

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and other receivables

Trade and other receivables are initially recognised at transaction price and subsequently measured and carried at amortised cost. Collectability of trade receivables is made on an ongoing basis and when there is objective evidence that the Group will not be able to collect the receivable, allowances for credit losses are recognised. These losses are recognised in the income statement. The simplified approach is used.

(k) Inventories

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

Cost

Cost includes direct materials, direct labour, other direct variable costs and allocation production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities. The cost of manufacturing inventories and work in progress are assigned to inventories using the weighted average cost method. Costs arising from exceptional wastage are expensed as incurred.

Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Allowances are recorded for inventory considered to be excess or obsolete.

(l) Property, plant and equipment

Land is measured at cost. Buildings and all other property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset and may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation of major mining equipment is calculated on machine hours worked over their estimated useful life. Leasehold improvements and leased assets are depreciated over the shorter of the lease terms or their useful lives. Items in the course of construction or not yet in service are not depreciated. Depreciation on the other assets are recognised in profit or loss on a straight-line basis over the estimated useful life of the asset.

The following useful lives are used in the calculation of depreciation:

-	Buildings and leasehold improvements	3 – 50	years
-	Office and computer equipment	3 – 10	years
-	Motor vehicles	3 – 8	years
-	Plant and rental equipment	3 – 40	years

The depreciation methods, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of profit or loss and other comprehensive income in the year that the item is derecognised. Any revaluation reserve relating to sold assets is transferred to retained earnings.

(m) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill is not amortised but is assessed annually for impairment or more frequently if the facts or circumstances indicate a potential impairment and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment assessment. Information about impairment assessment of intangibles is set out in Note 13. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Customer Relationships

Customer relationships are acquired as part of the business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives. Useful lives of customer contracts are between 3 and 20 years.

(n) Trade and other payables

Trade creditors and other payables are non-interest bearing and are initially recognised at fair value and subsequently carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that remained unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Settlement of these liabilities are in line with normal commercial terms.

(o) Interest bearing liabilities

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. Subsequently, interest bearing liabilities are then stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit and loss over the period of the borrowings on an effective interest basis.

All interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation that can be estimated reliably as a result of past event, for which it is probable that an outflow of economic benefits will result and be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee Benefits

The provision for employee entitlements to wages, salaries and annual and long service leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date.

- Short-term Employee Benefits - Employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.
- Long-term Employee Benefits - Employee benefits which are not expected to settle within 12 months are measured at the present value of the estimated future cash flows to be made of those benefits. Information about long-term employee benefits measurement is set out in Note 18(b).

Onerous Contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are less than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(q) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions to the instrument. Financial instruments for the Group include cash and cash equivalents, trade and other receivables, trade and other payables, interest-bearing financial liabilities and equity investments not held for trading. The initial recognition and classification of subsequent measurement are set out within the relevant accounting policy.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired.

The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share capital

Ordinary share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. 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.

Dividends

A provision for dividends is not recognised as a liability unless the dividends are declared on or before the reporting date.

(s) Equity-settled compensation

Share-based compensation benefits are provided to employees in the form of options and performance rights in exchange for the rendering of services under an employee share plan. The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period.

(t) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they 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.

(u) Leases

The Group leases various offices, warehouses, equipment and cars. Lease contracts are typically made for fixed periods of 3 to 10 years but may have extension options. 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, but leased assets may not be used as security for borrowing purposes.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect these payments.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment loss.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset of the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other Expenses" in profit or loss.

(v) Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

Cash flow hedges are used to cover the consolidated group's exposure to variability in cash flows that are attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

(w) New Accounting Standards and Interpretations Adopted

The Group has adopted all of the new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. The adoption of the standards and interpretations has no material impact on the financial report.

(x) New Accounting Standards and Interpretations Issued but not yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

The following new or amended Accounting Standards and Interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2. REVENUE

Revenue from contracts with customers is disaggregated by major service lines and is in line with the Group's reportable segments (See Note 29).

	2023 $'000	2022 $'000
Construction revenue	366,354	315,396
Services revenue	442,633	328,845
	808,987	**644,241**

NOTE 3. OTHER INCOME / FINANCE EXPENSES

	2023 $'000	2022 $'000
Other income		
Property rental income	522	195
Freight and other income	2,254	2,019
	2,776	**2,214**
Finance expenses		
Interest on right of use liabilities	837	814
Other finance expenses	3,510	1,749
	4,347	**2,563**

NOTE 4. DEPRECIATION AND AMORTISATION

	2023 $'000	2022 $'000
Depreciation		
Buildings and leasehold improvements	458	312
Office and computer equipment	908	821
Motor vehicles	4,017	3,530
Plant and rental equipment	14,258	9,975
	19,641	**14,638**
Right of use assets	9,814	8,414
Total depreciation expense	**29,455**	**23,052**
Amortisation		
Customer relationships	3,313	3,590
Software	642	30
	3,955	**3,620**

Depreciation and amortisation rates are set out in Note 1(l), Note 1(m) and 1(u).

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5. INCOME TAX EXPENSE

This note provides all analysis of the Group's income tax expense:

		2023 $'000	2022 $'000
(a)	**Income tax expense**		
	Current tax expense	3,175	693
	Deferred tax expense (see Note 17)	8,187	7,071
	(Over) / under provision in respect to prior year	1,958	(902)
	Income tax expense	**13,320**	**6,862**
(b)	**Numerical reconciliation of income tax benefit to prima facie tax payable**		
	Profit for the year	35,881	26,994
	Tax at the Australian rate of 30% (2022: 30%)	10,765	8,098
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	- Increase in income tax expense due to non-tax deductible items	349	(211)
	- Non-deductible losses on overseas entities	114	(35)
	- Difference in overseas tax rate	(27)	(86)
	- Sundry items	161	(2)
	Amount under / (over) provided prior year [1]	1,958	(902)
	Income tax expense attributable to entity	**13,320**	**6,862**

[1] The amount was $1.0m higher in 2023 and $1.0m lower in 2022 due to an error in tax calculations in 2022 that was corrected in 2023.

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the financial year and not recognised in the net profit or loss but directly credited (debited) to equity is as follows:

	2023 $'000	2022 $'000
Capital expenditure deductible over time	**621**	**-**

NOTE 6. KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration disclosures of directors and other members of KMP during the year are provided in Section 6 of the Remuneration Report designated as audited and forming part of the Directors' Report.

	2023 $	2022 $
Short-term employee benefits	5,829,527	6,485,368
Long service leave	81,952	35,063
Post-employment benefits	147,491	171,148
Share-based payments	387,194	506,751
	6,446,164	**7,198,330**

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7. AUDITORS' REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditors of the parent entity, its related practices and non-related audit firms:

	2023 $	2022 $
Remuneration of the auditor of the parent entity[1]		
Audit or review of the financial statements	379,325	342,816
	379,325	**342,816**
Remuneration of parent entity auditor's network firms[1]		
Audit or review of the financial statements	**74,362**	**56,044**
Remuneration of other auditors of subsidiaries		
Audit or review of the financial statements	15,757	15,015
Non-assurance related services		
- tax compliance	3,008	2,897
	18,765	**17,912**

[1] The auditor of the parent entity is BDO Audit (WA) Pty Ltd (2022: BDO Audit (WA) Pty Ltd).

NOTE 8. CAPITAL MANAGEMENT

(a) Risk Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. The Group is not subject to any externally imposed capital requirements, except for *Corporations Act 2001* Chapter 6 in relation to take over provisions and ASX listing rules Chapter 7 on 15% placement cap on new equity raising.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	2023 $'000	2022 $'000
Net (debt) / cash	(16,983)	20,527

Net debt is calculated as the total secured borrowings less cash and cash equivalents.

(b) Dividends

	2023 $'000	2022 $'000
Distributions paid		
The amounts paid, provided or recommended by way of dividend by the parent entity are:		
- Final fully franked ordinary dividend for the year ended 30/06/2021 of 1.0 cent per share paid on 21/10/2021 franked at the tax rate of 30%	-	4,458
- Interim fully franked ordinary dividend for the year ended 30/06/2022 of 1.5 cents per share paid on 28/04/2022 franked at the tax rate of 30%	-	6,687
- Final fully franked ordinary dividend for the year ended 30/06/2022 of 1.5 cent per share paid on 13/09/2022 franked at the tax rate of 30%	6,722	-
- Interim fully franked ordinary dividend for the year ended 30/06/2023 of 2.0 cents per share paid on 14/04/2023 franked at the tax rate of 30%	10,389	-
	17,111	**11,145**
Dividends declared after 30 June 2023		
(i) The Directors have resolved to declare a fully franked ordinary dividend of 2.0 cents per share payable on 7/10/2023, franked at the tax rate of 30%	10,389	-
	10,389	**-**
Franking account balance		
(ii) Balance of franking account at year end adjusted for franking credits arriving from payment of provision for income tax, dividends recognised as receivables and franking debits arising from payment of dividends and franking credits that may be prevented from distribution in subsequent financial years.	12,890	17,823
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:		
- Dividend declared post year end	(4,453)	(2,866)
	8,437	**14,957**

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 9. EARNINGS PER SHARE

	2023 $'000	2022 $'000
Profit attributable to members of the parent entity	22,561	20,132
WANOS used in the calculation of basic EPS (shares)	472,552,465	445,796,415
WANOS used in the calculation of diluted EPS (shares)	477,731,759	451,229,035
Earnings per share		
Basic (cents per share)	4.8	4.5
Diluted (cents per share)	4.7	4.5

NOTE 10. TRADE AND OTHER RECEIVABLES

	2023 $'000	2022 $'000
Trade receivables[a]	114,702	104,358
Other receivables[b]	287	393
Provision for doubtful debts	(4,736)	(6,875)
	110,253	**97,876**
Net balance sheet position for ongoing contracts:		
Current contract assets[c]	87,964	60,756
Non-current contract assets[c]	1,243	1,557
Current contract liabilities[c]	(34,825)	(33,116)
	54,382	**29,197**
	164,635	**127,073**

(a) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Collection of the amounts is expected within one year or less and therefore have been classified as current assets.

(b) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

(c) Contract assets and contract liabilities

Contract assets are balances due from customers as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the entity's right to consideration for the goods and services transferred to date. Amounts are generally reclassified to trade receivables when these have been invoiced to a customer. Contract liabilities arise when payment is received prior to work being performed.

NOTE 11. INVENTORIES

	2023 $'000	2022 $'000
Raw materials and stores at cost	3,181	4,918
Finished goods	10,036	9,019
Work in progress and materials on site	8,258	4,777
	21,475	**18,714**

Provision for obsolete stock was included in this amount of $nil (2022: $nil).

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	Land $'000	Building & Leasehold Improvements $'000	Office & Computer Equipment $'000	Motor Vehicles $'000	Plant & Rental Equipment $'000	Capital Work in Progress $'000	Total $'000
Year Ended 30 June 2023							
Opening net book amount	1,044	2,322	1,637	14,557	83,601	1,182	104,343
Additions	-	246	1,258	1,839	26,923	8	30,274
Assets acquired through business combination	-	597	505	187	6,845	359	8,493
Disposals	-	-	(726)	(1,062)	(2,608)	-	(4,396)
Depreciation charge	-	(458)	(908)	(4,017)	(14,258)	-	(19,641)
Foreign exchange differences	-	(4)	(17)	328	(337)	-	(30)
Closing net book amount	**1,044**	**2,703**	**1,749**	**11,832**	**100,166**	**1,549**	**119,043**
As at 30 June 2023							
Cost	1,044	7,414	9,145	23,886	172,055	1,549	215,093
Accumulated depreciation	-	(4,711)	(7,396)	(12,054)	(71,889)	-	(96,050)
Net book amount	**1,044**	**2,703**	**1,749**	**11,832**	**100,166**	**1,549**	**119,043**
Year Ended 30 June 2022							
Opening net book amount	1,557	2,260	1,470	11,246	64,114	895	81,542
Additions	-	472	887	1,778	15,545	40	18,722
Assets acquired through business combination	-	110	106	5,078	14,572	247	20,113
Disposals	(513)	(196)	(4)	(13)	(437)	-	(1,163)
Depreciation charge	-	(312)	(821)	(3,530)	(9,975)	-	(14,638)
Foreign exchange differences	-	(12)	(1)	(2)	(218)	-	(233)
Closing net book amount	**1,044**	**2,322**	**1,637**	**14,557**	**83,601**	**1,182**	**104,343**
As at 30 June 2022							
Cost	1,044	4,386	7,714	30,147	153,589	1,182	198,062
Accumulated depreciation	-	(2,064)	(6,077)	(15,590)	(69,988)	-	(93,719)
Net book amount	**1,044**	**2,322**	**1,637**	**14,557**	**83,601**	**1,182**	**104,343**

NOTE 13. INTANGIBLES

	Goodwill $'000	Customer Relationships $'000	Software $'000	Total $'000
Year ended 30 June 2023				
Opening net book amount	89,385	9,716	3,540	102,641
Additions	-	-	1,736	1,736
Additional amounts recognised from business combinations	34,873	34,263	580	69,716
Amortisation charge	-	(3,313)	(642)	(3,955)
Foreign exchange differences	258	21	-	279
Closing net book amount	**124,516**	**40,687**	**5,214**	**170,417**
As at 30 June 2023				
Cost	149,285	63,399	5,886	218,570
Accumulated amortisation and impairment	(24,769)	(22,712)	(672)	(48,153)
Net book amount	**124,516**	**40,687**	**5,214**	**170,417**
Year ended 30 June 2022				
Closing net book amount	89,827	13,344	1,416	104,587
Additions	-	-	2,154	2,154
Amortisation charge	-	(3,590)	(30)	(3,620)
Foreign exchange differences	(442)	(38)	-	(480)
Closing net book amount	**89,385**	**9,716**	**3,540**	**102,641**
As at 30 June 2022				
Cost	114,154	29,115	3,570	146,839
Accumulated amortisation and impairment	(24,769)	(19,399)	(30)	(44,198)
Net book amount	**89,385**	**9,716**	**3,540**	**102,641**

NOTE 13. INTANGIBLES (CONTINUED)

Impairment disclosures of non-financial assets

At the end of each reporting period, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill is allocated to cash-generating units which are based on the Group's reporting segments:

Allocation of intangible assets to Cash-Generating Unit (CGU) groups

	Engineering and Construction $'000	Asset Maintenance $'000	Mining Services $'000	Total $'000
30 June 2023	57,289	106,736	1,178	165,203
30 June 2022	57,930	39,993	1,178	99,101

The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. These calculations use discounted cash flow projections based on financial budgets approved by management covering a three-year period.

The discount rate used is the Group's weighted average cost of capital.

The same growth rate is applied across all CGUs and reflect the long-term average growth rate and management's outlook on growth.

Significant estimate: Key assumptions used for value-in-use calculations

	Long-term growth rate		Pre-tax discount rate	
	2023 %	2022 %	2023 %	2022 %
Engineering and Construction	2.00%	2.00%	12.04%	12.29%
Asset Maintenance	2.00%	2.00%	12.04%	12.29%
Mining Services	2.00%	2.00%	12.04%	12.29%

Sensitivity

Management believe that any reasonably possible change in the key assumptions on which the recoverable amount based in all the CGUs would not cause the remaining carrying amount to exceed its recoverable amount.

Impairment expense

The Group performs its impairment test on an annual basis. The Group considers the relationship between its market capitalisation and its book value, among other factors when reviewing indicators of impairment. As a result of the impairment testing process, no impairment is recognised for the year ended 30 June 2023 (2022: no impairment recognised).

NOTE 14. TRADE AND OTHER PAYABLES

	2023 $'000	2022 $'000
Current		
Trade payables	61,234	79,491
Other payables and accrued expenses	54,892	42,905
	116,126	**122,396**

Information about the Group's exposure to currency and liquidity risks is included in Note 32.

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15. LEASES

The recognised right of use liabilities are as follows:

	2023 $'000	2022 $'000
Current right of use liability	11,420	7,654
Non-current right of use liability	15,742	10,860
Total right of use liabilities	**27,162**	**18,514**

The recognised right of use assets relate to the following types of assets:

	2023 $'000	2022 $'000
Properties	22,442	17,029
Equipment and vehicles	3,380	246
Total right of use assets	**25,822**	**17,275**

Extension Options

Certain leases contain extension options exercisable by the Group. These extension options are exercisable only by the Group and not by the lessors. The Group assesses, at lease commencement, whether it is reasonably certain to exercise the extension options, and where it is reasonably certain, the extension period has been included in the lease liability. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

NOTE 16. BORROWINGS

	2023 $'000	2022 $'000
Current		
Secured borrowings - Term facility	8,250	3,000
Secured borrowings - Asset financing	12,064	10,983
	20,314	**13,983**
Non-current		
Secured borrowings - Term facility	21,000	2,250
Secured borrowings - Asset Financing	23,382	22,542
	44,382	**24,792**

The carrying amounts of all financial assets (floating charge) pledged as security for current and non-current borrowings are disclosed in Note 32(c). The carrying amounts of all non-current assets (fixed charge) pledged as security for current and non-current borrowings are disclosed in Note 12.

(a) Hire purchase finance

Hire purchase liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(b) Fair value

The fair value of borrowings is not materially different from the carrying value since interest payable on these borrowings are either close to current market rates or the borrowings are of a short term nature.

NOTE 17. DEFERRED TAX BALANCES

		2023 $'000	2022 $'000
(a)	**Deferred tax assets**		
	The balance comprises temporary differences attributed to:		
	Provisions	15,429	12,503
	Share based payments	47	291
	Payables	4,283	1,888
	Tax Losses	11,183	13,514
	Capital expenditure deductible over time recognised in equity	621	-
	Other	419	1,030
	Total Deferred Tax Assets	**31,982**	**29,226**
(b)	**Deferred tax liabilities**		
	Property Plant and Equipment	15,744	9,233
	Debtors Retention	1,291	993
	Intangible assets	11,896	2,503
	Inventory	10	-
	Unrealised Foreign Exchange	240	-
	Total deferred tax liabilities	**29,181**	**12,729**
	Net deferred tax assets	**2,801**	**16,497**

(c) Reconciliations

	Opening Balance $'000	Recognised in Profit or Loss $'000	Recognised Directly in Equity $'000	Acquisitions / Disposals $'000	(Over)/Under Previous Years $'000	Closing Balance $'000
30-Jun-23						
Deferred tax assets / (liabilities) in relation to:						
Property, plant |and equipment	**(9,232)**	(4,482)	-	(564)	(1,466)	**(15,744)**
Provisions	**12,503**	(1,526)	-	4,436	16	**15,429**
Share Based Payments	**291**	(243)	-	-	-	**48**
Intangibles	**(2,503)**	600	-	(10,279)	286	**(11,896)**
Debtors Retention	**(994)**	(22)	-	(29)	(247)	**(1,292)**
Payables	**1,887**	(352)	-	2,341	407	**4,283**
Tax Losses	**13,514**	(2,003)	-	-	(328)	**11,183**
Other	**1,031**	(159)	-	-	(703)	**169**
Capital expenditure deductible over time recognised in equity	-	-	621	-	-	**621**
Total	**16,497**	**(8,187)**	**621**	**(4,095)**	**(2,035)**	**2,801**

NOTE 17. DEFERRED TAX BALANCES (CONTINUED)

(c) Reconciliations (continued)

	Opening Balance $'000	Recognised in Profit or Loss $'000	Recognised Directly in Equity $'000	Acquisitions / Disposals $'000	(Over)/Under Previous Years $'000	Closing Balance $'000
30-Jun-22						
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment	**(3,142)**	(3,922)	-	-	(2,169)	**(9,233)**
Provisions	**9,551**	1,549	-	-	1,403	**12,503**
Share Based Payments	**55**	236	-	-	-	**291**
Intangibles	**(3,968)**	972	-	-	493	**(2,503)**
Debtors Retention	**(871)**	163	-	-	(285)	**(993)**
Payables	**1,219**	414	-	-	255	**1,888**
Tax Losses	**22,810**	(6,351)	-	-	(2,945)	**13,514**
Other	**2,345**	(132)	-	-	(1,183)	**1,030**
Total	**27,999**	**(7,071)**	**-**	**-**	**(4,431)**	**16,497**

Significant judgment: recoverability of deferred tax assets

The deferred tax assets include an amount of $11,183,000 which relates to carried-forward tax losses. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The losses can be carried forward indefinitely and have no expiry date.

NOTE 18. PROVISIONS

	2023 $'000	2022 $'000
Current		
Employee benefit provisions[a]	42,895	29,278
Lease provisions[c]	915	1,286
Other	3,095	1,838
	46,905	**32,402**
Non-current		
Employee benefit provisions[b]	5,199	3,552
Lease provisions[c]	5,322	942
Other	-	300
	10,521	**4,794**

(a) Employee benefit provisions

The employee benefit provisions cover the Group's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the current provision of $42,895,000 (2022: $29,278,000) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTE 18. PROVISIONS (CONTINUED)

(b) Significant estimate: Provision for long-term employee benefits

In determining the employee entitlements relating to long service leave, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on Government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

(c) Lease provisions

$502,000 (2022: $1,601,000) of the liability is assumed as part of the business combination in the prior period for the fair valuation of previously acquired lease agreements due to the leases' terms being unfavourable relative to market terms. The market value of rentals for these properties are lower than the rental terms in place at acquisition to lease the properties and therefore a liability is recognised.

$597,000 (2022: 627,000) of onerous lease provisions assumed as part of the business combination in the prior period for discount provided for a sub-lease, as the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

NOTE 19. ISSUED CAPITAL

	2023		2022	
Share capital	**Shares**	**$'000**	**Shares**	**$'000**
Ordinary shares fully paid	519,470,677	267,488	445,796,415	218,096

	Number of shares	Total $'000
Balance as at 1 July 2021	**445,796,415**	**218,096**
Balance as at 30 June 2022	**445,796,415**	**218,096**
Performance rights converted to ordinary shares	2,343,750	-
Shares issued to fund acquisition of SRG Global Asset Care Pty Ltd at $0.72 per share	71,330,512	**51,357**
Share issue costs	-	**(2,586)**
Capital expenditure deductible over time (see Note 5)	-	**621**
Balance as at 30 June 2023	**519,470,677**	**267,488**

(a) Ordinary shares

Fully paid ordinary shares carry one vote per share and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Ordinary shares have no par value and the Company does not have a limit on the amount of authorised capital. During 30 June 2023 period, a total of 73,674,262 new ordinary shares were issued.

(b) Performance rights

On 31 August 2022, a total of 2,343,750 performance rights were exercised and converted into fully paid ordinary shares. Furthermore, on 9 December 2022, a total of 2,835,000 performance rights were issued to certain employees. See Note 30 for further discussions on share-based payments.

NOTE 20. RESERVES

Nature and purpose of reserves

(a) Share-based payment reserve

The share-based payment reserve is used to recognise the value of the vesting of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

(b) Asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with Australian Accounting Standards.

(c) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign operations with functional currencies other than those of the presentation currency of these financial statements. Refer to accounting policy Note 1.

(d) Reverse acquisition reserve

As a result of reverse acquisition accounting, a new equity account is created as a component of equity. This account called 'Reverse acquisition reserve' is similar in nature to share capital. The Reverse acquisition reserve is not available for distribution. This equity account represents a net adjustment for the replacement of the legal parent's (SRG Global) equity with that of the deemed acquirer (SRG Limited).

(e) Hedging Reserve - cash flow hedges

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

NOTE 21. COMMITMENTS

	2023 $'000	2022 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
- Plant and equipment	2,338	4,890
Total capital commitments	**2,338**	**4,890**

NOTE 22. CONTINGENT ASSETS AND LIABILITIES

Certain claims arising out of construction and services contracts have been made by controlled entities in the ordinary course of business. These claims are confidential in nature and may involve adjudication, arbitration or litigation. In accordance with Australian Accounting Standards, due to the uncertainty in relation to the quantum and timing of the resolution of these claims, no amounts have been recognised in the financial statements in relation to these matters.

The Group's bank guarantees and bond facilities' limits and drawdowns are disclosed in Note 31.

NOTE 23. CASH AND CASH EQUIVALENTS

	2023 $'000	2022 $'000
Cash at bank and in hand	47,713	59,302
	47,713	**59,302**

		30-Jun-23 $'000	30-Jun-22 $'000
(a)	**Reconciliation of profit for the year to net cash from operating activities**		
	Profit for the year	22,561	20,132
	Depreciation and amortisation	33,410	26,672
	Share-based payment	828	785
	Earnings from equity accounted investment	1	2
	(Gain)/loss on disposal of property, plant and equipment	17	(1,060)
	Unrealised foreign exchange	(327)	(1,564)
	Fair value adjustment to derivatives	2,266	(2,067)
	Changes in assets:		
	- (Increase)/decrease in Trade and Other Receivables	8,211	(11,377)
	- (Increase)/decrease in Contract Assets	(17,685)	(4,719)
	- (Increase)/decrease in Inventories	(1,452)	(3,700)
	- (Increase)/decrease in Other Assets	(616)	(80)
	- (Increase)/decrease in Current Tax Assets	-	(160)
	- (Increase)/decrease in Deferred Tax Assets	10,221	11,503
	Changes in liabilities		
	- (Decrease)/increase in Trade and Other Payables	(15,690)	15,908
	- (Decrease)/increase in Contract Liabilities	1,709	12,545
	- (Decrease)/increase in Provisions	(940)	(1,200)
	- (Decrease)/increase in Tax Liability	612	(503)
	Cash Inflow from Operating Activities	**43,126**	**61,117**

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23. CASH AND CASH EQUIVALENTS (CONTINUED)

		2023 $'000	2022 $'000
(b)	**Non-cash financing and investing activities**		
	New or extended right of use assets recognised under AASB 16	**18,370**	**5,349**

(c) Reconciliation of liabilities arising from financing activities

	Opening Balance $'000	Financing Cash Flows $'000	New/Extended Leases $'000	Closing Balance $'000
2023				
Borrowings	5,250	24,000	-	**29,250**
Asset financing liabilities	33,525	1,921	-	**35,446**
Right of use liabilities	18,514	(9,722)	18,370	**27,162**
	57,289	**16,199**	**18,370**	**91,858**
2022				
Borrowings	9,651	(4,401)	-	**5,250**
Asset financing liabilities	24,337	9,188	-	**33,525**
Right of use liabilities	21,349	(8,184)	5,349	**18,514**
	55,337	**(3,397)**	**5,349**	**57,289**

NOTE 24. PARENT ENTITY FINANCIAL INFORMATION

The table represents the legal parent entity, which is SRG Global Limited.

	2023 $'000	2022 $'000
Financial Position		
Assets		
Current assets	18,100	1,800
Non-current assets	123,680	95,641
Total assets	**141,780**	**97,441**
Liabilities		
Current liabilities	54,026	32,544
Non-current liabilities	9,895	9,811
Total liabilities	**63,921**	**42,355**
Net assets	**77,859**	**55,086**
Equity		
Issued capital	208,423	158,010
Reserves	17,444	18,255
Profit reserve	28,367	45,479
Accumulated losses	(176,375)	(166,658)
Total equity	**77,859**	**55,086**
Financial Performance		
Loss for the year	9,717	22,829
Other comprehensive income	-	-
Total comprehensive loss for the year	**9,717**	**22,829**

With the exception of matters noted in Notes 21 and 22, there were no contingent liabilities, guarantees or capital commitments of the parent entity not otherwise disclosed in these financial statements.

NOTE 25. PARTICULARS RELATING TO CONTROLLED ENTITIES

(a) Group accounts include a consolidation of the following:

Entity	Country of Incorporation	Principal Activity	Ownership Interest Held by the Group 2023	Ownership Interest Held by the Group 2022
SRG Global Limited[1]	Australia	Corporate Services		
Controlled companies				
CASC Contracting Pty Ltd	Australia	Dormant	100%	100%
SRG Global Assets Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Asset Care Pty Ltd[1][3]	Australia	Asset Maintenance	100%	0%
SRG Global CASC Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Facades (NSW) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Facades (QLD) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Facades (VIC) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Facades (WA) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Facades (Western) Pty Ltd[1]	Australia	Dormant	100%	100%
SRG Global Facades Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Infrastructure Pty Ltd [1]	Australia	Construction	100%	100%
Carr Civil Contracting Pty Ltd	Australia	Dormant	100%	100%
SRG Global Integrated Services Pty Ltd[1]	Australia	Asset Maintenance	100%	100%
SRG Global Investments Pty Ltd[1]	Australia	Dormant	100%	100%
SRG Global Structures (VIC) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Structures (WA) Pty Ltd[1]	Australia	Construction	100%	100%
Structural Systems Middle East LLC[2]	UAE	Construction	49%	49%
NASA Structural Systems LLC[2]	UAE	Construction	49%	49%
SRG Contractors US, Inc.	USA	Dormant	100%	100%
SRG Employee Share Trust	Australia	Trust	100%	100%
SRG Global (Australia) Limited[1]	Australia	Corporate Services	100%	100%
SRG Global Building (Northern) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Building (Southern) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Building (Western) Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Civil Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Corporate (Australia) Pty Ltd[1]	Australia	Corporate Services	100%	100%
SRG Global International Holdings Pty Ltd[1]	Australia	Dormant	100%	100%
SRG Global IP Pty Ltd[1]	Australia	Dormant	100%	100%
SRG Global Mining (Australia) Pty Ltd[1]	Australia	Mining Services	100%	100%
SRG Global Products Pty Ltd[1]	Australia	Construction	100%	100%
SRG Global Services (Australia) Pty Ltd[1]	Australia	Asset Maintenance	100%	100%
SRG Global Services (Western) Pty Ltd[1]	Australia	Asset Maintenance	100%	100%
SRG Global Group (NZ) Ltd	New Zealand	Asset Maintenance	100%	100%
SRG Global (NZ) Ltd	New Zealand	Asset Maintenance	100%	100%
SRG Global Asset Services (NZ) Ltd	New Zealand	Asset Maintenance	100%	100%
SRG Global Remediation Services (NZ) Ltd	New Zealand	Asset Maintenance	100%	100%
SRG Global Refractory Services (NZ) Ltd	New Zealand	Asset Maintenance	100%	100%
SRG Global Asset Services (Taranaki) Ltd	New Zealand	Asset Maintenance	100%	100%
Total Bridge Services Limited	New Zealand	Asset Maintenance	50%	50%
Bugarrba PJV Pty Ltd	Australia	Asset Maintenance	49%	49%
SRG Hong Kong Limited	Hong Kong	Dormant	0%	100%
SRG Contractors Doha LLC[2]	Qatar	Dormant	0%	49%
The following entities are in the process of deregistration				
SRG Contractors Muscat LLC[2]	Oman	Dormant	49%	49%
SRG International Holdings Pte. Ltd.	Singapore	Dormant	100%	100%

(1) Controlled entities subject to ASIC Corporation (Wholly-owned Companies) Instrument 2016/785.

(2) In accordance with current foreign ownership restrictions in the United Arab Emirates (UAE), these entities have a fifty one percent participation by UAE nationals. This participation incurs a fixed fee and has no right to the profits or liability for the debts of the entity.

(3) This entity was acquired during the period. Refer to further details of business acquisition in Note 26.

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 25. PARTICULARS RELATING TO CONTROLLED ENTITIES (CONTINUED)

The following are the consolidated totals for the Closed Group relieved under the deed:

	2023 $'000	2022 $'000
Financial information in relation to:		
Statement of profit or loss and other comprehensive income:		
Profit before income tax	40,370	24,132
Income tax expense	(12,299)	(6,186)
Profit for the year	28,071	17,946
Other comprehensive income		
Total comprehensive income for the year	**28,071**	**17,946**
Statement of financial position:		
Current assets		
Cash and cash equivalents	39,665	50,452
Trade and other receivables	101,239	89,044
Contract assets	84,341	58,122
Inventories	20,203	18,042
Other current assets	3,695	2,693
Derivative financial instrument asset	144	2,410
Total current assets	**249,287**	**220,763**
Non-current assets		
Property, plant and equipment	112,450	97,402
Right of use assets	23,769	15,327
Intangible assets	154,402	86,599
Contract assets	1,243	1,557
Deferred tax assets	2,488	16,459
Related party loan receivables	10,915	8,352
Investments	44,699	44,699
Total non-current assets	**349,966**	**270,395**
Total assets	**599,253**	**491,158**
Current liabilities		
Trade and other payables	109,427	118,081
Contract liabilities	33,681	32,422
Borrowings	20,195	13,822
Right of use liabilities	10,455	6,719
Current tax liabilities	69	61
Provisions	44,452	30,501
Total current liabilities	**218,279**	**201,606**
Non-current liabilities		
Borrowings	44,376	24,670
Right of use liabilities	14,611	9,811
Provisions	10,437	4,721
Total non-current liabilities	**69,424**	**39,202**
Total liabilities	**287,703**	**240,808**
Net assets	**311,550**	**250,350**
Equity		
Issued capital	267,488	218,096
Reserves	10,024	9,195
Retained earnings	34,038	23,059
Total equity	**311,550**	**250,350**

NOTE 25. PARTICULARS RELATING TO CONTROLLED ENTITIES (CONTINUED)

(b) Joint operations

The Company's subsidiary, SRG Global Integrated Services Pty Ltd, has a 49% share of Bugarrba PJV Pty Ltd, a joint operation with Walganbung Services Group Pty Ltd. The principal activity of which is for the provision of asset services on the land and for the benefit of the Njamal Traditional Owners.

(c) Joint ventures

Set out below are the joint ventures of the Group as at 30 June 2023 which, in the opinion of the Directors, are material to the Group.

	Place of business	% of ownership interest	Measurement method	Carrying amount 2023 $'000	Carrying amount 2022 $'000
Traylor SRG, LLC[a]	USA	50%	Equity Method	133	130

[a] Incorporated Joint Venture in US.

NOTE 26. BUSINESS COMBINATION

SRG Global Asset Care Pty Ltd

On 15 February 2023, SRG Global Limited ('SRG Global' or 'the Company') entered into a Share Sale Agreement with ALS Industrial Holdings Pty Ltd to acquire 100% of the issued share capital of ALS Industrial Pty Ltd (now SRG Global Asset Care Pty Ltd). SRG Global acquired SRG Global Asset Care Pty Ltd because the combined entities are expected to enhance SRG Global's capabilities to provide a full end-to-end asset lifecycle sustainability solution.

The acquisition was completed on 28 February 2023 with the Company acquiring 100% of the voting equity interests in exchange for $79,194,000 net cash consideration. There were no contingent considerations arising from the acquisition.

The values identified in relation to the acquisition are provisional as at reporting date 30 June 2023. Details of the purchase consideration and the fair value of net assets acquired are as follows:

	Fair Value $'000
Assets	
Cash and cash equivalents	5,832
Trade and other receivables	21,511
Contract assets	6,864
Property, plant and equipment	7,210
Right of use assets	8,607
Intangible assets	34,843
Deferred tax assets	6,748
Total assets	**91,615**
Liabilities	
Trade and other payables	7,922
Employee entitlements	15,085
Provisions	4,837
Right of use liabilities	8,607
Deferred tax liabilities	10,843
Total liabilities	**47,294**
Net assets acquired	**44,321**
Goodwill arising on acquisition	34,873
Total purchase consideration - cash	**79,194**

NOTE 26. BUSINESS COMBINATION (CONTINUED)

Estimates and judgments were made in determining the fair value of intangibles, property, plant and equipment, right of use assets, right of use liabilities and provisions. A third party qualified valuer was engaged to perform the valuation of customer relationship intangible assets. The valuation is based on the Multi-Period Excess Earnings Method. Key assumptions used in determing the fair value of customer relationships were the revenue associated with the customer contracts, contract renewal periods, and discount rates.

Acquisition and integration-related costs of approximately $4,495,000 are included in administrative expenses in the consolidated statement of profit or loss and in operating cash flows in the consolidated statement of cash flows.

The fair value of the trade and other receivables amounts to $21,511,000. The gross amount of trade and other receivables is $23,187,000. It is expected that the fair value can be collected.

The fair value of the contract assets amounts to $6,864,000. The gross amount of contract assets is $7,032,000. It is expected that the fair value can be collected.

The Company measured the acquired right of use liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the right of use liabilities.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of $34,873,000 (see Note 13) comprises the value of the expanded geographic footprint and workforce, and value from future revenue not able to be included within the intangible asset value. Goodwill is allocated entirely to the Asset Maintenance segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, SRG Global Asset Care Pty Ltd contributed $47,828,000 of revenue and $3,389,000 to profit before tax. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been $131,984,000 and profit before tax would have been $6,751,000.

NOTE 27. RELATED PARTY INFORMATION

(a) Subsidiaries

Interest in subsidiaries are set out in Note 25.

(b) Key Management Personnel compensation

Key Management Personnel compensation is disclosed in Note 6.

In addition during the financial year, the following type of transactions have also been entered into with key management personnel of the Group.

(c) Transactions with related parties

	2023 $	2022 $
Purchases of goods and services from entities controlled by key management personnel (1)	99,996	75,449

(1) Transactions are regularly assessed to ensure arm's length basis.

NOTE 28. EVENTS SUBSEQUENT TO REPORTING DATE

On 18 July 2023, the Group secured a contract with Lendlease in Victoria, valued at $30m. The scope of the contract include the design, supply, and installation of specialist engineered curtain wall facades at the Frankston Hospital Redevelopment located in Victoria. The contract will commence immediately and is expected to be completed in 2024.

On 15 August 2023, the Group secured a contract with Multiplex in Western Australia, valued at $25m. The scope of the contract included the design, supply and installation of specialist engineered curtain wall facades at Nine The Esplanade located in the Elizabeth Quay precinct in Perth. The contract will commence immediately and is expected to be completed in 2024.

On 22 August 2023 the Group announced a final, fully franked dividend of 2.0c per share. The record date for this dividend is 7 September 2023 with the payment to be made on 7 October 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the Group's state of affairs in future financial years other than the matters noted above.

NOTE 29. SEGMENT RESULTS

Description of segments

Management has determined that strategic decision making is facilitated and enhanced by evaluation of operations on the customer segments of Asset Maintenance, Mining Services and Engineering and Construction. For each of the strategic operating segments, the Managing Director reviews internal management reports on a regular basis.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations have inherently different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The following summary describes the operation in each of the Group's reportable segments:

Asset Maintenance segment

Our operations in the Asset Maintenance segment consist of supplying integrated services to customers across the entire asset life cycle. Services provided span multiple sectors including oil and gas, energy, major infrastructure, offshore, mining, power generation, water treatment plants, commissioning, decommissioning, shutdowns, and civil works. Contracts vary in length from short to long-term.

Mining Services segment

The Mining Services segment services mining clients and provides comprehensive ground solutions including production drilling, blasting, and ground and slope stabilisation. Contracts vary in length from short to long-term.

Engineering and Construction segment

Our operations in the Engineering and Construction segment consist of supplying integrated products and services to customers involved in the construction of complex infrastructure. These typically include bridges, dams, office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings, and hospitals. Contracts are typically medium to long-term.

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 29. SEGMENT RESULTS (CONTINUED)

The Managing Director assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement excludes certain non-recurring expenditures which are of an isolated nature such as equity settled share-based payments and corporate activities pertaining to the overall Group including the treasury function which manages the cash and funding arrangements of the Group. During the financial year, no customer has contributed more than 10% of the total revenue for the Group.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions within the Group include but not limited to the provision of labour, hire of plant and equipment, and purchase of certain materials and consumables. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Segment information provided to the Managing Director for the year ended 30 June 2023 is as follows:

Segment revenues and results

	Asset Maintenance $'000	Mining Services $'000	Engineering and Construction $'000	Corporate $'000	Total $'000
30 June 2023					
Construction revenue	-	-	366,354	-	366,354
Services revenue	302,251	140,382	-	-	442,633
Revenue from external customers	**302,251**	**140,382**	**366,354**	**-**	**808,987**
EBITDA	**35,837**	**29,527**	**29,814**	**(21,539)**	**73,639**
Depreciation	(11,657)	(7,896)	(8,326)	(1,576)	(29,455)
Amortisation	(3,498)	-	(2)	(455)	(3,955)
Finance costs	(535)	(721)	(584)	(2,507)	(4,347)
Equity accounted investment results	-	-	(1)	-	(1)
Profit before income tax	**20,147**	**20,910**	**20,901**	**(26,077)**	**35,881**
Income tax expense					(13,320)
Profit after income tax					**22,561**
30 June 2022					
Construction revenue	-	-	315,396	-	315,396
Services revenue	214,842	114,003	-	-	328,845
Revenue from external customers	**214,842**	**114,003**	**315,396**	**-**	**644,241**
EBITDA	**25,161**	**23,918**	**22,845**	**(15,693)**	**56,231**
Depreciation	(8,394)	(6,834)	(6,298)	(1,526)	(23,052)
Amortisation	(3,590)	-	-	(30)	(3,620)
Finance costs	(554)	(323)	(458)	(1,228)	(2,563)
Equity accounted investment results	-	-	(2)	-	(2)
Profit before income tax	**12,623**	**16,761**	**16,087**	**(18,477)**	**26,994**
Income tax expense					(6,862)
Profit after income tax					**20,132**

NOTE 29. SEGMENT RESULTS (CONTINUED)

Segment assets and liabilities

	Asset Maintenance $'000	Mining Services $'000	Engineering and Construction $'000	Corporate $'000	Total $'000
30 June 2023					
Segment assets	278,783	67,134	197,202	48,046	591,165
Segment liabilities	112,834	34,762	122,133	30,958	300,687
30 June 2022					
Segment assets	159,036	47,274	235,073	43,180	484,563
Segment liabilities	43,800	30,945	143,319	31,933	249,997

	Australia		International		Group	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue from external customers	752,789	596,601	56,198	47,640	808,987	644,241

NOTE 30. SHARE-BASED PAYMENTS

On 9 December 2022, a total of 2,835,000 performance rights (convertible into one ordinary share per right) were issued to key management personnel and certain employees, subject to the terms of the SRG Global Performance Rights Plan (the "Plan"), which was approved by shareholders at the AGM held on 27 November 2018. Of the approved amount, 20,000 were deemed to be granted as terms and conditions had been agreed. The remaining 2,815,000 performance rights will be deemed to be granted once the relevant terms and conditions of the rights have been agreed between the Company and the relevant parties. The performance rights are subject to the satisfaction of performance hurdles which are based on achieving agreed profit targets and an increase in the earnings per share and shareholder return targets. The performance rights are also subject to a continuous service requirement.

The following share-based payment arrangements were issued during the 30 June 2023 year:

Performance rights series	Number	Grant date	Expiry date	Method of valuation	Fair value at grant date (AUD)
Tranche 1g	10,000	09-Dec-22	30-Jun-28	Black-Scholes	0.44
Tranche 1h	10,000	09-Dec-22	30-Jun-28	Monte Carlo Simulation	0.19
Tranche 1i	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1j	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1k	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1l	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1m	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1n	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1o	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1p	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1q	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1r	462,500	N/A	30-Jun-29	N/A	N/A

The valuation was performed using the Black-Scholes model for Rights that are subject to non-market conditions and for Rights that are subject to an Absolute Shareholder Return (ASR), the Monte Carlo Simulation was utilised:

Input	Value
Dividend yield (%)	5.39%
Expected volatility (%)	45%
Risk free interest rate (%)	0.45%
Expected life of performance rights (years)	1.65 years
Rights exercise price (A$)	-
Discount for lack of marketability (%)	5.88%

NOTE 30. SHARE-BASED PAYMENTS (CONTINUED)

Furthermore, on 31 August 2022, a total of 2,343,750 performance rights were exercised and converted into fully paid ordinary shares (see Note 19). These relate to the below share-based payment arrangements:

Performance rights series	Number	Grant date	Expiry date	Method of valuation	Fair value at grant date (AUD)
Tranche 1a	468,750	26-Nov-19	30-Jun-25	Black-Scholes	0.325
Tranche 1b	625,000	26-Nov-19	30-Jun-25	Monte Carlo Simulation	0.048
Tranche 1c	625,000	01-Jul-21	30-Jun-25	Black-Scholes	0.45
Tranche 1d	625,000	01-Jul-21	30-Jun-25	Monte Carlo Simulation	0.21

NOTE 31. FINANCING ARRANGEMENTS

The consolidated Group has access to the following lines of credit:

	2023 $'000	2022 $'000
Total facilities available		
Bank overdraft [(1)]	1,500	1,500
Asset finance facility [(1)]	70,000	60,000
Other facilities [(1)]	90,190	45,750
Bank guarantee facility [(1)]	25,301	20,000
Surety bond facility [(2)]	165,000	130,000
	351,991	**257,250**
Facilities used at the end of the reporting period:		
Bank overdrafts [(1)]	-	-
Asset finance facility [(1)]	35,445	33,525
Other facilities [(1)]	29,526	5,357
Bank guarantee facility [(1)]	21,490	11,778
Surety bond facility [(2)]	95,405	72,267
	181,866	**122,927**
Facilities not used at the end of the reporting period:		
Bank overdrafts [(1)]	1,500	1,500
Asset finance facility [(1)]	34,555	26,475
Other facilities [(1)]	60,664	40,393
Bank guarantee facilities [(1)]	3,811	8,222
Surety bond facility [(2)]	69,595	57,733
	170,125	**134,323**

[(1)] **Bank facility**
As at reporting date, the Group has used $86,461,000 of its bank facility limit of $186,991,000. The bank facility is a comprehensive borrowing facility which includes bank overdraft, asset finance, term loan, revolving loan, letter of credit, corporate credit card and bank guarantees.

[(2)] **Surety bonds**
The Group has a $165,000,000 insurance bond facility with various parties (30 June 2022: $130,000,000). This facility has been utilised to provide security in connection with certain projects. The amount of insurance bonds issued under this facility as at 30 June 2023 is $95,405,000 (30 June 2022: $72,267,000).

NOTE 32. FINANCIAL INSTRUMENTS

Significant accounting and risk management policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

Treasury risk management

The Group's activities expose it to a variety of financial risk, market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Management, consisting of Senior Executives of the Group meet on a regular basis to analyse risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management policies and objectives.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk.

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's financial arrangements are disclosed in Note 31. Maturity of the Group's financial liabilities are as follows:

	1 year or less $'000	1 - 2 years $'000	2 - 5 years $'000	More than 5 years $'000	Total cash flow $'000	Carrying amount $'000
2023						
Borrowings	8,250	22,118	-	-	30,368	29,250
Hire purchase liabilities	12,706	11,382	15,812	-	39,900	35,446
Right of use liabilities	12,205	7,128	10,587	2,659	32,579	27,162
Trade and other payables	71,181	-	-	-	71,181	71,181
	104,342	**40,628**	**26,399**	**2,659**	**174,028**	**163,039**
2022						
Borrowings	3,000	2,333	-	-	5,333	5,250
Hire purchase liabilities	11,387	10,152	14,898	-	36,437	33,525
Right of use liabilities	7,896	6,995	5,009	-	19,900	18,514
Trade and other payables	79,491	-	-	-	79,491	79,491
	101,774	**19,480**	**19,907**	**-**	**141,161**	**136,780**

Notes to the Financial Statements (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial commitment, a recognised asset or liability will fluctuate due to changes in foreign currency rates.The Group is exposed to foreign exchange risk in abroad projects executed by local subsidiaries. In managing exposure to foreign exchange risk, the group has entered into a number of forward foreign exchange contracts.

At 30 June 2023, the fair value of these contracts was $144,000 (2022: $2,410,000).

There is a natural hedge in place to the extent project costs are materially of the same foreign currency.

The major exchange rates relevant to the Group are as follows:

	Average year ended 30/06/2023	As at 30/06/2023	Average year ended 30/06/2022	As at 30/06/2022
AUD$ / USD$	0.67	0.66	0.73	0.69
AUD$ / AED$	2.47	2.44	2.66	2.53
AUD$ / CNH$	4.68	4.83	4.69	4.62
AUD$ / NZD$	1.09	1.09	1.07	1.11

The Group's exposure to material foreign exchange risk at reporting date was as follows, based on carrying amounts in AUD$'000:

	USD$ $'000	AED$ $'000	CNH$ $'000	NZD$ $'000	Total $'000
2023					
Cash and cash equivalents	-	3,326	-	4,686	8,012
Trade and other receivables	-	812	-	8,242	9,054
Trade and other payables	(96)	(79)	(14,954)	(6,570)	(21,699)
	(96)	**4,059**	**(14,954)**	**6,358**	**(4,633)**
2022					
Cash and cash equivalents	46	3,179	-	4,474	7,699
Trade and other receivables	1,189	1,369	-	6,275	8,833
Trade and other payables	(95)	(52)	(22,241)	(4,334)	(26,722)
	1,140	**4,496**	**(22,241)**	**6,415**	**(10,190)**

Based on the carrying amounts exposed to foreign currencies, had the Australian dollar weakened by 5%/strengthened by 5% against these foreign currencies with all other variables held constant, the Group's profit or loss would have been $216,852 higher/$239,679 lower (2022: $450,428 higher/$497,842 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last financial year and the spot rate at each reporting date.

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NOTE 32. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations that have floating interest rates. The Group has a mixture of variable and fixed interest rate financial instruments to manage its interest cost.

The Group's exposure to interest rate risk, effective weighted average interest rate, contractual settlement terms of a fixed period of maturity as well as management's expectation of settlement period for financial instruments are set out below.

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within			Non-interest bearing	Total
			1 year or less	Over 1 year to 5 years	More than 5 years		
	%	$'000	$'000	$'000	$'000	$'000	$'000
2023							
Financial assets							
Cash and cash equivalents	2.73%	47,713	-	-	-	-	47,713
Trade and other receivables	-	-	-	-	-	110,253	110,253
Derivative	-	-	-	-	-	144	144
		47,713	**-**	**-**	**-**	**110,397**	**158,110**
Financial liabilities							
Trade and other payables	-	-		-	-	(71,181)	(71,181)
Borrowings	5.33%	(27,290)	(13,012)	(24,394)	-	-	(64,696)
Right of use liabilities	6.87%	-	(11,420)	(13,835)	(1,907)	-	(27,162)
		(27,290)	**(24,432)**	**(38,229)**	**(1,907)**	**(71,181)**	**(163,039)**
2022							
Financial assets							
Cash and cash equivalents	0.82%	59,302	-	-	-	-	59,302
Trade and other receivables	-	-	-	-	-	97,876	97,876
Derivative	-	-	-	-	-	2,410	2,410
		59,302	**-**	**-**	**-**	**100,286**	**159,588**
Financial liabilities							
Trade and other payables	-	-		-	-	(79,491)	(79,491)
Borrowings	3.67%	(8,109)	(10,073)	(20,593)	-	-	(38,775)
Right of use liabilities	3.16%	-	(7,654)	(10,860)	-	-	(18,514)
		(8,109)	**(17,727)**	**(31,453)**	**-**	**(79,491)**	**(136,780)**

As at 30 June 2023, a sensitivity analysis has not been disclosed in relation to the floating interest deposits for the Group, as the net results of a reasonable possible change in interest rates have been determined to be immaterial to the statement of profit or loss and other comprehensive income.

NOTE 32. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

As a result of the diverse range of services and geographical spread covered by the Group, the Group does not have a concentration of credit risk to any one customer or industry. Whilst the Group does have a broad risk to government agencies and tier one lead contractors in the construction industry generally, this is managed on a 'customer by customer' basis, taking into account ratings from credit agencies, trade references and payment history where there is pre-existing relationship with that entity. The compliance with credit limits by customers is regularly monitored by management. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has established a loss allowance of trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECLs on trade receivables are estimated using a provision matrix based on historical credit loss experience and any available forward-looking estimates available as at reporting date.

Set out below is the information about the credit risk exposure at 30 June 2023 on the Group's trade receivables for which lifetime expected credit losses are recognised:

	Aging				
	Current	**31-60 Days**	**61-90 Days**	**90 Days+**	**Total**
30 June 2023					
Trade and other receivables and contract assets ($'000)	162,282	21,890	9,222	10,802	**204,196**
ECL allowance ($'000)	(492)	(506)	(482)	(3,256)	**(4,736)**
30 June 2022					
Trade and other receivables and contract assets ($'000)	140,459	16,140	3,458	7,007	**167,064**
ECL allowance ($'000)	(75)	(593)	-	(6,207)	**(6,875)**

The reconciliation in ECL allowance is as follows:

	2023 $'000	**2022 $'000**
Movement in ECL allowance provided for receivables		
Opening loss allowance - calculated under AASB 9	(6,875)	(5,468)
Net movement of expected credit loss	(984)	(1,407)
Receivables and contract assets written off during the period as uncollectable	3,123	-
Closing balance as at 30 June 2023	**(4,736)**	**(6,875)**

NOTE 32. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value

Net fair values of financial assets and liabilities are determined by the Group on the following basis:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on the amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of cash flows. With the exception of the fair value differences arising on the Group's fixed interest rate financial liabilities, as discussed in the analysis of interest rate risk above, the carrying amounts of all financial instruments disclosed above are at their approximate net fair values.

AASB 9 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities measured and recognised at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2023				
Financial assets				
Derivative	144	-	-	**144**
	144	**-**	**-**	**144**
2022				
Financial assets				
Derivative	2,410	-	-	**2,410**
Financial liabilities				
Provisions	-	-	(418)	**(418)**
	2,410	**-**	**(418)**	**1,992**

There were no transfers between levels during the period. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Shareholder Information

FOR THE YEAR ENDED 30 JUNE 2023

Additional ASX Information

This additional ASX information is required to be included in this Annual Report by ASX under Listing Rule 4.10. This information is not provided elsewhere in this report and is applicable as at 17 August 2023.

Ordinary share capital

SRG Global Limited's issued share capital is comprised of 519,470,677 fully paid ordinary shares, held by 3,999 individual shareholders. At any meeting of shareholders fully paid ordinary shares carry one vote per share and the rights to dividends.

Distribution of shareholders and their holdings

	Size of holding					
	1 to 1,000	**1,001, to 5,000**	**5,001 to 10,000**	**10,001 to 100,000**	**100,001 to (MAX)**	**Total**
Number of holders	420	1,028	571	1,636	344	**3,999**
Ordinary shares	149,623	2,890,016	4,426,448	56,254,837	455,749,753	**519,470,677**

There were 282 holders with less than a marketable parcel of fully paid ordinary shares.

Substantial holders

The number of shares held by substantial holders, as disclosed in substantial shareholding notices provided to the Company are set out below:

Shareholder	**Number of ordinary shares**
Mitsubishi UFG Financial Group, Inc	33,278,303
Perennial Value Management Limited	26,556,705
	59,835,008

Twenty largest shareholders	**Percentage of issued capital**	**Number of ordinary shares**
CITICORP NOMINEES PTY LIMITED	13.96	72,495,231
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9.49	49,314,964
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9.45	49,069,697
NATIONAL NOMINEES LIMITED	9.11	47,343,632
SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	2.39	12,390,148
PRIMETOWN PTY LTD <MCMORROW SUPER FUND A/C>	2.07	10,776,359
BNP PARIBAS NOMS PTY LTD <DRP>	1.71	8,859,354
DEAKIN PLACE PTY LTD <DEAKIN PLACE A/C>	1.43	7,441,945
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1.27	6,585,006
PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	1.26	6,546,836
CASC SERVICES PTY LTD <THE CHIARI USED UNIT A/C>	1.21	6,297,612
CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	1.11	5,783,865
CUTTERS 2 PTY LTD <PAUL DAWSON A/C>	1.08	5,625,000
CERTANE CT PTY LTD <BIPETA>	1.06	5,488,808
WESTOR ASSET MANAGEMENT PTY LTD <VALUE PARTNERSHIP A/C>	0.85	4,408,478
MR DAVID WILLIAM MACGEORGE + MRS JACQUELINE AMANDA MACGEORGE <MACGEORGE FAMILY A/C>	0.79	4,125,889
OKELANE HOLDINGS PTY LTD <SJMK FAMILY NO 2 A/C>	0.77	4,017,518
MEADOWVIEW INVESTMENTS PTY LTD <THE LIVSM FAMILY A/C>	0.68	3,543,874
LUFORM PTY LTD <USED FAMILY NO 2 A/C>	0.67	3,486,444
AWBEG NOMINEES PTY LTD <THE O'CONNOR FAMILY A/C>	0.67	3,455,247
DAJCO ENTERPRISES PTY LTD <THE MCGRANE FAMILY A/C>	0.67	3,455,247

Unlisted Equity Securities

There are 14,575,000 unlisted Performance Rights on issue.

Voting rights

Shareholders are encouraged to attend the Annual General Meeting. However, when this is not possible, they are encouraged to use the form of Proxy by which they can express their views on matters being brought forward at the meeting. Every shareholder, proxy or shareholder's representative has one vote on a show of hands. In the case of a poll, each share held by every shareholder, proxy or representative is entitled to one vote for each fully paid share.

Dividend reinvestment plan

The company does not have a dividend reinvestment plan.

Corporate Directory

FOR THE YEAR ENDED 30 JUNE 2023

Directors

Peter McMorrow	Non-Executive Chairman
David Macgeorge	Managing Director
Michael Atkins	Non-Executive Director
Amber Banfield	Non-Executive Director

Company secretaries

The company secretaries are Roger Lee and Judson Lorkin.

Registered office

The registered office of the Company is:
Level 2, 500 Hay Street, Subiaco, Western Australia 6008
Telephone: +61 8 9267 5400
Facsimile: +61 8 9267 5499
Website: www.srgglobal.com.au

Stock exchange listing

SRG Global shares are listed on the Australian Securities Exchange. Home exchange is Perth.

Share register

If you have any questions in relation to your shareholding, please contact our share registry:
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace, Perth, Western Australia 6000
Telephone: +61 3 9415 4631
Facsimile: +61 3 9473 2500
Please include your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) in all correspondence to the share registry.

Incorporation

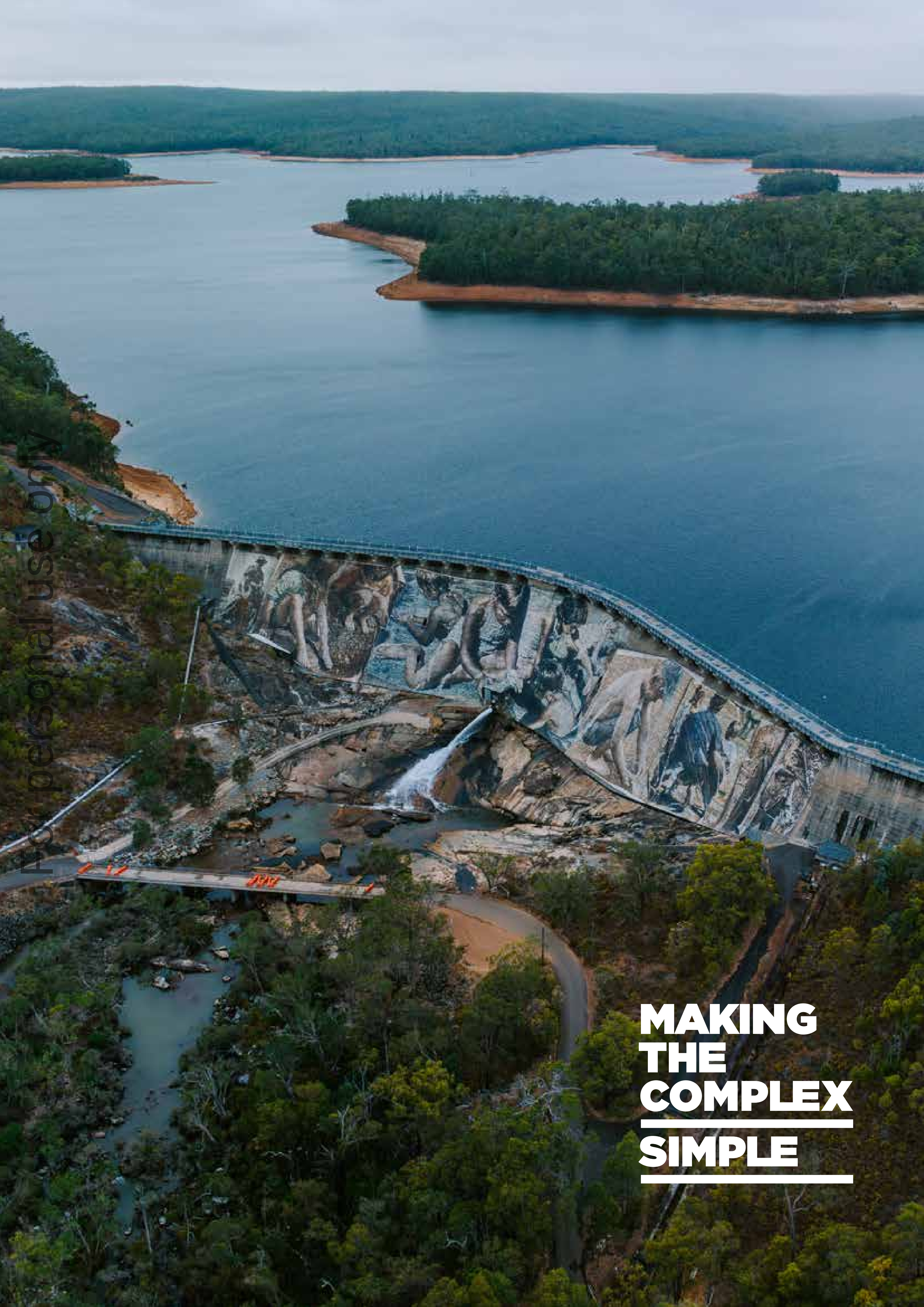
SRG Global is incorporated in the state of Western Australia

Auditors

BDO Audit (WA) Pty Ltd

Bankers

National Australia Bank
Commonwealth Bank of Australia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ASX ANNOUNCEMENT

SRG GLOBAL

Appendix 4E – FY23 Full Year Results

This information should be read in conjunction with SRG Global's Annual Report for the year ended 30 June 2023.

Name of Entity	**ABN**
SRG Global Limited	81 104 662 259

Results for Announcement to the Market

			2023
For the year ended 30 June 2023 (reported)		%	$000's
Revenue from ordinary activities	up	26	808,987
Profit from ordinary activities after tax attributable to members	up	12	22,561
Net Profit for the period attributable to members	up	12	22,561
Earnings per share (basic)	up	6	4.8¢
Net tangible assets per security	down	14	25.4¢

Dividends

	Amount per security	Franked amount per security
For the year ended 30 June 2023		
Interim dividend	2.0¢	2.0¢
Final dividend	2.0¢	2.0¢
Ex-dividend date of final dividend	6 September 2023	
Record date of final dividend	7 September 2023	
Payment date of final dividend	7 October 2023	
Previous corresponding period (30 June 2022)		
Interim dividend	1.5¢	1.5¢
Final dividend	1.5¢	1.5¢

Dividend reinvestment plan
SRG Global does not have a dividend reinvestment plan.

Audit
This report is based on financial statements which have been audited.

Commentary on Results for the Period
A commentary on the results for the period is contained within the 2023 Annual Report, including the Financial Report announced to ASX on 22 August 2023.

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