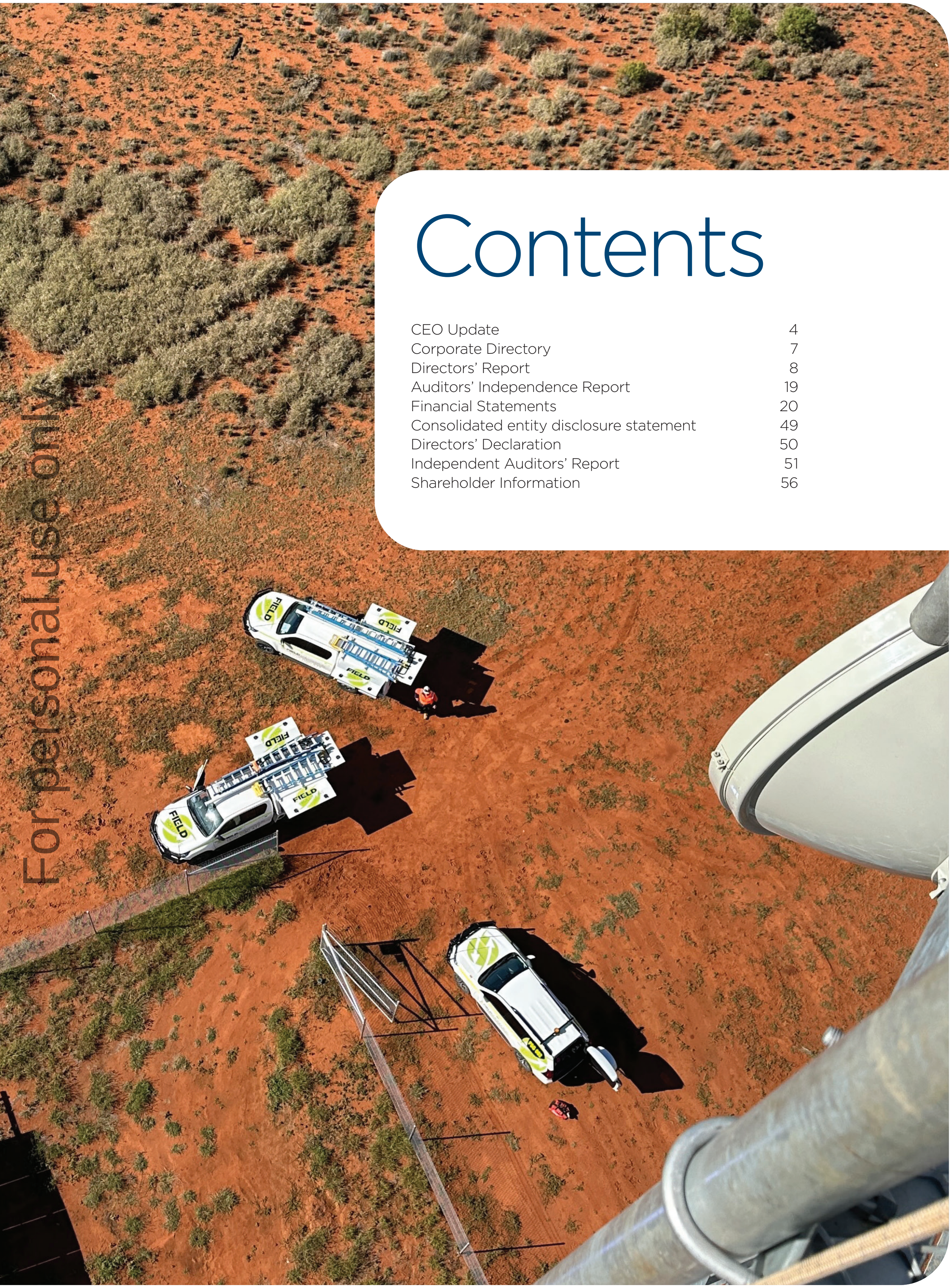
Annual Report 2024

Telecommunications and Digital Enablement for Rural & Regional Australia



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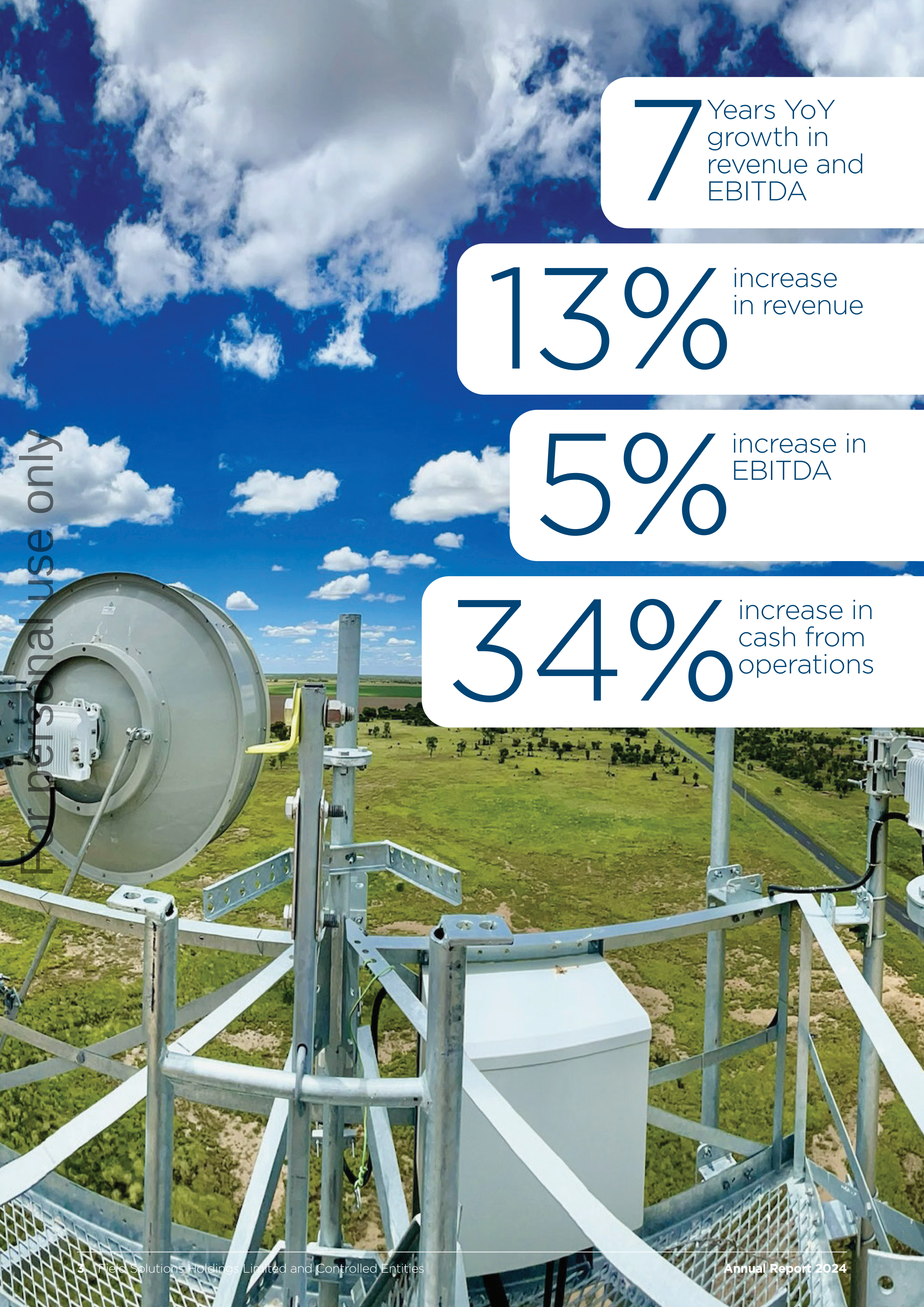


7 Years YoY growth in revenue and EBITDA

13% increase in revenue

5% increase in EBITDA

34% increase in cash from operations

CEO Update

Dear Shareholders,

FY24 saw Field Solutions Group continue to execute its growth strategy, all the while building and developing our infrastructure business which will support Australia's future mobile networks.

Our Core business activity focused on leveraging our rural & regional investments to increase our market penetration in key industries including local government, mining & resources and agribusiness, additionally prioritising the delivery of client projects as well as the development of sustainable business operating policies and procedures.

I am delighted with the progress we have made during FY24 as evidenced by another set of positive results.

For the 7th consecutive year, FY24 saw FSG deliver on both revenue and EBITDA growth, with year-on-year growth of 13% and 5% respectively.

The post-acquisition accounting amortisation of the Tasmanet customer contracts resulted in Statutory NPAT of ($2.9M). This accounting adjustment lasts 5 years.

For the first time, FSG entered into a formal debt arrangement to ensure our business growth strategy and infrastructure build program could be managed concurrently.

FSG's infrastructure group completed the expected 59 sites at end of FY24 (57% completion) and is aiming to complete contracted build activities by the end of H1 FY25.

We continue with our innovative, challenger mindset driving our mission to build Australia 4th Mobile Network, providing "in place" coverage and offering the only scaled Active Sharing Neutral network capability for rural, regional, and remote Australia, a first of its kind.

Core Business

FY24 demonstrated significant progress in maturing our core business operations.

During the second half of FY23, we realigned our core business operations to focus on key vertical markets, with the goal of enhancing industry-specific offerings, improving delivery and customer service, and increasing gross margins.

The core business management team has been restructured to focus on the following sectors:

- Mining and Resources
- Regional and Remote (Local Government, Enterprise, and Agriculture)
- Government (State and Federal)
- Wholesale and B2B

Each business unit reports to an experienced General Manager, who is responsible and accountable for the overall performance of their respective unit.

This structure has matured in FY24, yielding significant benefits, including the development, customer adoption, and delivery of industry-focused solutions, such as:

- A physical security (CCTV/Access control) product line for local government customers, developed in partnership with US-based manufacturer Verkada.
- An access control solution for mining customers, developed in partnership with Gallagher (Australia).
- An SD-WAN solution and several managed service offerings for the Tasmanian State Government.
- Ultra-high-capacity GPON-based village connectivity solutions for aged care facilities and mining camps.
- Agricultural telemetry and integrated connectivity, IoT, and BI applications for agribusiness.

These new offerings, developed from consistent technical components within FSG's portfolio and combined into industry-specific solutions, have supported the winning of notable contracts in FY24, including:

- Ravenswood Gold Mine Managed Services
- Glencore Rolleston Camp Connectivity and Entertainment System
- Anglicare Aged Care Connectivity and wifi Project
- Central Highlands Regional Council CCTV Project
- Community Vision Whole-of-Business Connectivity and IT Services

Sales performance remained strong throughout FY24, though the general tightening of customer budgets—attributable to economic conditions—has resulted in slower decision-making, contract delays, and lower-than-expected revenues, although we were able to maintain strong average gross margins in excess of 40%.

Over the past seven years, FSG has expanded its capabilities and product offerings significantly, leading to a notable increase in the value of customer contracts and the size of client organisations.

This growth, while positive, has also introduced additional complexities and increased performance, compliance and certification requirements for the company and the company has grown from six employees to approximately 146 staff members during this period, leading to higher delivery costs as we internalise and rationalise our service costs.

CEO Update continued

In FY24, FSG initiated several projects to enhance operational capabilities and effectiveness such as

the establishment of FSG's operations in the Philippines over the past 12 months, which has provided a cost-effective, scalable, centralised support capability, including 24/7 monitoring and assistance for our enterprise clients.

Other projects which began during FY24, with particular emphasis on meeting information security standards and certifications, ensuring compliance with legal, contractual, and operational performance obligations will continue through FY25.

FY24 Highlights – Infrastructure Business

Our Infrastructure Group is singularly focused on FSG's most ambitious infrastructure development projects. These projects, which began in 2021-22 in partnership with the Australian Federal Government, include the development of 106 sites, and aim to deliver Australia's first Neutral Host and Domestic Roaming Trial with our strategic telecommunications partner OPTUS.

FSG has completed planning and permitting on 97% of our contracted build sites, and completed construction activities on 57% of those sites, with construction works due to complete by the end of H1 FY25.

FSG again invested $11.6M in infrastructure during FY24.

As previously reported, unavoidable construction delays were encountered in FY23 and FY24, and over the past 24 months, our team has worked tirelessly both internally and externally with our partners, Federal and State Governments to ensure we are supported on this significant infrastructure build program.

A review and rationalisation of certain build programs resulted in a reprioritisation, relocation, and in some cases, cancellation of certain sites as they had become uncommercial and to align with government priorities and objectives and FSG profitability. They provided no material impact to the ongoing business. Grant Income was $4.8M for FY24 with a further $7.6M expected during FY25.

In addition to significant progress on the construction side, I'm pleased to advise we have had significant progress on our first of two trials with Optus. FSG is now connected to Optus's network, facilitating engineering testing prior to the launch of the Trials in H1 FY25.

Our 2nd trial of active sharing via a MOCN (Multi-Operator Core Network) configuration is current in build and due to be completed by the end of H1 FY25.

FSG selected and established strategic partnerships with Nokia (Radio Access Network) and Mavenir (Core Network Software) as technology partners for the FSG RAN, Australia's 4th Mobile Network. Both technology vendors are global industry leaders in their disciplines and enable FSG to operate best of breed 4G / 5G services.

CEO Update continued

FY24 Financial Performance

Our FY24 financial performance demonstrates FSG's focus on increasing the maturity and structure of our core business. We are in the process of transitioning from a small to medium organisation, and with that new size and scale comes the associated formality in processes and systems needed to sustain our growth.

Continued growth in all areas of our core business has delivered:

- Revenue of $63.4M representing an increase of 13% (FY23: $55.8M).
- EBITDA increased 5% to $5.4M (FY23: $5.1M).
- MRR increased 22% (annualised run rate of $45.2M)
- Cash Flow from operations increased 34% to $11.1M (FY23: $8.3M) and marks our 7th year of positive cashflow from operations. This highlights the growth of our underlying regionally focused business and the introduction of complementary products and services. It also highlights that our growth is predominantly associated with our core operating business and not the infrastructure business.

FSG secured an initial debt facility from Regal of $13m to augment FSG balance sheet ensuring we have sufficient depth to deliver our pipeline of larger projects as our core business targets business and enterprise opportunities.

We continue our financial investment in building new network infrastructure across Australia and invested $11.6M in FY24. Three network projects in Northern NSW and Southern QLD and Central WA Australia and are now set to be completed during H1 FY24.

At the close of FY24, FSG has approximately $37.28M of executable core business project backlog to deliver in the next 24 months.

The Year Ahead

In FY25, we will focus on refining our business to deliver tailored products and services to regional enterprises and businesses in rural, regional, and remote areas of Australia. While maintaining core business growth, we will place renewed emphasis on high-margin products and services. The landscape has shifted with the advent of Low Earth Orbit satellites, notably Starlink, which has impacted residential internet connectivity. With further competition anticipated in the next 18 months, FSG will focus on serving our business and enterprise customers.

During FY25, FSG will complete the initial rollout of the Regional Australia Network (RAN), marking the launch of Australia's 4th mobile network. This solidifies FSG's position as a leading mobile carrier and fixed wireless service provider dedicated to rural, regional, and remote Australia.

Our vision is bold and challenging, but it's this ambition that fuels FSG from top to bottom, driving us to make a meaningful impact on the regions we target.

In the first half of FY25, FSG, in partnership with Optus will formally launch a domestic roaming trial. This initiative is not only a significant milestone for FSG and OPTUS but also serves as a proof of concept for shared infrastructure deployment. It demonstrates how the use of roaming can extend mobile phone coverage for all of Australia's major mobile operators.

A key aspect of this model is the provision of shared services across each telecommunications tower deployed by FSG. Each tower, equipped with cutting-edge electronics, can be used by all mobile operators. This represents a significant win for all parties involved by enhancing customer satisfaction, reducing operational costs for mobile operators, eliminating infrastructure duplication, and maximising the value of Federal and State Government investments.

FSG has and will continue to develop and deliver innovative digital and telecommunications solutions to our customers, and we are incredibly proud to be able to provide essential services for rural, regional, and remote Australia.

As always, we have set ourselves another set of audacious goals and we hope you will continue to be part of our journey.

I look forward to sharing an exciting FY25 with you all.

Finally, I thank our board, shareholders, staff, and business partners whose significant contribution and support enabled the success we report today and is the bedrock of our future performance.

Stay healthy, stay safe and stay connected.

Andrew Roberts,
CEO

Corporate Directory

GENERAL INFORMATION

The financial statements cover Field Solutions Holdings Limited as a Consolidated Group consisting of Field Solutions Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Field Solutions Holdings Limited's functional and presentation currency.

Field Solutions Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Newton Henry	Suite 38
Level 2, 33 George Street	23 Narabang Way
Launceston	Belrose
TAS 7250	NSW 2085
Australia	Australia

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2024. The Directors have the power to amend and reissue the financial statements.

Directors at 30 June 2024

- Dr Kenneth Carr
- Mr Andrew Roberts
- Ms Wendy Tyberek
- Dr Phillip Carter

Company Secretary

- Mr Graham Henderson (joint)
- Ms Wendy Tyberek (joint)

Auditors

Hall Chadwick
Level 40, 2 Park Street
SYDNEY NSW 2000
Tel: (02) 9263 2600

Stock exchange listing

Field Solutions Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: FSG).

Automic – share registry
Level 5, 126 Phillip Street
SYDNEY NSW 2000
Tel: +61 2 9698 5414

Website - www.fieldsolutions-group.com

Corporate governance statement

The directors and management are committed to conducting the business of Field Solutions Holdings Limited in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at:

https://fieldsolutions-group.com/company/corporate-governance/

Australia's 4th mobile network operator

Directors' Report

Your Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Field Solutions Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

GENERAL INFORMATION

Directors

The following persons were Directors of Field Solutions Holdings during or since the beginning of the financial year up to the date of this report.

Appointed

Dr Kenneth Carr	2 May 2014
Mr Andrew Roberts	13 March 2017
Mr Mithila Ranawake	23 November 2010
Ms Wendy Tyberek	5 October 2018
Dr Phillip Carter	21 February 2019

Resigned

Mr Mithila Ranawake	8 January 2024

Operating and Financial Review

Principal Activities

The principal activities of the consolidated group (Group) during the financial year were to develop and deliver communications products and services.

These activities in detail are:

- Telecommunications services designing, building and operating telecommunications networks in rural, regional and remote Australia.
- Operating its Retail Service Providers, JustISP, ANT Communications and TasmaNet, delivering true broadband solutions to residents, business and agribusiness in rural, regional and remote Australia.
- Operating its VOIP retail and wholesale business, FreshTel, delivering VOIP retail and wholesale VOIP solutions.
- Operating a national direct and indirect 121 POI NBN Network.
- Operating and delivering satellite connectivity utilising, geo stationary, low earth orbit and medium earth orbit satellite services.
- Operating its Field Wholesale B2B business, delivering data and voice services to retail service
- providers, internet service providers and managed service providers.
- Operating Infrastructure as a service, private and public cloud services, security, and managed services directly via our retail service providers and via our wholesale channel.
- Providing communications software development and maintenance services.

Our Business Model and Objectives

Key elements and underlying objectives of our business model are:

- To deliver "true broadband" being the provision of symmetric services to rural, regional, and remote communities and businesses.
- To utilise all available commercial connectivity infrastructure so to not overbuild, including NBN, Low Earth Orbit Satellite and other terrestrial telecommunications providers.
- To 'not rely' on the current 3G/4G and future 5G technologies for the delivery of broadband in rural, regional, and remote Australia.
- To work in partnership with Federal, State and Local Governments and communities to service their exact telecommunications requirements
- To ensure local support services and managed services are in place in each regional community, supporting the growing use of technology and digital services.
- To deliver long term, multi-use telecommunication assets in rural, regional, and remote communities, supporting active sharing as the default telecommunications infrastructure platform for rural, regional and remote Australia.

Directors' Report continued

We connect and enable digital **anywhere** in Australia

Directors' Report continued

FSG operates as a telecommunications carrier, telecommunications asset owner and retail service provider, building infrastructure in partnership with Federal, State and Local governments and local community to deploy telecommunications infrastructure deep into rural, remote and regional Australia.

The Group also delivers wholesale services to selected partners, agents and resellers that focus on servicing other wireless internet service providers and systems integrators located in rural, regional and remote Australia.

Today, the Group operates network in Tasmania, New South Wales, Victoria, Western Australia, Northern Territory and Queensland.

Review of Operations

The revenue for the Group was $63,433,191 (2023: $55,816,762) representing an increase of 13%. The Group reported a positive EBITDA of $5,392,816 (2023: $5,118,461) and Cashflows from Operations of $11,109,262 (2023: $8,261,542). The increase in EBITDA (5%) from prior year represents expanded operations and improvement in operational efficiencies. During the period the Group continued to deploy and expand its carrier network across NSW, QLD, WA, VIC and NT.

Likely developments and expected results of operations.

The Group is well placed to continue its recent growth trajectory in FY25 and is expected to generate an increase in revenue consistent with its expanding operations and construction projects.

The Group's intention for FY25 is to grow regional revenues and attract further Government and Enterprise revenues utilising in-place and constructed, regional telecommunications assets.

FY25 will also see FSG deploy the Regional Australia Network (RAN), Australia's 4th mobile network operator.

Together with the above organic and Government supported growth, the Group will evaluate accretive acquisition opportunities..

FIELD SOLUTIONS ANT. COMMUNICATIONS just ISP REGIONAL COMMUNITY BUSINESS TasmaNet A Field Solutions Group company

Directors' Report continued

Information relating to Directors and Company Secretary

Ken Carr
Chairman and
Non-Executive Director
(PhD Bus Adm. MBA)

Dr Carr is a seasoned, non-executive director and chair, having held CEO/MD roles in 5 ASX listed companies primarily in the, telecoms, banking, payments and electronic manufacturing sectors and non-executive director roles in 3 others, including 2 as chair.

Dr Carr first joined the Freshtel board in February 2010. He has formerly held CEO and Board positions on several listed entities in Australia and overseas, most recently as CEO of Intec Limited (ASX:ITQ), and prior was Managing Director of Rubik Financial Limited (ASX:RFL). Previously he has held senior executive positions at IBM, AT&T, and Lucent Technologies and British Telecom. His main experience is related to corporate restructuring and transformation, which has included several JVs and mergers and acquisitions in many countries. Dr Carr left the Board in February 2013 and re-joined Freshtel on 2 May 2014.

The board considers Dr Ken Carr to be an independent director as Dr Carr is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Dr Phillip Carter
Non-Executive Director
(PhD, MAppFin, BEng,
SFFIN, FAICD)

Phillip is a joint managing director of Kestrel Capital Pty Ltd. He has extensive experience developing and financing technology rich industrials in Australia, Europe and the United States of America. As chairman of Prism Group Holdings (a developer of enterprise management information systems software), he led the restructure and turnaround of its global operations and subsequent sale of the business to a US competitor, delivering significant returns to investors. Previously, Phillip headed a leading United Kingdom technology consulting and investment advisory practice and managed the InterTechnology Fund, recognised by the European Private Equity and Valuations Capital Association (EVCA) as one of the most active development capital funds in Europe. Other current directorships: Kestrel Growth Companies Limited, Tambla Limited and Chant West Holdings Limited.

Andrew Roberts
Executive Director
(AICD)

Mr Roberts is a business executive / entrepreneur with over 25 years' experience in the IT industry in Australia, New Zealand, Asia Pacific, and the United Kingdom. He has extensive strategic IT and commercial experience in business aggregation, business analysis/strategy, sales, marketing, professional services, operations and general management. Mr Roberts has direct experience in building and growing IT and cloud-based companies from start-up to sale.

He has previously been a director of Comops Limited (ASX: COM) and was recently head of strategy and cloud operations at Rubik Financial Limited (ASX: RFL). Mr Roberts was also the deputy chair of the Young and Well Cooperative Research Council, a federally funded not-for-profit organisation focusing on the use of technology to assist wellbeing in young people's lives.

Directors' Report continued

Wendy Tyberek
Finance Director and
Company Secretary (joint)
(CA, AICD, BBus)

Ms Tyberek is a chartered accountant with over 30 years experience in financial business management and related technologies in Australia and the UK.

Wendy is a non-executive Director and the joint company secretary. Previously and from start up, she was the CFO for the Group. Wendy has extensive experience in working with executive leadership teams to strategically deliver financially successful technology based solutions to private and public sector enterprises. Her previous roles have included senior positions with MYOB, Comops (ASX:COM), Solution 6 and Deloitte.

Mr Graham Henderson
Company Secretary (joint)
(Brecon, B.A.,M.A.,
M.Hist. FGIA)

Mr Henderson has had many years' experience in the management of public companies, both listed and not for profit entities. He joined Freshtel Holdings as Company Secretary in September 2010, and acted as CFO until the acquisition by Field Solutions in April 2017.

Directors' Report continued

REMUNERATION REPORT (AUDITED)

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

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for key management personnel (KMP) performance is competitive and appropriate for the results delivered. The framework aligns executive reward for the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives.

The remuneration policy of Field Solutions Holdings Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and having regard to the current incentive to achieve and earnings milestones pursuant to the acquisition of Field Solutions Group Pty Ltd and other businesses where short term incentives (STI's) are offered.

The Board has established a long-term employee incentive plan (LTIP) which was presented for review and ratification at the 2020 AGM. The Board believes that the current remuneration policy, together with the ESOP to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated Group, as well as to provide goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated Group is as follows:

- All KMP receive a base salary (based on factors such as length of service and experience), superannuation, STI and become eligible to participate in the Company ESOP (subject to Board invitation).
- Other performance incentives (such as STI's) are accrued and generally only paid once pre-determined key performance indicators have been met.
- Incentives in the form of ESOP options and shares are intended to align the interests of KMP and the Company with those of shareholders.
- The remuneration committee reviews KMP packages annually by reference to the consolidated Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based on individual and by reference to the consolidated Group's performance. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance / results leading to long term growth in shareholder wealth.

KMP receive a superannuation guarantee contribution required by the government, which is increasing to 11.5% for FY25 of the individual's average weekly ordinary time earnings (AWOTE).

Other than the entitlements provided under the Group's defined contribution superannuation arrangements, KMP do not receive any other retirement benefits.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate KMP (including non-executive directors) at market rates for time, commitment and responsibilities. The board currently determines payments to KMP and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.

Options granted under the ESOP do not carry dividend or voting rights. The board is responsible for determining any conditions attaching to the options (including issue price, exercise price, vesting conditions, and conditions of exercise).

Directors' Report continued

Engagement of Remuneration Consultants

The Board did not engage any remuneration consultants during the financial year. The Board will consider the appropriateness of appointing a remuneration consultant during FY25 to review the elements of KMP remuneration and to provide appropriate recommendations.

Performance based Remuneration

KPIs for management and other staff are set annually, in consultation with the Board Remuneration Committee. The measures are specifically tailored to the area each individual is involved in and has a level of control over.

The KPIs target areas are those the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and, in some instances, relevant industry standards.

Performance against KPIs is assessed annually, with any KPI related bonuses being awarded based on achievement of the relevant KPIs (see below for further information regarding cash bonuses). Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Field Solutions Holdings Limited bases the assessment on audited figures and quantitative and qualitative data.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance based bonus based on KPIs, and the second being the establishment of an ESOP (under which KMP are eligible participants, subject to Board invitation) to encourage the alignment of personal and shareholder interests.

The Board is of the opinion that the above remuneration policy will enhance company performance going forward.

Performance Conditions Linked to Remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of cash bonus reward schemes, in particular the incorporation of incentive payments based on the achievement of Group budgets. The Group does not currently have any cash bonus rewards schemes tied to the company's share price, preferring at this stage to align such cash bonus rewards to operational performance.

The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between management and shareholders.

The satisfaction of the KPIs is based on a review of the audited financial statements of the Group.

Directors' Report continued

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group for the 2024 year are set out in the following tables.

	Short-term benefits				Long-term benefits	Share-based payments	Performance based	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	% remuneration $	Total $
Non-Executive Directors:								
Dr Kenneth Carr	80,000	-	-	-	-	-	-	80,000
Mr Mithila Nath Ranawake	27,273	-	-	3,000	-	-	-	30,272
Dr Philip Carter	48,000	-	-	5,280	-	-	-	53,280
Executive Directors:								
Mr Andrew Roberts	465,000	-	-	27,399	-	156,000	-	648,399
Ms Wendy Tyberek	270,168	-	-	11,886	-	-	-	282,054
Secretary:								
Ms Wendy Tyberek	-	-	-	-	-	-	-	-
Mr Graham Henderson	72,474	-	-	-	-	-	-	72,474
Other KMP:								
Mr Philippe Benoliel	360,628	-	-	27,399	-	164,530	-	552,557
Ms Nicole Trost (a)	177,131	-	-	19,484	-	-	-	196,615
	1,500,674	-	-	94,448	-	320,530	-	1,915,652

Details of the remuneration of key management personnel of the Group for the 2023 year are set out in the following tables.

	Short-term benefits				Long-term benefits	Share-based payments	Performance based	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	% remuneration $	Total $
Non-Executive Directors:								
Dr Kenneth Carr	80,000	-	-	-	-	-	-	80,000
Mr Mithila Nath Ranawake	54,545	-	-	5,727	-	-	-	60,273
Dr Philip Carter	48,000	-	-	5,040	-	83,485	-	136,525
Executive Directors:								
Mr Andrew Roberts	464,135	156,000	-	25,292	-	162,835	-	808,262
Ms Wendy Tyberek	274,707	100,000	-	25,292	-	-	-	399,999
Secretary:	-	-	-	-	-	-	-	
Ms Wendy Tyberek	-	-	-	-	-	-	-	
Mr Graham Henderson	72,000	-	-	-	-	-	-	72,000
Other KMP								
Mr Philippe Benoliel	324,709	116,000	-	25,292	-	164,531	-	630,532
Mr Robert Vernon (b)	220,000	-	-	23,100	-	-	-	243,100
	1,538,096	372,000	-	109,743	-	410,851	-	2,460,691

(a) Commenced 30 June 2024
(b) Terminated 30 June 2023

Directors' Report continued

Share-based compensation

Issue of shares

There are no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There were no options over ordinary shares issued to KMP as part of compensation for the period ended 30 June 2024.

Performance Rights

There were no performance rights issued to KMP as part of compensation for the period ended 30 June 2024.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by Directors and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Dr Kenneth Carr	10,000,000	-	-	-	10,000,000
Mr Mithila Nath Ranawake	8,066,667	-	-	-	8,066,667
Mr Andrew Roberts	215,034,995	-	-	-	215,034,995
Ms Wendy Tyberek	223,972,169	-	-	-	223,972,169
Dr Phillip Carter	72,212,546	-	3,000,000	-	75,212,546
Mr Philippe Benoliel	7,842,688	-	-	-	7,842,688
Mr Robert Vernon	563,060	-	-	-	563,060
Mr Graham Henderson	3,000,000	-	-	-	3,000,000
	540,692,125	-	3,000,000	-	543,692,125

Option holding

There were 4,000,000 options over ordinary shares in the Company held which expired during the financial year and 3,000,000 which were exercised during the financial year by each Director and other key management personnel of the Group, including their personally related parties.

Grant date	Expiry date	Exercise price	Number under option
31 March 2021	31 March 2024	$0.03	3,000,000 – exercised
31 March 2021	31 March 2024	$0.045	2,000,000 – expired
31 March 2021	31 March 2024	$0.06	2,000.000 – expired
			7,000,000

Other transactions with KMP and their related parties

Nil.

Shares under option

There were no unissued ordinary shares of Field Solutions Holdings Limited based on options outstanding at the date of this report apart from those held by the Directors and KMP set out above. Options holders do not have any rights to participate in any issues of shares.

Performance rights

There were performance rights over ordinary shares in the Company held during the financial year by Directors and other key management personnel of the Group, including their personally related parties.

Directors' Report continued

	Balance at the start of the year	Received as part of remuneration	Conversion to shares	Disposals/ other	Balance at the end of the year
Performance rights					
Mr Andrew Roberts	19,000,000	-	-	-	19,000,000
Philippe Benoliel	11,000,000	-	-	(5,000,000)	6,000,000
	30,000,000	-	-	(5,000,000)	25,000,000

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The Company has indemnified the directors and executives 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 executives 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 the liability and the amount of the premium.

Indemnity and insurance of auditor

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.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Hall Chadwick

There are no officers of the Company who are former partners of Hall Chadwick.

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 immediately after this Directors' report.

Auditor

Hall Chadwick continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Ken Carr, Director

Phillip Carter, Director

29 August 2024

Australia

HALL CHADWICK
Chartered Accountants & Business Advisors

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
AND ITS CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FIELD SOLUTIONS HOLDINGS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Field Solutions Holdings Limited. As the lead audit partner for the audit of the financial report of Field Solutions Holdings Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

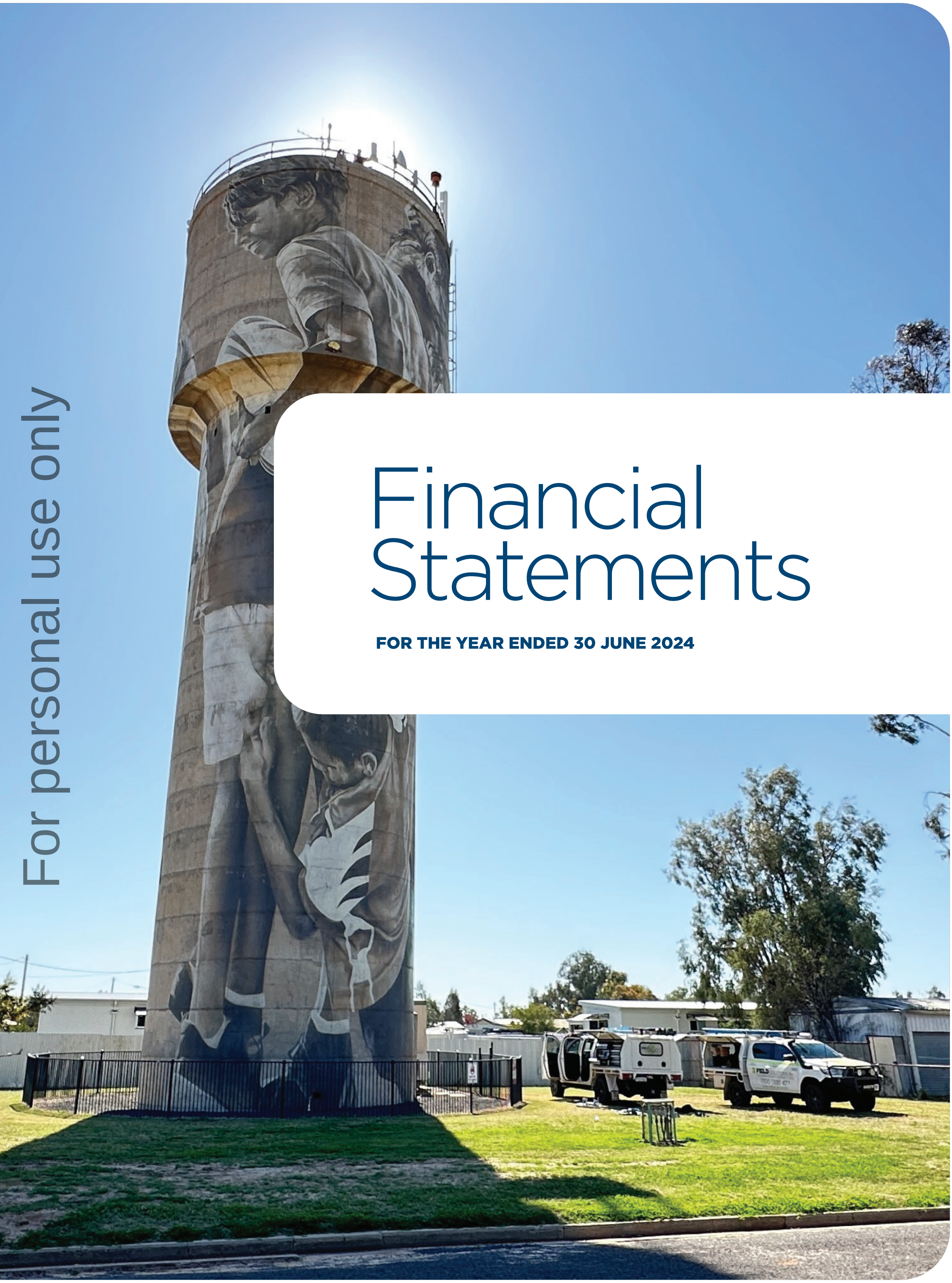
(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 29 August 2024



Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	Consolidated Group 2024 $	2023 $
Revenue	4	63,433,191	55,816,762
Expenses			
Communication and ISP Costs		(30,828,202)	(27,295,419)
Employee benefit expense		(14,175,260)	(12,281,306)
Depreciation and amortisation		(8,152,459)	(8,323,062)
Other direct costs		(6,917,911)	(5,635,143)
Share based payments		(341,354)	(406,232)
Administration		(6,921,420)	(5,686,972)
Profit/(loss) before income tax expense		(3,903,415)	(3,811,372)
Income tax benefit/(expense)	5	1,040,869	1,405,685
Profit/(loss) after income tax expense for the year attributable to the Owners of Field Solutions Holdings Limited		(2,862,546)	(2,405,687)
Total comprehensive income/(loss) for the year attributable to the Owners of Field Solutions Holdings Limited		(2,862,546)	(2,405,687)
		Cents	Cents
Basic earnings per share	31	(0.37)	(0.30)
Diluted earnings per share	31	(0.37)	(0.30)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

As at 30 June 2024

	Note	Consolidated Group 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	7	5,432,919	3,220,575
Trade and other receivables	8	12,435,234	12,811,097
Other assets	9	80,464	197,763
Income tax	5	-	-
Total current assets		17,948,617	16,229,435
Non-current assets			
Property, plant and equipment	10	43,888,988	28,472,414
Right of use assets	16	10,583,281	11,526,588
Intangibles	11	11,091,888	14,011,026
Deferred tax assets	5	2,211,518	1,576,194
Total non-current assets		67,775,675	55,586,222
Total assets		85,724,292	71,815,657
Liabilities			
Current liabilities			
Trade and other payables	12	17,227,874	14,822,987
Lease liabilities	16	3,333,384	3,540,974
Borrowings	13	12,247,764	-
Employee benefits	14	1,286,835	1,007,481
Contract liabilities	15	6,679,624	3,257,984
Total current liabilities		40,775,481	22,699,426
Non-current liabilities			
Employee benefits	14	91,642	-
Deferred tax liabilities	5	2,211,519	2,617,063
Lease liabilities	16	5,145,101	7,045,986
Total non-current liabilities		7,448,262	9,663,049
Total liabilities		48,223,743	32,362,475
Net assets		37,500,549	39,453,182
Equity			
Issued capital	17	38,496,595	38,406,595
Reserves	18	2,187,378	1,367,465
Retained profits	19	(3,183,424)	(320,878)
Total equity		37,500,549	39,453,182

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

For the year ended 30 June 2024

Consolidated Group	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2022	38,406,595	961,233	2,084,809	41,452,637
Profit/(loss) after income tax expense for the year	-	-	(2,405,687)	(2,405,687)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,405,687)	(2,405,687)
Share based payments	-	406,232	-	406,232
Balance at 30 June 2023	38,406,595	1,367,465	(320,878)	39,453,182

Consolidated Group	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2023	38,406,595	1,367,465	(320,878)	39,453,182
Profit after income tax expense for the year	-	-	(2,862,546)	(2,862,546)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,862,546)	(2,862,546)
Conversion of options	90,000	-	-	90,000
Issue of warrants	-	580,381	-	580,381
Reversal of prior year share based payment	-	(101,822)	-	(101,822)
Share based payments	-	341,354	-	341,354
Balance at 30 June 2024	38,496,595	2,187,378	(3,183,424)	37,500,549

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	Consolidated Group 2024 $	Consolidated Group 2023 $
Cash flows from operating activities			
Receipts from customers		63,809,054	52,451,962
Payments to suppliers and employees		(51,556,020)	(44,532,786)
Interest paid	6	(1,143,772)	(606,771)
Refund / (payment) of income tax		-	949,137
Net cash from operating activities	27	11,109,262	8,261,542
Cash flows from investing activities			
Payments for property, plant and equipment		(18,455,665)	(12,546,900)
Payments for intangibles		(1,894)	-
Net cash used in investing activities		(18,457,559)	(12,546,900)
Cash flows from financing activities			
Proceeds from issue of shares		90,000	-
Payment of leases		(3,164,043)	(2,459,687)
Proceeds from short-term borrowings, net of transaction costs		12,634,684	-
Net cash from financing activities		9,560,641	(2,459,687)
Net increase/(decrease) in cash and cash equivalents		2,212,344	(6,745,045)
Cash and cash equivalents at the beginning of the financial year		3,220,575	9,965,620
Cash and cash equivalents at the end of the financial year	7	5,432,919	3,220,575

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the consolidated financial statements

For the year ended 30 June 2024

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process

of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Field Solutions Holdings Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Field Solutions Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity.

The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Going concern

The Group's financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The group incurred a loss after tax of $2.9M for the period as at 30 June 2024, the group had net assets of $37.5M, which includes $22M current liabilities.

In making this assessment, the directors have considered:

- the group held cash equivalents of $5.4M
- included in the current liabilities is $6.7M in deferred government grant income and $12.2M finance facility
- positive operating cash flows of $11.2M for the year
- the ability of the group to manage debt/equity requirements as and when necessary.

Revenue

Communication Services

Customers usually pay in advance for communication services on a monthly basis, typically at the commencement of the month. Customers typically pay for hardware and other equipment at the time of sale. Revenue from the sale of handsets and other equipment is recognised when control of the handset and other equipment has transferred to the customer. The transaction price is determined at the rates stipulated in the contract with the customer.

Notes to the consolidated financial statements continued

Telecommunication Infrastructure

The Group has been engaged by a number of councils to assist with building infrastructure across a number of shires. Contracts typically involve a number of separate performance obligations and the transaction price is allocated across these performance obligations. The performance obligations are typically aligned with the respective milestones. Where amounts are received in advance of fulfilment of those respective performance obligations, the Group recognises a contract liability. A contract asset is recognised where the performance obligations have been satisfied but not yet billed due to a milestone payment. The Group considers cost-to-cost method an appropriate measure of progress for the completion of the performance obligation. The cost-to-cost method is based on the proportion of the contract costs incurred for the work performed to date relative to the estimated total contract costs. Once an invoice is issued, the corresponding contract asset is reclassified to trade receivables. No significant financing components have been identified in the contracts with the councils as the period between meeting of the performance obligation and milestone payments.

Contract Liabilities

Revenue is recognised for sales of telecommunications services when control of the service passes to the customer. This occurs when the services are delivered to the customer. The amount received at the time of the sale transaction is recognised as a contract liability until delivery takes place and control passes.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered.

Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax Consolidation

The company and its wholly-owned Australian resident entities have formed a tax consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Field Solutions Holdings Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax-consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax consolidated

Notes to the consolidated financial statements continued

Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax consolidated Group in accordance with the arrangement.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Property, Plant and equipment	3-25 years
Fixtures and fittings	3-10 years
Motor Vehicles	3-5 years

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Employee costs and consulting costs associated with consulting and installing certain specialised assets during the year ended 30 June 2024 are appropriately capitalised.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. Employee costs and consulting costs associated with consulting and installing certain specialised assets during the year ended 30 June 2024 are appropriately capitalised

Customer contracts

Customer contracts acquired in a business combination or asset acquisition contract are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2-5 years.

Intellectual Property

IP acquired in a business combination or asset acquisition contract is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2-5 years.

Notes to the consolidated financial statements continued

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted.

The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

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 transaction between market participants at the measurement date; and 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 value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests.

For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree.

For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-

Notes to the consolidated financial statements continued

controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date.

The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Notes to the consolidated financial statements continued

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).
- any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.
- the change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through profit or loss. Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the measurement conditions of amortised cost are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative

Notes to the consolidated financial statements continued

gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Compound instruments (convertible notes) issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangements.

An option that is convertible and that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments will be classified as equity.

The fair value of the liability component is estimated on date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instrument as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction cost in equity is directly recognised in equity.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approaches to impairment, as applicable under AASB 9: Financial Instruments.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15:
- revenue from contracts with customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

New Accounting Standards implemented for FY24

There were no material impacts to the current and prior period financial statements on adopting any new accounting standards during the year..

Leases (the Group as lessee)

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;

Notes to the consolidated financial statements continued

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the 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;
- lease payments under extension options if 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 right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The

fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

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

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

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax

Notes to the consolidated financial statements continued

determination is certain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 3. OPERATING SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates only in one business segment and has a single group of similar services and products, being supply of telecommunication and cloud services and products which is designing, building and operating telecommunications networks in rural, regional and remote Australia.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

NOTE 4. REVENUE

The Group has recognised the following amounts relating to revenue in the statement of profit or loss. The Group has one operating segment, telecommunication and infrastructure services

	Consolidated Group	
	2024 $	2023 $
Continued operations		
Telecommunication operating services	58,373,371	49,296,088
Telecommunication infrastructure services	4,089,421	6,520,674
Fair value changes on deferred considerations	970,399	-
	63,433,191	55,816,762

Revenue from telecommunication services is recognised over time. Infrastructure revenue is recognised at a point in time as the performance obligations are satisfied.

Notes to the consolidated financial statements continued

NOTE 5. INCOME TAX EXPENSE/(BENEFIT)

	Consolidated Group	
	2024 $	2023 $
Income tax expense/(benefit)		
Current tax	(866,450)	(491,395)
Deferred tax	(174,419)	(914,291)
Adjustments for change in tax rates	-	-
Income tax expense/(benefit)	(1,040,869)	(1,405,685)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit/(loss) before income tax expense	(3,903,414)	3,811,372
Tax at the statutory tax rate of 30% (2023: 30%)	(1,171,024)	1,143,412
Income tax expense/(benefit)		
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible expenses	(86,594)	(454,183)
Benefit of R&D offset	(866,450)	(491,395)
R&D non-deductible expenses	554,011	1,175,137
Share based payment not deductible	102,406	121,870
Tax losses utilised	-	(1,005,012)
Current year tax benefit not recognised	426,782	-
Income tax expense/(benefit)	(1,040,869)	(1,405,685)
Deferred tax asset		
Comprising:		
Superannuation accrued not deductible	124,235	96,146
Annual leave provision	386,050	323,244
Provision for doubtful debts	58,909	14,359
Lease liabilities	58,589	176,417
Carry forward - non-refundable R&D offset	1,583,735	922,789
Accrued expenses	-	43,239
Total	2,211,518	1,576,194
Tax receivable		
Deferred tax liability		
Right of use assets	48,089	174,916
Intangibles	2,163,430	2,442,147
Total	2,221,519	2,617,063

Notes to the consolidated financial statements continued

NOTE 6. LOSS FOR THE YEAR INCLUDES THE FOLLOWING

	Consolidated Group	
	2024 $	2023 $
Interest – AASB16 Leases	710,679	606,771
Interest – third parties	433,093	-
Total Interest Expense	1,143,772	606,771

NOTE 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2024 $	2023 $
Cash at Bank	5,432,919	3,220,575

NOTE 8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments.

	Current $	Past Due				Total $
		< 30	31 – 60	61-90	> 90	
June 2024						
Gross carrying amount	1,025,776	6,251,275	1,891,439	187,763	3,721,369	13,077,622
Expected credit loss allowance	-	-	-	-	(642,388)	(642,388)
Net carrying amount	1,025,776	6,251,275	1,891,439	187,763	3,078,981	12,435,234
June 2023						
Gross carrying amount	7,591,129	49,793	318,773	99,966	4,799,297	12,858,958
Expected credit loss allowance	-	-	-	-	(47,861)	(47,861)
Net carrying amount	7,591,129	49,793	318,773	99,966	4,751,436	12,811,097

Key judgements – Expected Credit Losses

Included in trade receivables > 90 days, approximately 99% relates to larger business customers and after extensive review all are considered recoverable. Natural disasters impacted projects and receivables timeframes have been extended to support some customers.

Included in trade receivables > 90 days, we note less than 1% relate to consumer customers. The business has a monthly write off per month of less then 1% of monthly recurring revenue ('MRR') of consumer revenue.

A provision of $642,388 has been taken up after an extensive assessment of the expected losses of all debtors.

While there is some uncertainty with timing of collection of the above trade receivables, Directors are of the view that the provision for impairment is adequately measured and recognised in accordance with AASB 9 and this will be reassessed on an ongoing basis and at each reporting period.

Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

Notes to the consolidated financial statements continued

NOTE 9. OTHER ASSETS

	Consolidated Group 30 June 2024 $	30 June 2023 $
Prepayments	80,464	197,763

NOTE 10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group 2024 $	2023 $
Plant and equipment - at cost	53,510,036	35,065,851
Less: Accumulated depreciation	(9,907,601)	(6,886,619)
	43,602,435	28,179,232
Fixtures and fittings - at cost	637,985	621,730
Less: Accumulated depreciation	(458,441)	(443,124)
	179,544	178,606
Motor vehicles - at cost	174,778	167,082
Less: Accumulated depreciation	(67,770)	(52,506)
	107,009	114,576
	43,888,988	28,472,414

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated Group	Plant and equipment $	Fixtures and Fittings $	Motor Vehicles $	Total $
Balance at 30 June 2022	18,281,525	223,050	108,719	18,613,295
Additions	12,414,910	13,874	21,784	12,450,569
Disposals	-	-	-	-
Depreciation expense	(2,517,202)	(58,318)	(15,929)	(2,591,449)
Balance at 30 June 2023	28,179,232	178,606	114,576	28,472,414
Additions	18,431,714	16,255	7,696	18,455,665
Disposals	-	-	-	-
Depreciation expense	(3,008,511)	(15,317)	(15,263)	(3,039,091)
Balance at 30 June 2024	43,602,435	179,544	107,009	43,888,988

Notes to the consolidated financial statements continued

NOTE 11. NON-CURRENT ASSETS - INTANGIBLES

	Consolidated Group	
	30 June 2024 $	30 June 2023 $
Customer contracts and costs	18,124,625	18,124,625
Computer software	3,072,788	3,070,894
	21,197,413	21,195,519
Less: Accumulated amortisation	(10,105,525)	(7,184,493)
	11,091,888	14,011,026

Consolidated Group	Customer Contracts and costs $	Computer Software and IP $	Total $
Balance at 30 June 2022	13,653,929	1,415,438	15,069,367
Additions	-	12,106	12,106
Acquisition through business combinations	3,001,385	-	3,001,385
Disposals	-	-	-
Amortisation expense	(3,564,193)	(507,639)	(4,071,832)
Balance at 30 June 2023	13,091,121	919,905	14,011,026
Additions	-	1,894	1,894
Disposals	-	-	-
Amortisation expense	(2,716,123)	(204,909)	(2,921,032)
Balance at 30 June 2024	10,374,998	716,890	11,091,888

Included in Computer Software - Product development costs

Expenditure on research activities is recognised as an expense in the income statement in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the income statement in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset to use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell
- the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditure capitalised includes the cost of direct labour and materials that are directly attributable to preparing the asset for its intended use.

Product development assets are stated at cost less accumulated amortisation and impairment and are amortised on a straight-line basis over their useful lives, which is up to a maximum of 5 years.

Notes to the consolidated financial statements continued

NOTE 12. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated Group	
	2024 $	2023 $
Trade Payables	13,563,101	13,319,701
Other payables and accruals [(a)]	3,664,773	1,503,286
	17,227,874	14,822,987

(a) TasmaNet earnout contingency

NOTE 13. BORROWINGS

	Consolidated Group	
	2024 $	2023 $
Short term borrowings	12,274,764	-

The Group secured a debt facility to fund network infrastructure within the Group's Regional Access Network (RAN), which were the subject of grants awarded in 2021/22.

NOTE 14. EMPLOYEE BENEFITS

	Consolidated Group	
	2024 $	2023 $
Short-term employee benefits [(a)]	1,286,835	1,077,480
Post-employment benefits	91,642	-
	1,378,477	1,077,480

(a) Refer to Note 1 for the Group's policy on employee benefits

NOTE 15. CONTRACT LIABILITIES

	Consolidated Group	
	2024 $	2023 $
Amounts received in advance for sale of services to be recognised in July	-	183,238
Amounts received from Government Grants to be recorded as income based on useful life of assets	6,679,624	3,074,746
	6,679,624	3,257,984

Refer to Note 1 for the Group's policy on contract liabilities

Notes to the consolidated financial statements continued

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NOTE 16. LEASES

	30 June 2024 $	30 June 2023 $
(i) AASB 16 related amounts recognised in the balance sheet		
Right of use assets		
Leased buildings:		
Opening balance	583,054	315,749
Additions to right-of-use assets	23,703	599,405
Lease finalisation	(26,575)	(62,589)
Depreciation expense for the year	(419,884)	(269,511)
Net carrying amount	160,298	583,054
Leased equipment:		
Opening balance	10,943,534	5,660,074
Additions to right-of-use assets	1,031,865	6,625,562
Depreciation expense for the year	(1,552,416)	(1,342,102)
Net carrying amount	10,422,983	10,943,534
Total right-of-use assets	10,583,281	11,526,588
Lease liabilities		
Leased buildings:		
Opening balance	588,057	323,548
Additions to lease liabilities	-	599,405
Net principal reductions for the year	(392,759)	(300,344)
Lease finalisation	-	(34,552)
Net carrying amount	195,298	588,057
Leased equipment:		
Opening balance	9,998,903	5,560,722
Additions to lease liabilities	1,055,568	7,144,789
Net principal reductions for the year	(3,232,877)	(2,245,015)
GST adjustment	461,593	(461,593)
Net carrying amount	8,283,187	9,998,903
Total lease liabilities	8,478,485	10,586,960
Current liabilities*	3,333,384	3,540,974
Non-current liabilities	5,145,101	7,045,986
	8,478,485	10,586,960

**Current lease commitments reflect the lease commitments, net of future interest charges, due within 12 months.*

Notes to the consolidated financial statements continued

NOTE 17. EQUITY - ISSUED CAPITAL

	Consolidated Group			
	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	766,741,505	763,741,505	38,496,595	38,406,595

	Shares	$
Movements in ordinary share capital		
Ordinary shares - fully paid		
Balance at 30 June 2023	763,741,505	38,406,595
Coversion of options	3,000,000	90,000
Closing balance at 30 June 2024	766,741,505	38,496,595

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2023 Annual Report.

Notes to the consolidated financial statements continued

NOTE 18. EQUITY - RESERVES

	Consolidated Group	
	2024 $	2023 $
Opening balance	1,367,465	961,233
Share based payments	239,532	406,232
Warrant issuance	580,381	-
Total reserves	2,187,378	1,367,465

NOTE 19. EQUITY - RETAINED PROFITS

	Consolidated Group	
	2024 $	2023 $
Retained profits at the beginning of the financial year	(320,878)	2,084,809
Profit/(loss) after income tax expense for the year	(2,862,546)	(2,405,687)
Retained profits at the end of the financial year	(3,183,424)	(320,878)

NOTE 20. EQUITY - DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 21. FINANCIAL INSTRUMENTS

Financial risk management objectives

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

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Notes to the consolidated financial statements continued

The totals for each category of financial instruments, measured in accordance with AASB 9 are as follows:

	Consolidated Group	
	2024 $	2023 $
Financial assets		
Cash and cash equivalents	5,432,919	3,220,575
Trade receivables	12,435,234	12,811,097
Other assets	80,464	197,763
Total financial assets	17,948,617	16,229,435
Financial liabilities		
Trade and other payables	17,227,874	14,822,987
Contract liabilities	6,679,624	3,257,984
Borrowings	12,247,764	-
Lease liabilities	8,478,485	10,586,960
Total financial liabilities	44,633,747	28,667,931

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

Sensitivity analysis

The Group has a loan facility of $13M with the financier, interest is charged at a variable rate on the loan. Based on movement in interest rates, the Group regularly reviews the deployment of funds and the exposure to interest rate risk in the conjunction with working capital to manage the risk in line with corporate objectives.

Credit risk

The Group limits its exposure to credit risk by only limiting transactions with high credit quality customers, principally government bodies and corporates.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

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

Notes to the consolidated financial statements continued

Financial Asset & Liability Maturity Analysis

Consolidated Group	Within 1 Year		1 to 5 Years		Total	
	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Financial liabilities due for payment						
Trade and other payables	17,227,874	14,822,987	-	-	17,227,874	14,822,987
Borrowings	-	-	12,247,764	-	12,247,764	-
Lease liabilities	3,333,384	3,540,974	5,145,101	7,045,986	8,478,485	10,586,960
Total expected outflows	20,561,258	18,363,961	17,392,865	7,045,986	37,954,123	25,409,947
Financial assets – cash flows realisable						
Cash and cash equivalents	5,432,919	3,220,575	-	-	5,432,919	3,220,575
Trade and other receivables	12,435,234	12,811,097	-	-	12,435,233	12,811,097
Total expected inflows	17,868,153	16,031,672	-	-	17,868,153	16,031,672
Net (outflow)/ inflow on financial instruments	(2,693,105)	(2,332,289)	(17,392,865)	(7,045,986)	(20,085,970)	(9,378,275)

NOTE 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The following persons were Directors of Field Solutions Holdings Limited during the financial year:

- Dr Kenneth Carr
- Mr Andrew Roberts
- Mr Mithila Nath Ranawake (resigned 08/01/24)
- Ms Wendy Tyberek
- Dr Phillip Carter

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

- Mr Graham Henderson (joint Company Secretary)
- Mr Philippe Benoliel (COO)
- Ms Nicole Trost (Group Financial Controller)

Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2024.

Notes to the consolidated financial statements continued

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2024 $	2023 $
Short-term employee benefits	1,500,674	1,910,096
Post-employment benefits	94,448	109,743
Share-based payments	320,530	410,851
Total KMP compensation	1,915,652	2,430,690

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date. This amount includes 65,000,000 performance rights which have been previously granted as part of remuneration. Refer to the remuneration report for further information.

NOTE 23. RELATED PARTY TRANSACTIONS

Parent entity

Field Solutions Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

The Group's related parties are only with key management. Unless otherwise stated, none of the transactions incorporate special terms and no guarantees were given or received. Outstanding balances are usually settled in cash.

Notes to the consolidated financial statements continued

NOTE 24. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 $	2023 $
Profit after income tax, total comprehensive income	1,165,966	90,905
	1,165,966	90,905

Statement of financial position

	Parent	
	2024 $	2023 $
Total current assets	3,183,376	484,798
Total assets	6,544,213	7,607,131
Total current liabilities	-	989,674
Total liabilities	2,194,706	4,563,104
Equity		
Issued capital	1,455,954	1,455,954
Share issue reserve	139,470	139,470
Retained profits	2,754,082	1,448,603
Total equity	4,349,506	3,044,027

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024.

Capital commitments

The parent entity had no capital commitments as at 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the consolidated financial statements continued

NOTE 25. OPTIONS/WARRANTS

A summary of the movements of all Group options/warrants issues is as follows:

	Number	Weighted Average Exercise Price
Options outstanding at 30 June 2023	7,000,000	$0.0450
Lapsed during the year	(4,000,000)	$0.0450
Exercised during the year	(3,000,000)	$0.0300
Options outstanding at 30 June 2024	-	-
Options exercisable at 30 June 2024	-	-

A total of 3,000,000 options were exercised during the year ended 30 June 2024.

A summary of the movements of all Group performance rights is as follows:

	Number
Performance rights outstanding at 30 June 2023	30,000,000
Granted during the year	-
Forfeited during the year	(5,000,000)
Outstanding rights at 30 June 2024	25,000,000

A summary of the movement of all Group warrant issues is as follows:

	Number	Exercise price
Warrants outstanding at 30 June 2023	-	-
Warrants issued during the year	46,244,496	$0.0575
Warrants outstanding at 30 June 2024	46,244,496	$0.0575

NOTE 26. SHARE BASED PAYMENT

	Fair Value	
	2024 $	2023 $
Share based payment	341,354	406,232
	341,354	406,232

Notes to the consolidated financial statements continued

NOTE 27. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated Group	
	2024 $	2023 $
Profit/(loss) after income tax expense for the year	(2,862,546)	(2,405,687)
Adjustments for:		
Depreciation and amortisation	8,152,459	8,323,062
Movement in trade and other receivables, other assets	493,162	(2,898,267)
Share based payment	341,354	406,232
Movement in trade and other payables, contract liabilities	5,724,705	6,323,278
Tax payable/(receivable), deferred taxes	(1,040,868)	(1,405,685)
Movement in employee provisions	300,995	(81,391)
Net cash from operating activities	11,109,262	8,261,542

NOTE 28. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 29. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

	Principal place of business/ Country of incorporation	Ownership interest	
		2024 %	2023 %
FSG Assets Pty Ltd (previously Freshtel Australia Pty Ltd)	Australia	100%	100%
Freshtel Pty Ltd	Australia	100%	100%
FSG Infrastructure Pty Ltd (previously Voicedot Networks Pty Ltd)	Australia	100%	100%
FSG Construction Pty Ltd (previously Virbiage Pty Ltd)	Australia	100%	100%
Field Solutions Group Pty Ltd	Australia	100%	100%
FSG RSP Pty Ltd	Australia	100%	100%
Field Solutions Technology Services Pty Ltd	Australia	100%	100%
FSG MSP Pty Ltd (previously IP Transit Pty Ltd)	Australia	100%	100%
Tasmanet Pty Ltd	Australia	100%	100%
Internomic Pty Ltd	Australia	100%	100%
DC3 Pty Ltd	Australia	100%	100%
Tasconnex Pty Ltd	Australia	100%	100%
FSG Mining Services Pty Ltd (previoulsy Tups Company Pty Ltd)	Australia	100%	100%
FSG Security Pty Ltd	Australia	100%	100%

Notes to the consolidated financial statements continued

NOTE 30. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2024 and 30 June 2023.

NOTE 31. EARNINGS PER SHARE

	Consolidated Group	
	2024 $	2023 $
Profit/(loss) after income tax attributable to the Owners of Field Solutions Holdings Limited	(2,862,546)	(2,405,687)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	764,503,800	802,823,254
Weighted average number of ordinary shares used in calculating diluted earnings per share	764,506,800	874,823,254
	Cents	Cents
Basic earnings per share	(0.37)	(0.30)
Diluted earnings per share	(0.37)	(0.30)

NOTE 32. COMMITMENTS

The group had no commitments at 30 June 2024 and 30 June 2023.

NOTE 33. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Hall Chadwick NSW Pty Ltd, the auditor of the Company:

	Consolidated Group	
	2024 $	2023 $
Auditing or review of the financial statements	90,000	89,500
Total	90,000	89,500

NOTE 34. COMPANY DETAILS

The registered office and principal place of business of the Company are:

Registered office
Newton Henry
Level 2, 33 George Street
LAUNCESTON TAS 7250
AUSTRALIA

Principal place of business
Suite 38
23 Narabang Way
BELROSE NSW 2085
AUSTRALIA

NOTE 36. FAIR VALUE

The amounts stated in the financial statements are equivalent to their fair values.

Consolidated entity disclosure statement

At 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
FSG Assets Pty Ltd (previously Freshtel Australia Pty Ltd)	Australian Private Company	Australia	100%	Australia
Freshtel Pty Ltd	Australian Private Company	Australia	100%	Australia
FSG Infrastructure Pty Ltd (previously Voicedot Networks Pty Ltd)	Australian Private Company	Australia	100%	Australia
FSG Construction Pty Ltd (previously Virbiage Pty Ltd)	Australian Private Company	Australia	100%	Australia
Field Solutions Group Pty Ltd	Australian Private Company	Australia	100%	Australia
FSG RSP Pty Ltd	Australian Private Company	Australia	100%	Australia
Field Solutions Technology Services Pty Ltd	Australian Private Company	Australia	100%	Australia
FSG MSP Pty Ltd (previously IP Transit Pty Ltd)	Australian Private Company	Australia	100%	Australia
Tasmanet Pty Ltd	Australian Private Company	Australia	100%	Australia
Internomic Pty Ltd	Australian Private Company	Australia	100%	Australia
DC3 Pty Ltd	Australian Private Company	Australia	100%	Australia
Tasconnex Pty Ltd	Australian Private Company	Australia	100%	Australia
FSG Security Pty Ltd	Australian Private Company	Australia	100%	Australia
FSG Mining Services Pty Ltd (previously Tups Company Pty Ltd)	Australian Private Company	Australia	100%	Australia

Field Solutions Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Directors' Declaration

In the Directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dr Kenneth Carr	Mr Phillip Carter
Director and Chairman	Director

29 August 2024 Australia

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

Opinion

We have audited the financial report of Field Solutions Holdings Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which indicates the group incurred a loss after tax of $2,862,546 for the year ended 30 June 2024 and as of that date, the group's current liabilities exceeded its current assets by $22,826,864. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

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 for the year ended 30 June 2024. 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSSED THE KEY AUDIT MATTER
Revenue recognition and contract liabilities *Refer to Note 1 "Material accounting policy", Note 4 "Revenue" and Note 15 "Contract liabilities"*	
The group has two main categories of revenue streams, being telecommunication services and telecommunication infrastructure development. As disclosed in Note 1, for telecommunication services, the customer usually pays in advance for communications services on a monthly basis, generally at the commencement of the month. Customers typically pay for hardware and other equipment at time of sale. Revenue from the sale of handsets and other equipment is recognised when control of the hardware and other equipment has transferred to the customer. For telecommunication infrastructure, the group has been engaged by a number of councils to assist with building infrastructure. Contracts typically involve a number of separate performance obligations and the transaction price is allocated across these performance obligations. We focused on this area as a key audit matter given the significance of the balance and that there is a risk that revenue may not be recognised in accordance with the revenue recognition principles set out in AASB 15: Revenue from Contracts with Customers.	Our procedures included, amongst others: • We obtained an understanding of the key controls in the revenue recognition cycle. • We obtained a sample of contracts and traced the terms and conditions to ensure that revenue was recognised in accordance with AASB 15: Revenue. • We verified a sample of revenue to supporting documentation including invoice, evidence of payment, proof of delivery or services and ensured that revenue has been correctly recognised. • We assessed the revenue selected in our sample above, where applicable, for the accuracy of revenue to be deferred at period end in accordance with the customer contract. • We performed substantive test of details on receivables and contract liabilities to ascertain the accuracy and completeness of the corresponding revenue recognised in the correct period. • We assessed the appropriateness of the disclosures in the financial statements in relation to the revenue and contract liabilities.

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSSED THE KEY AUDIT MATTER
Carrying value of property, plant and equipment *Refer to Note 1 "Material accounting policy" and Note 10 "Property, plant and equipment"*	
A substantial amount of the group's non-current assets relates to property, plant and equipment totalling $43,888,988. The balance primarily relates to the group's on-going capital works for telecommunication infrastructure projects. We determined this to be a key audit matter because of: • The financial significance of the total balance to the financial report as a whole; and • The accounting in respect of plant and equipment is complex and non-routine due to the nature of each infrastructure project and there is judgement required in determining cost allocations and useful life of project assets.	Our procedures included, amongst others: • We assessed the policies in place for capitalising costs associated with constructing and installing project assets. • We tested costs capitalised to supporting documentation on a sample basis. • We assessed the appropriateness of the costs being capitalised as assets in accordance with the accounting standard AASB16: Property, Plant and Equipment. • We assessed the reasonableness of internal information provided by management to support the estimated useful life by comparing it to external information. • We assessed if any internal and external impairment indicators exist to any class of assets including plant and equipment. • We assessed the appropriateness of management's assessments and judgements in relation to forecast cashflows to support the carrying value of property, plant and equipment. This included evaluation and assessment of management's calculation to determine if any impairment was required for property, plant and equipment. • On a sample basis, we reviewed the costs to complete against the amounts contracted with customers to ensure the capitalised costs of each project are recoverable. • We assessed the appropriateness of the disclosures in the financial statements in relation to the property, plant and equipment.

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

Carrying value of intangible assets
Refer to Note 1 "Material accounting policy" and Note 11 "Intangible assets"

A substantial amount of the group's non-current assets relate to intangible assets totalling $11,091,888 that are subject to an impairment assessment in accordance with AASB 136: Impairment of Assets. As such the carrying value of this asset is considered a key audit matter.

Our procedures included, amongst others:

- We assessed the appropriateness of management's assessments and judgements in relation to forecast cashflows to support the carrying value of intangible assets. This included evaluation and assessment of management's calculation to determine if any impairment was required for intangible assets.
- We involved our valuation experts to evaluate the methodologies used and to review the mathematical accuracy of the forecast cashflows.
- We evaluated historical reliability of prior period performance by considering this information and evidence available internally and externally.
- We performed sensitivity analysis around the key assumptions of growth rates and discount rates used in the cash flow forecasts and assessed the sensitivity and likelihood of a change in these assumptions that either individually or collectively would result in the carrying value of intangible assets to be impaired or otherwise.
- We assessed the appropriateness of the disclosures in the financial statements in relation to the intangible assets.

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

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

FIELD SOLUTIONS HOLDINGS LIMITED
ABN 92 111 460 121
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report for the year ended 30 June 2024 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.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 29 August 2024

Shareholder Information

The shareholder information set out below was applicable as at 30 June 2024.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares	
Shareholder	Number held	% total shares issued
CONVERGENT	227,034,995	29.61%
KESTREL GROWTH COMPANIES LTD	72,212,546	9.42%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	36,378,621	4.74%
CAPITAL PROPERTY CORPORATION PTY LTD <CARRINGTON A/C>	24,619,999	3.21%
HOLDREY PTY LTD <DON MATHIESON FAMILY A/C>	17,305,136	2.26%
SFO VENTURES PTY LTD <SFO VENTURES UNIT A/C>	15,640,882	2.04%
DMX CAPITAL PARTNERS LIMITED	14,650,000	1.91%
VANWARD INVESTMENTS LIMITED	12,000,000	1.57%
MICROEQUITIES ASSET MANAGEMENT PTY LTD <MICROEQT NANOCAP NO 10 A/C>	10,272,606	1.34%
KEN CARR	10,000,000	1.30%
GBBM PTY LIMITED <BERESFORD A/C>	10,000,000	1.30%
NATIONAL NOMINEES LIMITED	9,738,376	1.27%
MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	9,489,360	1.24%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	8,599,081	1.12%
CLEMENT HOLDINGS AUSTRALIA PTY LIMITED < CALCULUS A/C >	8,225,953	1.07%
MATT RANAWAKE	8,066,667	1.05%
UBS NOMINEES PTY LTD	7,878,788	1.03%
MR PHILIPPE BENOLIEL	7,842,688	1.02%
MR RYAN ANTHONY SPILLANE	7,500,000	0.98%
JEC CAPITAL PTY LTD <JEC CAPITAL A/C>	7,150,000	0.93%
ORDNANCE NETWORKS PTY LIMITED	7,048,486	0.92%
Total	531,654,184	69.34%
Total issued capital - selected security class(es)	766,741,505	100.00%

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary Shares	
Shareholder	Number held	% total shares issued
CONVERGENT	227,034,995	29.73%

FIELD SOLUTIONS

Registered office
Newton Henry
Level 2, 33 George Street
Launceston
TAS 7250
AUSTRALIA

Principal place of business
Suite 38
23 Narabang Way
BELROSE NSW 2085
AUSTRALIA

www.fieldsolutions-group.com