# FY24

# Appendix 4E

# &

# Annual Report

# Appendix 4E

**Under ASX Listing Rule 4.3A**

## Results for announcement to market

| Key information | 30 June 2024 \| $ | 30 June 2023 \| $ | Change |
|---|---|---|---|
| Revenue from continuing operations | 40,052,041 | 41,153,039 | Down 3% |
| Profit / (loss) after tax from continuing operations attributable to members | 667,947 | (1,299,342) | Up 151% |
| Net Profit / (loss attributable to members | 667,947 | (1,299,342) | Up 151% |
| Details of dividends | | | |
| No dividends have been declared or paid for the year ended 30 June 2024 (30 June 2023: nil). | | | |

## Net tangible assets per ordinary share

| Net tangible assets per ordinary share | 30 June 2024 \| $ | 30 June 2023 \| $ |
|---|---|---|
| Net tangible assets | 1,428,083 | 780,685 |
| Ordinary shares | 65,899,853 | 65,399,853 |
| Net tangible assets per security (cents) | 0.022 | 0.0123 |

### Other disclosure requirements

### Details of Subsidiaries

No Control has been gained or lost over any entities during the period.

### Other

Additional Appendix 4E disclosure requirements and further information, including commentary on significant features of the operating performance and other factors affecting the results for the current period, are contained in the 2024 Financial Report.

The Consolidated Financial Statements contained within the 2024 Financial Report, upon which this report is based, have been audited by Hall Chadwick WA Pty Ltd.

This document was authorised for release by the SSH Group Limited Board of Directors.

Director: Daniel Cowley-Cooper

Date: 29 August 2024

## Table of Contents

# Company Directory

**Directors:**

| | |
|---|---|
| *Non-Executive Chairman:* | Bruce Lane |
| *Executive Director:* | Daniel Cowley-Cooper |
| *Executive Director:* | Stefan Finney |

**Company Secretary:**

*Sonu Cheema*

**Registered Office:**

*Level 3, 88 William Street, PERTH WA 6000*

*Email: cosec@sshgroup.com.au*

*Web: www.sshgroup.com.au*

**Auditor:**

*Hall Chadwick WA Pty Ltd*

**Share Registry:**

*Automic Group*

*Level 5, 191 St George's Terrace, PERTH WA 6000*

**Securities Exchange Listing:**

*Australian Securities Exchange (ASX)*

*ASX Code: SSH*

# Chairman's Letter to Shareholders

*Dear Shareholders,*

*It is with great pleasure that I present to you the 2024 Annual Report for SSH Group Limited (SSH Group, SSH, or Group). FY24 has been a significant year of advancement for SSH Group, marked by a material increase in profitability. The Group's improved bottom line performance is underpinned by its synergistic portfolio of businesses which now enjoy stronger operating fundamentals with better profitability and margins. Despite the Group's revenue being down slightly on last year, there has been positive effects of SSH's efforts to transition the business mix towards higher return service lines, customers and contracts to deliver a stable platform for the Company's future growth.*

*We continue to grow into the mining and civil markets, supported by key investments in our asset fleet, workforce, and management team. This expansion has leveraged the solid foundation created by the successful acquisition during FY22 of the Pilbara based KMH business. KMH provides a solid platform to access the wider Pilbara region and to address a strong pipeline of service contracts for mining and civil customers in the region. We see continued growth potential throughout northwestern Australia for the SSH Group brands with new customers, service lines and projects.*

*FY24 has been a very successful year for SSH with improved performance facilitating reduced term debt and a restructuring of working capital funding arrangements to enable further flexibility and responsiveness to growth opportunities.*

*On behalf of the Board, I would like to express our deepest gratitude for the ongoing support of our stakeholders, including our shareholders, employees, clients, and suppliers. Your trust and partnership have been instrumental in making this transformative year a success. I encourage you to review this year's Annual Report and join us in celebrating the achievements of FY24. We are excited about the future and look forward to sharing our continued successes in FY25, as we work to deliver lasting and sustainable value for our investors and the communities we serve.*

*Warm Regards,*

*Mr. Bruce Lane*

*Non-Executive Chairman*

*29 August 2023*

# Directors’ Report

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to herein as the Company, SSH, SSH Group and or Group) consisting of SSH Group Limited and its controlled entities for the financial year ended 30 June 2024.

## Operating and Financial Review

### Principal Activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Transport Fleet, Machinery, and Equipment Hire (Equipment Vertical)
- Recruitment and Workforce Solutions Services (People Vertical)

### Group Operations Overview

FY24 was a period of consolidation as reflected in a 3% drop in revenue for the Group however profitability improved materially due to a focus on improved operating margins and bottom-line returns.

The Group’s portfolio of industrial service businesses continued to deliver on margin growth and business improvement initiatives. The Equipment vertical, anchored by KMH delivered operational improvements driven by new management and success in building longer term customer relationships. These advancements have significantly boosted growth and margin improvement within this vertical.

The Group’s People vertical continued to thrive, benefiting from improved market availability of candidates and an emphasis on forming strong partnerships with clients. This approach has led to successful engagements across the industry, further solidifying SSH’s market presence.

The Equipment and People verticals have excelled by leveraging cross-selling opportunities within the Group’s customer base, particularly in the mining and civil market segments. This integrated approach has been key to the Group’s success in delivering comprehensive solutions to its clients.

Throughout the year, SSH Group maintained a clear focus on serving the Australian mining, civil, and construction industries. The streamlining of our corporate functions has enabled the Company to deliver effective leadership for our its operations whilst providing support to the operating businesses, though operational cost control, cohesive governance, management of growth initiatives and effective capital management.

### Explanation of Non-IFRS Measures

SSH Group Limited uses certain measures to manage and report on its business that are not recognised under accounting standards, referred to as 'non-IFRS measures' under ASIC Regulatory Guide 230. The Directors believe these measures provide valuable insights into financial position, performance, and cash flows, but they should supplement, not replace, AAS and IFRS-compliant measures. As non-IFRS measures are not based on standard definitions, their calculation may vary from similar measures used by other companies, and undue reliance should not be placed on them.

The key non-IFRS financial measures are:

- **EBITDA**: Earnings before interest on debt, interest on lease liabilities under AASB 16, income tax, depreciation (including right-of-use assets under AASB 16), amortisation, and profit/loss on asset disposals.
- **EBITDA Margin**: EBITDA as a percentage of revenue.
- **EBIT**: Earnings before interest on debt, interest on lease liabilities under AASB 16, and income tax.
- **EBIT** Margin: EBIT as a percentage of revenue

## Group Financial Overview

The Company delivered a net profit after tax of $667,947 up $2.0m on FY23 (loss $1,299,342) on reduced revenue of $40,063,968.

The Group's focus on changing its business mix to expand higher-margin services and refine the business scope has yielded significant improvements across key financial metrics despite a 3% drop in revenue.

| Key information | FY24<br>% \| $ | FY23<br>% \| $ | Change<br>% \| $ |
|---|---|---|---|
| Revenue | $40.1m | $41.2m | Down $1.1m |
| Gross margin | 38% | 26% | Up 43% |
| EBITDA | $7.2m | $3.3m | Up $3.9m |
| EBIT | $3.0m | $0.0m | Up $3.0m |
| Net profit before tax | $0.6m | ($1.8m) | Up $2.4m |

In FY24, SSH Group successfully delivered a gross margin of 38%, a 43% increase over FY23 (26%). This improvement is a result a shift in focus across the Group's service mix with renewed active focus on growth in the higher-margin services. In addition, cost efficiency gains in the higher margin services have delivered improved margin performance in the equipment vertical.

EBITDA grew to $7.2 million, representing a $3.9m improvement compared to the prior year's $3.3 million. This substantial EBITDA growth in earnings has been underpinned by the discipline on cost efficiencies across the Group.

Net profit before tax was up $2.4m from FY23, which represents over half of the increased gross profit flowing through to net profit before tax.

Gross profit up $4.3m → EBITDA up $3.9m → NPBT up $2.4m → NPAT up $2.0m

These results are being achieved on the back of the Group's execution of its strategy in targeting industrial sectors where SSH can deliver to its key strengths, deliver profitable service lines and be agile in response to growth opportunities.

## Balance Sheet and Capital Management

| Key information | FY24 $ m | FY23 $m | Change % \| $ |
|---|---|---|---|
| Net Assets | 7.5 | 6.9 | Up $0.6m |
| Cash Balance at 30 June | 2.6 | 2.0 | Up $0.6m |

The Group maintained a positive operational cash flow throughout every quarter, culminating in a total positive operating cash flow of $4.5m for FY24 with $4.9m free cash flow for the year, after adjusting with cash flow from investing in capital assets[1].

## Dividends

There were no dividends paid, recommended, or declared for payment during the financial year.

## Business Strategy

SSH Group will continue to expand its portfolio of industrial businesses within the Australian mining, civil, and construction industries. The Group is focused on ensuring disciplined capital management, prioritising financial performance and investing in scalable businesses with strong potential for robust returns.

In line with strategy, SSH is developing a complementary portfolio of services where the Group enjoys a competitive edge, enabling the Group to meet diverse client needs and unlock cross-selling opportunities across sectors, projects, and clients. The focus is on optimising return on invested capital, managing debt effectively, and ensuring strong free cash flows to fuel further expansion.

SSH Group is particularly focused on growth in the mining sector, selectively targeting both existing Tier 1 mines and development projects. The Company aims to forge value-accretive project partnerships by offering bespoke services to mid-tier and junior miners, which can unlock opportunities for existing and new production assets.

SSH's operational strategy will continue to emphasise positive cash flow, reduced net debt to EBITDA ratios, and maximised returns on capital.

## Business Risks

Risk management is an inherent part of the Group's governance framework, and management of risk is seen as critical to the Group's ability to deliver on its strategic objectives. There are several risk factors both specific to the Group and of a general nature which may impact the future operating performance of the Group. The performance of the Group is also influenced by a variety of different general economic and business conditions, including interest rates, access to debt and capital markets, and government policies. Material risks that could adversely affect the Company have been identified below, these risks are not listed in order of significance nor are they all encompassing.

## Workplace Health and Safety

The Group recognises its responsibility to provide a safe and healthy work environment for all employees and contractors. A failure to adequately address this responsibility could result in serious injury and negatively impact the Group's reputation and profitability. Mitigation actions include ongoing induction programs, work site and roles hazard assessments and embedding a safety culture across all business units. A high standard of safety systems, policies and procedures for all business units are maintained and overseen by health and safety specialists.

## Financial

The Group requires sufficient cash flow to be able to meet its financial obligations as they fall due. The ability of the Group to access cash could be impacted by debtor defaults, poor commercial/cost management or the withdrawal of financial support from funding parties.

[1] Free cash flow is defined as net cash inflow from operating activities after interest, tax and all capital expenditure net of proceeds from sale of assets.

The Group also requires access to capital to ensure it can meet its future capital asset growth and other funding requirements as and when required. The inability to access funding could impact the Group's ability to win new work, fund future growth plans and deliver on overall strategic objectives. Mitigation actions include a proactive approach to treasury management, the non-reliance on any one single customer for cash flow generation from operations and an adherence to budget and operating expenditure management.

### Access to resources

The Group's growth and profitability may be limited by loss of key management or operational personnel, being unable to recruit and retain skilled and experienced staff for its people services or being unable acquire assets for its equipment services. The Group is operating in an environment where competition for people remains strong, whilst supply chain disruption can occur from time to time which may limit the availability of new equipment.

Restrictions on available labour combined with the competitive labour market may lead to higher staff turnover, increased labour costs and lower productivity. Further, if equipment is unavailable potentially subject to pricing premiums to secure appropriate equipment this could affect contract delivery or profit margins.

Mitigation actions include the maintenance of a database of staff who have worked for the Group over several clients and pricing all contracts with annual CPI and wage inflation escalators. The Group has also developed strong working relationships with a number of equipment suppliers in order to ensure equipment requirements are understood ahead of time and to minimise any potential risk around availability.

### Regulatory compliance

The Group must meet regulatory requirements that are subject to continual reporting and disclosure. Failure by the Group to continuously comply with regulatory requirements or failure to take satisfactory corrective action, could result in enforcement actions. The Group operates in a regulated environment with the potential for significant penalties for non-compliance with applicable laws and regulations. The Group's future growth prospects are reliant on its ability to market its services and any regulatory change, event or enforcement action which would restrict those activities, could have a material impact on the Group's growth and future financial performance. Amendments to current law and regulations governing operations or more stringent implementation of laws and regulations could have an adverse impact on the Group, including increases in expenses, capital expenditure and costs. Mitigation actions include the monitoring of regulatory and legislative changes that impact the organisation and ensuring the Group is up to date with its compliance obligations.

## Corporate Actions

### Securities out of Escrow

During the 12 months up to 30 June 2024, the securities listed below were released from ASX escrow.

| Securities | Date Restriction Period Ends |
|---|---|
| 22,193,750 Fully paid ordinary shares | 17 September 2023 |
| 3,068,698 Fully paid ordinary shares | 14 November 2023 |

### Change of Registered Office and Principal Place of Business

On 12 January 2024, the Company advised that it had changed its address to:
Level 3, 88 William St, Perth, Western Australia 6000

### Significant Changes in the State of Affairs

Other than as otherwise detailed in this report there have been no significant changes in the state of affairs of the Company.

## Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

## Subsequent Events

As disclosed in its ASX announcement on 31 July 2024, SSH Group Limited paid out the remaining $1,380,400 balance of the term loan that was established for the acquisition of Karratha Machinery Hire (now known as KMH) in May 2022. The loan was entered into with the National Australia Bank Limited (NAB) in April 2022 for a period of five years.

This loan included restrictive debt covenant arrangements that have now been extinguished.

There have been no other events following the end of the year that would have a material impact on the financial performance of the Company or its subsidiaries.

## Environmental Regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has not given an indemnity or entered into an agreement to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During or since the end of the financial year the Group has not paid or agreed to pay insurance premiums to insure the auditor of the Group or any related entity.

## Proceedings on Behalf of the Company

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

The Company was not a party to any such proceedings during the year.

## Non-Audit Services

There was no provision of any non-audit services during the year.

## Auditor's independence

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found in the Section titled "Auditors Declaration" on page 22 of this Annual Report.

## Options

The unissued ordinary shares of SSH Group Limited under option at the date of this Report are as follows:

| Grant Date | Date of Expiry | Exercise Price | Number under Option |
|---|---|---|---|
| 9 September 2021 | 9 September 2024 | $0.35 | 7,000,000 |
| 9 September 2021 | 9 September 2025 | $0.35 | 10,000,000 |
| | | | 17,000,000 |

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to Directors and executives as remuneration, refer to the Remuneration Report on Page 18 of this Annual Report.

During the year ended 30 June 2024, no ordinary shares of SSH Group Limited were issued on the exercise of options granted, nor were any further options granted.

## Performance Rights

The unissued ordinary shares of SSH Group Limited related to performance rights at the date of this Report are as follows: Nil.

Performance rights holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

There have been no further performance rights issued by the Group during or since the end of the reporting period.

For details of performance rights issued to Directors and executives as remuneration, refer to the

Remuneration Report on Page 18 of this Annual Report.

As per ASX announcement dated 18 September 2023, 500,000 performance rights class A were converted to ordinary shares on 15 September 2023.

During the year ended 30 June 2024, no other ordinary shares of SSH Group Limited were issued on the exercise of performance rights, nor were any further rights granted.

## Directors

The following persons were Directors of SSH Group Limited during the financial year up to the date of this Report.

### Information Relating to Directors

| Bruce Lane | Non-Executive Chairman |
|---|---|
| **Qualifications** | BCom, MSc, GAICD |
| **Experience** | Appointed Chair in 2020<br>Board member since 2020 |
| **Interest in Shares and Options** | 150,000 ordinary shares in SSH Group Limited |
| **Special Responsibilities** | Member of the Remuneration Committee |
| **Directorships held in other listed entities during the three years prior to the current year** | Current Director of GTI Energy Limited |
| Mr Daniel Cowley-Cooper | **Managing Director** |
| **Experience** | Director since 2021 |
| **Interest in Shares and Options** | 15,450,000 ordinary shares, and<br>5,000,000 options over ordinary shares in SSH Group Limited |
| Mr Stefan Finney | Executive Director |
| **Experience** | Director since 2021 |
| **Interest in Shares and Options** | 5,125,000 ordinary shares, and 5,000,000 options over ordinary shares in SSH Group Limited |
| **Special Responsibilities** | Member of the Remuneration Committee |

SSH GROUP

## Meetings of Directors

During the financial year, 9 meetings of Directors (including committees of Directors) were held. The attendances by each Director during the year, is as follows:

| | Directors' Meetings | | Audit and Risk Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| **Bruce Lane** | 6 | 6 | 2 | 2 | 0 | 0 |
| **Daniel Cowley-Cooper** | 6 | 6 | 2 | 2 | - | - |
| **Stefan Finney** | 6 | 6 | 2 | 2 | 0 | 0 |

**Managing Director**

Daniel Cowley-Cooper

29 August 2024

## END OF DIRECTORS' REPORT

# Sustainability Report

At SSH Group Limited, sustainability is a key driver across all operations. The Company takes a proactive approach, prioritising environmental responsibility, the welfare of its people, and positive societal impact. The Group's commitment is to operate with integrity, ensuring our practices support a sustainable future for all.

As SSH operates industrial service businesses across the Australian mining, civil, and construction industries, The Company acknowledges the evolving landscape that it operates in which includes climate reporting regulations, the expectations of its customers and broader industry acceptance of Environmental, Social, and Governance (ESG) as a minimum operating standard.

The Company is pleased to share its inaugural sustainability disclosures, which summarises the work completed throughout the past 12 months to develop a strategic, fit-for-purpose approach to the management of Sustainability risks and opportunities.

For SSH, this is about effectively managing risk but also the opportunity to generate value through responsible and sustainable business operations.

## Sustainability Initiatives to Date

Sustainability has been a focus at SSH since the Company's inception in 2021. Sustainability initiatives that have featured since that time include.

- Partnership with Indigenous-owned and operated company Four Hills Group
- SSH Reconciliation Action Plan (Reflect)
- Employee Assistance Plan
- SSH Culture Club
- Environmental protection kits on all sites with SSH Group plant and equipment
- Occupational health, safety and psychological wellbeing program.

During the 2024 financial period, SSH implemented the following key improvements towards building a sustainable future:

- The Group conducted a psychosocial risk assessment across the business
- The Group conducted materiality assessments.
- The development of a SSH Sustainability scorecard
- The establishment of a 2-year Sustainability Roadmap

The SSH Group is committed to building on these existing efforts and initiatives in FY25 and beyond.

## Sustainability Objectives

To set the course for the sustainability program, during the FY24 period the Executive Leadership Team defined the following objectives which have been used to guide the development of SSH's sustainability roadmap and efforts:

- An integrated focus on sustainability performance at all levels of the organisation and across all operations.
- A balanced approach that reflects the Group's values and drives meaningful impact while ensuring commercial priorities are met.
- Enables SSH to demonstrate proactiveness rather than reactiveness to regulations and investors' requirements and queries
- Provides SSH with a source of competitive advantage in a competitive market
- Supports the Company's growth prospects and activities through a flexible approach

## Materiality Assessment

To determine the Group's sustainability priorities, a Global Reporting Initiative (GRI) aligned materiality assessment was undertaken. The process involves the following stages:

1. Understand the organisation's context
2. Identify actual and potential impacts
3. Assess the significance of the impacts
4. Prioritise the most significant impacts

As part of this process, a stakeholder engagement exercise was conducted which involved directly consulting with stakeholders to understand their sustainability values, interests and concerns relating to SSH.

## Stakeholder Categories


FIGURE 1: SSH'S STAKEHOLDER CATEGORIES

A total of 46 stakeholders were asked to provide input with a response rate of 78% (Figure 1). Importantly, responses were received from all stakeholder categories.

The result of this engagement was a data driven prioritisation of SSH's material topics. Material topics are defined by the GRI as those topics that represent the organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights (GRI 3: Material Topics, 2021).

## Sustainability Priorities

Stakeholders were asked to rate a defined list of environmental, social and governance topics based on the impact they believe the topic has on the SSH and how important the topic is to them as a stakeholder in the business (Figure 1). The SSH executive team reviewed and validated the results of the materiality matrix and determined the following sustainability focus areas for FY25:

| | | |
|---|---|---|
| **Safe and Sustainable Fleet** | **Economic Performance** | **Responsible Business** |
| **Customer Success** | **Employee Engagement and Development** | **Indigenous and Community Relations** |

FIGURE 2: SSH'S FY25 SUSTAINABILITY PRIORITIES

## Sustainability Scorecard

To support integration and management of its sustainability priorities, SSH has developed an ESG scorecard (See Figure 3) which outlines the metrics that will be used to measure ongoing performance.

| Sustainability Priority | Performance Metrics |
|---|---|
| **Customer Success** | Customer satisfaction score |
| | Repeat customers across 4 quarters (%) |
| | Revenue from repeat customer quarter-on-quarter (%) |
| **Employee Engagement and Development** | Employee engagement score |
| | Total Recordable Injury Frequency Rate (TRIFR) |
| | Lost-Time Injury Frequency Rate (LTIFR) |
| **Safe and Sustainable Fleet** | Adherence to our asset sustainability mandate |
| **Economic Performance** | Revenue and EBIT Growth |
| **Responsible Business** | Annual reporting on ESG performance |
| | Effective management of risks (inclusive of ESG risks) |
| | Suppliers screened on ESG metrics (%) |
| **Indigenous and Community Relations** | Financial contribution to local and indigenous communities (direct engagement/wages/donations/local content spend) |

FIGURE 3: SSH'S FY25 ESG PERFORMANCE SCORECARD

## Roadmap

Operating across the Australian mining, civil, and construction industries requires a holistic yet flexible approach to sustainability.

The sustainability roadmap below sets out the key ESG project milestones to guide SSH's sustainability approach over the next 2 years (Figure 4).

**FY25**

- Incorporate Sustainability into the existing Audit and Risk Committee Charter
- Establish group Sustainability Policy (includes supplier guidelines)
- Develop SSH's asset sustainability mandate
- Measure Scope 1 and 2 greenhouse gas (GHG) emissions and establish emissions reduction actions
- Measure baseline sustainability metrics using our newly developed ESG Performance Scorecard
- Undertake a climate-related risk assessment

**FY26**

- Establish SSH Sustainability Committee
- Update ESG Performance Scorecard and set targets
- Conduct a climate scenario analysis
- Measure Scope 1, 2, and 3 GHG emissions
- Produce inaugural climate-related risk disclosures in line with requirements of the Australian Sustainability Reporting Standards (ASRS S2)
- Conduct a modern slavery risk assessment
- Produce inaugural Modern Slavery Statement

FIGURE 4: SSH'S 2-YEAR ESG ROADMAP

The SSH Group looks forward to providing stakeholders with regular updates on Sustainability initiatives and performance.

**Managing Director**

Daniel Cowley-Cooper

29 August 2024

## END OF SUSTAINABILITY REPORT

# Remuneration Report

## Remuneration policy

The Remuneration Policy of SSH Group Limited has been designed for Key Management Personnel (KMP) to attract and retain high-quality individuals to run and manage the Group, as well as create goal congruence between directors, executives, and shareholders.

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

- The Remuneration Policy was developed by the Remuneration Committee and approved by the Board after professional advice was sought from external consultants.
- All KMP receive a base salary, superannuation and fringe benefits. KMP receive, at a minimum, a superannuation guarantee contribution required by the government in addition to the individual's average weekly ordinary time earnings.

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

The Board's policy is to remunerate non-executive directors at market rates for time, commitment, and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties, and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is $250,000.

The Board's Remuneration Policy prohibits Directors and KMP from using SSH Group Limited shares as collateral in any financial transaction, including margin loan arrangements.

## Historical performance

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past 2 years up to and including the current financial year.

| | 2024 | 2023 |
|---|---|---|
| **NPAT $** | 667,947 | (1,299,342) |
| **Share Price at Year End (cents)** | 6.9 | 15.0 |
| **Basic EPS (cents)** | 1.02 | (0.02) |
| **Total dividends (cents per share)** | - | - |

## Voting of Remuneration Report

At the Company's AGM in November 2023 the Company received 99.53% of votes in favour of the remuneration report.

## Employment details – Key Management Personnel

Employment details of persons who were, during the financial year, members of KMP of the Group including the proportion of remuneration that was performance and non-performance based is provided in table below.

| Group Key Management Personnel | Position held (as at 30 June 2024) and any change during the Year | Contract Details (Duration and Termination) | Proportions of Elements of Remuneration | | |
|---|---|---|---|---|---|
| | | | Related to Performance (Other than Options Issued) | | Not Related to Performance |
| | | | Non-salary Cash-based Incentives | Shares/ Units | Fixed Salary/ Fees |
| **Bruce Lane** | Non-Executive Chairman | Director Service Agreement | - | - | 100% |
| **Daniel Cowley-Cooper** | Managing Director | Employment Contract | - | - | 100% |
| **Stefan Finney** | Executive Director | Employment Contract | - | - | 100% |
| **Harpreet (Sonu) Cheema** | Company Secretary (appointed) | Consultancy Agreement | - | - | 100% |
| **Matthew Foy** | Company Secretary (resigned) | Consultancy Agreement | - | - | 100% |
| **Matthew Thomson** | Chief Financial Officer and joint Company Secretary (resigned) | Employment Contract | - | - | 100% |

The employment terms and conditions of all KMP are formalised in contracts of employment and/or engagement agreements. Terms of employment require that the executive contracted person be provided with a minimum of 12 months' notice prior to termination of contract. Termination payments are to be made in accordance with the requirements of the Fair Work provisions.

## Remuneration expense details

The components of the current year and comparative year remuneration expenses for each member of KMP of the Group is detailed in a table on the next page. All amounts disclosed have been calculated in accordance with Australian Accounting Standards.

| | Short-Term Benefits | | | Post-employment Benefits | | Long-Term Benefits | | Equity-settled Share-based Payments | | Cash-settled Share-based Payments | Termination Benefits | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary, Fees, and Leave | Profit Share and Bonuses | Other | Superannuation | Other | Incentive Plans | LSL | Shares / Units | Options/ Rights* | | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **2024** | | | | | | | | | | | | |
| Bruce Lane | 48,000 | - | - | - | - | - | - | - | - | - | - | 48,000 |
| Daniel Cowley-Cooper | 345,962[2] | - | 26,865 | 30,673 | - | - | - | - | - | - | - | 403,500 |
| Stefan Finney | 305,000 | - | 35,305 | 27,500 | - | - | - | - | - | - | - | 367,805 |
| Harpreet (Sonu) Cheema | 40,000 | | | | | | | | | | | 40,000 |
| Matthew Thomson | 116,260 | - | 9,780 | 9,780 | - | - | - | - | - | - | - | 135,820 |
| Matthew Foy | 6,000 | - | - | - | - | - | - | - | - | - | - | 6,000 |
| | 861,222 | - | 71,950 | 67,953 | - | - | - | - | - | - | - | 1,001,125 |
| **2023** | | | | | | | | | | | | |
| Bruce Lane | 56,000 | - | - | - | - | - | - | - | - | - | - | 56,000 |
| Daniel Cowley-Cooper | 307,308 | - | 32,865 | 26,250 | - | - | - | - | - | - | - | 366,423 |
| Stefan Finney | 296,731 | - | 30,301 | 26,250 | - | - | - | - | - | - | - | 353,282 |
| Matthew Thomson | 231,113 | - | 23,331 | 24,150 | - | - | - | - | 54,712 | - | - | 333,306 |
| Matthew Foy | 39,000 | - | - | - | - | - | - | - | - | - | - | 39,000 |
| | 930,152 | - | 86,497 | 76,650 | - | - | - | - | 54,712 | - | - | 1,148,011 |

* *The fair value of performance rights are amortised over the vesting period*

[2] *In FY24, Managing Director Mr. Daniel Cowley-Cooper's remuneration remained consistent with the original contractual terms established at the time of the Initial Public Offer in September 2021. The observed increase in remuneration for the 2024 period is due to paying out accrued leave entitlements.*

### Securities Held

Current members of the KMP hold in total 20,725,000 ordinary shares, and 10,000,000 options (exercise price of 35c, expiring 9 September 2025) as at 30 June 2024.

### Securities Received that are not Performance-Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

### Other Transactions with Key Management Personnel

Bruce Lane, Non-Executive Director, is a director of Tapanui Capital Pty Ltd, which provides directorship, advisory, consulting and chief financial officer (CFO) services (Services). Fees charged for the FY24 totalled $254,400. For the avoidance of doubt, all Services are provided on arm's length, commercial terms and in the ordinary course of business. Anna Lane, spouse of Bruce Lane, is engaged through Tapanui Capital Pty Ltd as the interim CFO of SSH Group Limited (Please refer ASX release titled "SSH APPOINTMENT OF INTERIM CFO" on 13 September 2023).

Stefan Finney is a Beneficiary of the Principle Investment Holding Trust (Principle Trust). The Principle Trust purchased a RAV 4 GX from a subsidiary of SSH Group Limited for the value of $44,064. The transaction was valued at an arm's length value which covered the debt payout due by the Group.

There were no other related party transactions with Key Management Personnel in FY24.

## END OF REMUNERATION REPORT

# Auditor's Declaration

HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of SSH Group Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Hall Chadwick

**HALL CHADWICK WA AUDIT PTY LTD**

D Bell

**D M BELL** CA
**Director**

Dated this 29th day of August 2024
Perth, Western Australia

# Consolidated Financial Statements

## Consolidated Statement of Profit or Loss and other Comprehensive Income

### For the year ended 30 June 2024

| | Note[3] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | *2* | 40,052,041 | 41,153,039 |
| Cost of sales | *3* | (24,843,848) | (30,255,583) |
| | | 15,208,193 | 10,897,456 |
| Other income | 2 | 11,927 | 450,378 |
| **Expenses** | | | |
| Employee Benefits Expense | *3* | (5,867,427) | (6,530,479) |
| Administration Costs | | (1,905,690) | (1,052,748) |
| Depreciation and amortisation expense | *3* | (4,230,294) | (3,004,587) |
| Finance costs | *3* | (2,368,026) | (1,744,785) |
| Occupancy expenses | | (198,848) | (420,968) |
| Impairment of assets | *3* | (14,641) | (321,625) |
| Share Based Payments expense | *3* | - | (54,712) |
| Profit / (loss) before income tax | | 635,194 | (1,782,070) |
| Tax benefit / (expense) | *4* | 32,753 | 482,728 |
| **Net profit/ (loss) for the year** | | 667,947 | (1,299,342) |
| **Net profit / (loss) attributable to**: | | | |
| Owners of the Parent Entity | | 667,947 | (1,299,342) |
| | | 667,947 | (1,299,342) |
| | | | |
| **Earnings per share** | | | |
| From operations: | | | |
| Basic earnings per share (cents) | *6* | 1.02 | (0.02) |
| Diluted earnings per share (cents) | *6* | 1.02 | (0.02) |

TABLE 1: PROFIT OR LOSS

[3] The accompanying Notes form part of these financial statements

## Consolidated Statement of Financial Position

### As at 30 June 2024

| | Note[4] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and Cash Equivalents | 7 | 2,601,463 | 2,049,474 |
| Trade and Other Receivables | 8 | 6,779,868 | 5,138,500 |
| Current Tax Asset | 17 | - | 344,865 |
| Other Assets | 9 | 533,125 | 305,726 |
| Total Current Assets | | 9,914,456 | 7,838,565 |
| **Non-Current Assets** | | | |
| Property, Plant, and Equipment | 11 | 26,157,788 | 23,463,061 |
| Deferred Tax Assets | 12 | 475,376 | 97,757 |
| Intangible Assets | 13 | 5,648,651 | 5,675,514 |
| Other Non-Current Assets | 9 | 372,457 | 193,463 |
| Investments in Associates | 10 | - | 134,757 |
| Right of Use Assets | 14 | 846,930 | 1,292,554 |
| Total Non-Current Assets | | 33,501,202 | 30,857,106 |
| Total Assets | | 43,415,658 | 38,695,671 |
| **Current Liabilities** | | | |
| Trade and Other Payables | 15 | 5,132,844 | 3,349,056 |
| Lease Liabilities | 16 | 5,546,941 | 4,302,680 |
| Borrowings | 16 | 5,494,106 | 3,485,410 |
| Provisions | 18 | 363,118 | 295,571 |
| Total Current Liabilities | | 16,537,009 | 11,432,717 |
| **Non-Current Liabilities** | | | |
| Borrowings | 16 | - | 1,421,000 |
| Lease Liabilities | 16 | 19,308,227 | 18,901,125 |
| Provisions | 18 | 18,268 | 42,008 |
| Total Non-Current Liabilities | | 19,326,495 | 20,364,133 |
| Total Liabilities | | 35,863,504 | 31,796,850 |
| Net Assets | | 7,552,154 | 6,898,821 |
| **Equity** | | | |
| Issued capital | 19 | 8,493,858 | 8,437,674 |
| Reserves | 25 | 1,950,742 | 2,021,540 |
| Retained earnings | | (2,892,446) | (3,560,393) |
| Total Equity | | 7,552,154 | 6,898,821 |

TABLE 2: FINANCIAL POSITION

[4] The accompanying Notes form part of these financial statements

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# Consolidated Statement of Changes in Equity

## For the year ended 30 June 2024

| | Note[5] | Issued Equity/ Capital $ | Share-Based Payments Reserve $ | Trust Profits Reserve $ | Retained Earnings $ | Total Equity $ |
|---|---|---|---|---|---|---|
| Balance at 1 July 2023 | | 8,437,674 | 1,984,779 | 36,761 | (3,560,393) | 6,898,821 |
| Comprehensive income | | | | | | |
| Profit for the year | | - | - | - | 667,947 | 667,947 |
| Total comprehensive income for the year | | - | - | - | 667,947 | 667,947 |
| Transactions with owners, in their capacity as owners, and other transfers: | | | | | | |
| Performance rights issued during the period | | 56,184 | (70,798) | - | - | (14,614) |
| **Balance at 30 June 2024** | | 8,493,858 | 1,913,981 | 36,761 | (2,892,446) | 7,552,154 |
| | | | | | | |
| Balance at 1 July 2022 | | 7,879,703 | 1,930,067 | 36,761 | (2,261,051) | 7,585,480 |
| Comprehensive income | | | | | | |
| Loss for the year | | - | - | - | (1,299,342) | (1,299,342) |
| Total comprehensive income for the year | | - | - | - | (1,299,342) | (1,299,342) |
| Transactions with owners, in their capacity as owners, and other transfers: | | | | | | |
| Shares issued for acquisitions (net of share issued costs) | | 557,971 | - | - | - | 557,971 |
| Fair value of performance rights issued during prior period | | - | 54,712 | - | - | 54,712 |
| **Balance at 30 June 2023** | | 8,437,674 | 1,984,779 | 36,761 | (3,560,393) | 6,898,821 |

TABLE 3: CHANGES IN EQUITY

[5] The accompanying Notes form part of these financial statements

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# Consolidated Statement of Cash Flows

## For the year ended 30 June 2024

| | Note[6] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Receipts from customers | | 43,841,831 | 51,540,159 |
| Payments to suppliers and employees | | (36,970,834) | (46,958,331) |
| Other revenue received | | - | 31,010 |
| Interest received | | 1,325 | 2,156 |
| Finance costs | | (2,355,054) | (1,747,692) |
| Income tax paid | | - | (13,326) |
| Net cash generated by operating activities | *21* | 4,517,268 | 2,853,976 |
| **Cash Flows from Investing Activities** | | | |
| Proceeds from disposal of property, plant, and equipment | | 1,035,101 | 3,992,635 |
| Purchase of property, plant, and equipment | | (604,858) | (14,447,353) |
| Purchase of business as a going concern | | - | (1,687,500) |
| Purchase of other non-current assets | | - | (134,757) |
| Net cash (used in)/generated by investing activities | | 430,243 | (12,276,975) |
| **Cash Flows from Financing Activities** | | | |
| Payment of capital raising / share issue costs | | (14,613) | (4,529) |
| Proceeds from borrowings other | | 1,209,494 | 15,398,995 |
| Repayment of borrowings other | | (5,590,403) | (9,268,809) |
| Net cash provided by/ (used in) financing activities | | (4,395,522) | 6,125,657 |
| Net increase/(decrease) in cash and cash equivalents | | 551,989 | (3,297,342) |
| Cash and cash equivalents at the beginning of financial year | | 2,049,474 | 5,346,816 |
| **Cash and cash equivalents at the end of financial year** | *7* | **2,601,463** | **2,049,474** |

TABLE 4: CASH FLOWS

[6] The accompanying Notes form part of these financial statements

# Consolidated Financial Statement Notes

## Note 1. Summary of material accounting policies

The consolidated Financial Statements and Notes represent those of SSH Group Limited and Controlled Entities (the Consolidated Group, Company, or Group).

The separate Financial Statements of the Parent Entity, SSH Group Limited, have not been presented within this Financial Report as permitted by the Corporations Act 2001 (Cth).

### Adoption of New / Amended Standards and Interpretations

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

### Basis of Preparation

The general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board, and in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

#### A. Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities, and results of SSH Group Limited and all of the subsidiaries. Subsidiaries are entities that the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity.

The assets, liabilities, and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation.

The Group initially recognises non-controlling interests that represent ownership interests in subsidiaries. If there is a nil carrying value for the Group's non-controlling investment, and the subsidiary incurred a loss for the year, there will not be recognition of the Group's share of the subsidiary's loss in the Group's financial statements.

#### B. Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control.

The acquisition of a business may result in the recognition of goodwill or a gain from a purchase, that is recognised on the balance sheet.

#### C. Going Concern

The financial statements have been prepared on the 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 Company delivered a materially improved profit after tax of $667,947, (2023: loss after tax $1,299,342). The Company generated net cash inflows from operating activities of $4,517,268, (2023: inflows of $2,853,976).

The Group's working capital deficit as at balance date was $6,622,553, (2023: $3,594,152). However, in monitoring its working capital, the Group excludes the current portion of hire purchase liabilities in its Equipment vertical from the working capital calculations, and the NAB business loan that has been reported as current due to it being paid out in July 2024. The adjusted working capital equates to a working capital deficit of $63,382 (2023: surplus $266,300). These liabilities are supported by non-current hire assets, including light vehicles and machinery totalling $25,938,971.

As per its September 2021 prospectus, SSH Group stated its long-term intention to move into a more capital-intensive business of equipment hire to the civil and mining industries. Accordingly, the Group has, during the last 2 years continued investing to grow its equipment asset fleet.

The Australian Accounting Standards require the value of liabilities due and payable within 12 months of the reporting date to be recognised as current, whilst the asset value is recognised as non-current due to the future economic benefits. This has resulted in the working capital deficit of $6,622,553, which is not uncommon for a growing capital-intensive business.

Since May 2022, the Group has acquired and built its equipment hire businesses (Equipment Vertical), with the financial strategy to grow these hire businesses to a profitable scale. This objective has been achieved by funding the growth in the hire assets through hire purchase contracts. The Equipment Vertical is now achieving the expected margin growth and is contributing positively to the Group's improved financial results (refer Note 21, Operating Segments, on page 52) such that the Group's gross margin improved to 38% (up from 26% in FY23).

As per below table, as at 30 June 2024, the Group held hire assets and associated liabilities with a net asset surplus of $612,601, and a net current asset deficit of $6,559,172.

Hire assets net book value and liabilities at 30 June 2024

| | Current | Non- Current | Total |
|---|---|---|---|
| **Assets** | | | |
| Plant and equipment | Nil | 11,549,050 | 11,549,050 |
| Motor vehicles | Nil | 14,359,922 | 14,359,922 |
| Equipment hire assets \| Net book value | Nil | 25,938,971 | 25,938,971 |
| **Liabilities** | | | |
| Hire purchase liabilities | 5,138,172 | 18,767,198 | 23,905,370 |
| Business loan | 1,421,000 | Nil | 1,421,000 |
| Hire assets liabilities | 6,559,172 | 18,767,198 | 25,326,370 |
| Net asset surplus / (deficit) | (6,559,172) | 7,171,773 | 612,601 |

The Group's financial performance has and will continue to strengthen on the back of disciplined capital allocation, strong commercial management and cost-efficient operations. Equipment Hire assets generate income on a monthly basis under contracts, which enables these entities to meet their debt repayment obligations.

The Group meets its debt obligations when they fall due, with no payment defaults.

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet commitments and working capital requirements for the 12-month period from the date of signing this Financial Report.

The ability of the Group to continue as a going concern is principally dependent on:

- The Group generating net cash inflows from operations and managing its working capital in the ordinary course of business; and

- The Group remaining compliant with all terms of its debt facilities.

Based on the cash flow forecast and other factors referred to above, the Directors are satisfied that going concern basis of preparation is appropriate.

Should the Group be unable to achieve the above or raise funds from other debt or equity sources it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

### D. Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of the following over the acquisition date fair value of any identifiable assets acquired and liabilities assumed:

- The consideration transferred at fair value;
- Any non-controlling interest (determined under either the fair value or proportionate interest method); and
- The acquisition date fair value of any previously held equity interest.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment.

### E. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Where there are brought forward tax losses that fully offset the current year's income tax expense (income) the profit or loss for the year will recognise a nil tax expense.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

a) The initial recognition of goodwill; or
b) The initial recognition of an asset or liability in a transaction which:
    - Is not a business combination; and
    - At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or when the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- Is not a business combination; and

- At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

To the extent that uncertainty exists as it relates to the acceptability by a taxing authority of the Company's tax treatments, the Company estimates the probability of acceptance by the taxing authority and, where acceptance is not probable, recognises the expected value of the uncertainty in either income tax expense or other comprehensive income, as appropriate.

*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 SSH Group Limited. The members of the tax-consolidated Group are identified in Note 27 titled "Subsidiaries and Associates" on page 61 of this Annual Report.

### F. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly[7] transaction between independent, knowledgeable, and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability[8] or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period[9]. For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments, excluding those related to share-based payment arrangements, may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective Note to the Financial Statements.

### G. Property, Plant, and Equipment

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

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount and impairment losses are recognised.

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

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[7] i.e., unforced

[8] i.e., the market with the greatest volume and level of activity for the asset or liability

[9] i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after considering transaction costs and transport costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that 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.

### H. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets, based on expected useful lives, are detailed in Table 5.

| Class of Fixed Asset | Depreciation Rate |
|---|---|
| **Leasehold improvements** | 3-5 years |
| **Plant and Equipment** | 3-10 years |
| **Motor Vehicles** | 3-5 years |
| **Computer Equipment** | 1-3 years |

TABLE 5: DEPRECIATION RATES

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue.

### I. Leases

*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 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.

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

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amounts 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 exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

## J. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired.

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

## K. Intangible Assets other than Goodwill

### *Website Development*

Development costs are recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. The websites have an estimated useful life of between one and three years. It is assessed annually for impairment.

## L. Employee Benefits

Provision is made for the Group’s obligation for short-term employee benefits. Short-term employee benefits are benefits other than termination benefits, that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, superannuation and annual leave and long service leave entitlements. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

The Group’s obligations for short-term employee benefits such as wages, salaries and superannuation are recognised as part of current trade and other payables in the statement of financial position. The Group’s obligations for employees’ annual leave and long service leave entitlements are recognised as current provisions in the statement of financial position.

Provision is made for employees’ long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period and is presented as non-current provisions in its statement of financial position.

## M. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## N. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

## O. Revenue and Other Income

### *Revenue Recognition*

#### Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring services to a customer.

For each contract with a customer, the Group:

- Identifies the contract with a customer;
- Identifies the performance obligations in the contract;

- Determines the transaction price which takes into account any discounts, rebates and refunds agreed with the customers;
- Allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- Recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

### P. Goods and Services Tax (GST)

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

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### Q. Earnings Per Share and Unit

At the end of the period the Group has 17,000,000 unissued shares under options (30 June 2023: 26,133,332).

In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the period ended 30 June 2024, the number of ordinary shares outstanding for the period ended 30 June 2024 shall be the actual number of ordinary shares of SSH Group Limited outstanding during that period.

The basic EPS for the period ended 30 June 2024 shall be calculated by dividing the profit or loss of the Group attributable to ordinary Shareholders in each of those periods by the Group's historical weighted average number of ordinary shares outstanding.

### R. Investments in Associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment when it has a carrying value on the Group's balance sheet.

### S. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Group retrospectively applies an accounting policy, makes a retrospective restatement, or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### T. Critical Accounting Estimates and Judgements

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Group retrospectively applies an accounting policy, makes a retrospective restatement, or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

*Allowance for Expected Credit Losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Goodwill and other Indefinite-Life Intangible Assets*

The Group tests twice a year whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1 titled “Summary of Material Accounting Policies” on page 27 of this Annual Report.

These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

*Impairment of Non-Financial Assets other than Goodwill and other Indefinite-Life Intangible Assets*

The 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 determination is uncertain.

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 Summary of material accounting policies, paragraph L. Employee Benefits on page 32 of this Annual Report, 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. Revenue and other income

| | Note[10] | Consolidated Group 2024 | Consolidated Group 2023 |
|---|---|---|---|
| **Sources of revenue** | | | |
| Revenue from agreements with customers | | 40,052,041 | 41,153,039 |
| Total revenue | | **40,052,041** | **41,153,039** |
| **Other income** | | | |
| Interest Received | | 1,325 | 2,156 |
| Gain on disposal of property, plant, and equipment | | (12,877) | 170,967 |
| Insurance/debtor recoveries | | - | 246,245 |
| Other income | | 23,479 | 31,010 |
| | | 11,927 | 450,378 |
| | | **40,063,968** | **41,603,417** |

TABLE 6: REVENUE AND OTHER INCOME



[10] The accompanying Notes form part of these financial statements

## Note 4. Profit for the year

Profit before income tax from continuing operations includes the following specific expenses:

| | | Consolidated Group | |
|---|---|---|---|
| | Note[11] | 2024 | 2023 |
| **a. Expenses** | | | |
| Cost of sales | | 24,843,848 | 30,255,583 |
| Interest expense on financial liabilities not classified as at fair value through profit or loss: | | | |
| - interest on borrowings | | 2,292,403 | 1,604,945 |
| - finance charges on right of use assets | | 69,785 | 104,783 |
| - borrowing costs amortised | | 5,838 | 35,057 |
| Total finance cost | | **2,368,026** | **1,744,785** |
| Employee benefits expense: | | 5,867,427 | 6,530,479 |
| Depreciation expense – assets | | 3,754,146 | 2,498,486 |
| Depreciation expense – right of use assets | | 445,624 | 488,020 |
| Amortisation of intangibles | | 30,524 | 18,081 |
| Impairment of receivables and assets | | 14,641 | 321,625 |
| **b. Significant Revenue and Expenses** | | | |
| The following significant revenue and expense items are relevant in explaining the financial performance: | | | |
| - Recognition of cost of options and performance rights issued as part of the Initial Public Offer | | - | 54,712 |

TABLE 7: PROFIT FOR THE YEAR

[11] The accompanying Notes form part of these financial statements

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# Note 5. Tax Expense

| | Note[12] | Consolidated Group 2024 | Consolidated Group 2023 |
|---|---|---|---|
| **a. The components of tax benefit / (expense) comprise:** | | | |
| Current tax | | - | 501,457 |
| Deferred tax | | 32,753 | (18,729) |
| | | **32,753** | **482,728** |
| **b. The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to income tax as follows:** | | | |
| Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 30% | | 190,558 | (534,621) |
| Add tax effect of non-deductible permanent differences | | | |
| - corporate reorganisation costs | | | |
| - share based payments expense | | - | 16,414 |
| - entertainment and other differences | | 20,396 | (9,693) |
| | | 20,396 | 6,721 |
| Add tax effect of: | | | |
| - timing differences in employee liabilities | | 4,589 | 36,630 |
| - timing differences on depreciable asset values and assets sold | | 229,752 | 78,552 |
| | | 234,341 | 115,182 |
| Less tax effect of: | | | |
| - timing differences on accrued income and expenses | | (76,525) | (70,010) |
| - brought forward tax expense / (benefit) | | (401,523) | - |
| Income tax expenses / (benefit) attributable to entity | | (32,753) | (482,728) |
| The weighted average effective tax rates are as follows: | | 5% | 27% |

TABLE 8: TAX EXPENSE

[12] The accompanying Notes form part of these financial statements

## Note 6. Auditor's Remuneration

| | Note[13] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| Remuneration of the auditor for: | | | |
| - auditing or reviewing the financial statements | | 101,833 | 80,000 |
| | | 101,833 | 80,000 |

TABLE 9: AUDITOR'S REMUNERATION

## Note 7. Earnings per Share

| | Consolidated Group 2024 | 2023 |
|---|---|---|
| Profit / (Loss) after income tax | 667,947 | (1,299,342) |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 65,793,296 | 64,248,040 |
| | | |
| Basic profit / (loss) per share | 1.02 | (0.02) |
| Diluted profit / (loss) per share | 1.02 | (0.02) |

TABLE 10: EARNINGS PER SHARE

## Note 8. Cash and Cash Equivalents

| | Consolidated Group 2024 | 2023 |
|---|---|---|
| Cash at bank and on hand | 2,601,010 | 2,049,021 |
| Cash on hand | 453 | 453 |
| | 2,601,463 | 2,049,474 |
| Reconciliation of cash | | |
| Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows: | | |
| Cash and cash equivalents | 2,601,463 | 2,049,474 |
| | 2,601,463 | 2,049,474 |

TABLE 11: CASH AND CASH EQUIVALENTS

[13] The accompanying Notes form part of these financial statements

# Note 9. Trade and Other Receivables

| | Note[14] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| CURRENT | | | |
| Trade receivables | | 5,941,217 | 4,482,858 |
| Accrued income | | 856,234 | 655,642 |
| Provision for impairment | | (17,583) | - |
| Total current trade and other receivables | | 6,779,868 | 5,138,500 |
| Total trade and other receivables | | 6,779,868 | 5,138,500 |

| | Current | >30 days | >60 days past due | >90 days past due | Total |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Gross carrying amount | 2,482,820 | 2,337,649 | 314,845 | 805,903 | 5,941,217 |
| Loss allowing provision | - | - | - | (17,583) | (17,583) |
| | 2,482,820 | 2,337,649 | 314,845 | 788,320 | 5,923,634 |
| **2023** | | | | | |
| Gross carrying amount | 3,286,862 | 972,929 | 96,455 | 126,612 | 4,482,858 |
| Loss allowing provision | - | - | - | - | - |
| | 3,286,862 | 972,929 | 96,455 | 126,612 | 4,482,858 |

TABLE 12: TRADE AND OTHER RECEIVABLES

### Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

Bad debts of $27,223 were expensed during the year.

[14] The accompanying Notes form part of these financial statements

# Note 10. Other Assets

| | Note[15] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| **Current** | | | |
| Inventory | | 21,498 | 21,498 |
| Prepayments | | 501,627 | 268,572 |
| Other | | 10,000 | 15,656 |
| Total current other assets | | 533,125 | 305,726 |
| | | | |
| **Non-current** | | | |
| Security deposits | | 168,308 | 186,363 |
| JV receivable | | 134,757 | - |
| Borrowing costs prepaid | | 62,292 | |
| Other company formation costs | | 7,100 | 7,100 |
| Total non-current other assets | | 372,457 | 193,463 |
| | | | |
| Total trade and other assets | | 905,582 | 499,189 |

TABLE 13: OTHER ASSETS



[15] The accompanying Notes form part of these financial statements

## Note 11. Investment in Associates

SSH Group Limited has 49% in Four Hills Services Pty Ltd (Four Hills Services), a joint venture with Four Hills Group. The Group's interest in Four Hills Services is accounted for using equity method in the consolidated financial statements as the Group does not control or have joint control over Four Hills Services.

The carrying value of the Group's interest is nil as at 30 June 2024, and Four Hills Services produced a loss for the year ended 30 June 2024. Accordingly the Group has not recognised its share of losses in its consolidated financial statements.

Summarised financial information of the Group's share in Four Hills Services is detailed in Table 14.

| | 2024 $ | 2023 $ |
|---|---|---|
| Revenue | 3,222,667 | 141,375 |
| Cost of Sales | 2,937,695 | 133,092 |
| Administration | 540,096 | 8,283 |
| Profit / (Loss) for the period from operations (100%) | (255,124) | - |
| Group's share of Profit / Loss for the period | - | - |

TABLE 14: FOUR HILLS SERVICES - GROUP'S SHARE

## Note 12. Property, Plant, and Equipment

| | Consolidated Group | |
|---|---|---|
| | 2024 | 2023 |
| **Plant and equipment** | | |
| At cost | 14,376,755 | 11,749,156 |
| Accumulated depreciation | (2,827,705) | (1,462,015) |
| | 11,549,050 | 10,287,141 |
| **Motor Vehicles** | | |
| At cost | 17,380,884 | 13,883,989 |
| Accumulated depreciation | (2,990,963) | (1,016,880) |
| | 14,389,921 | 12,867,109 |
| **Computers and Office Equipment** | | |
| At cost | 462,024 | 480,475 |
| Accumulated depreciation | (384,587) | (343,225) |
| | 77,437 | 137,250 |
| **Leasehold improvements** | | |
| At cost | 214,916 | 208,348 |
| Accumulated amortisation | (73,536) | (36,787) |
| | 141,380 | 171,561 |
| **Total property, plant, and equipment** | **26,157,788** | **23,463,061** |

| Consolidated Group | Plant and Equipment | Motor Vehicles | Computers and Office Equipment | Leasehold Improvements | Total |
|---|---|---|---|---|---|
| Balance at 1 July 2023 | 10,287,141 | 12,867,109 | 137,250 | 171,561 | 23,463,061 |
| Additions | 3,499,403 | 4,097,157 | 3,506 | 6,568 | 7,606,634 |
| Disposals | (535,542) | (600,262) | (21,957) | - | (1,157,761) |
| Depreciation expense | (1,701,952) | (1,974,083) | (41,362) | (36,749) | (3,754,146) |
| **Balance at 30 June 2024** | 11,549,050 | 14,389,921 | 77,437 | 141,380 | 26,157,788 |
| Balance at 1 July 2022 | 10,409,770 | 4,142,219 | 186,449 | 126,123 | 14,864,561 |
| Additions | 2,119,681 | 12,194,863 | 53,193 | 79,616 | 14,447,353 |
| Disposals | (960,044) | (2,384,562) | (16,360) | (434) | (3,361,400) |
| Depreciation expense | (1,282,266) | (1,085,411) | (86,032) | (33,744) | (2,487,453) |
| **Balance at 30 June 2023** | 10,287,141 | 12,867,109 | 137,250 | 171,561 | 23,463,061 |

TABLE 15: PROPERTY PLANT AND EQUIPMENT

## Note 13. Deferred Tax Assets

| | Consolidated Group | |
|---|---|---|
| | **2024** | **2023** |
| Deferred Tax Asset carrying value | 734,041 | 342,841 |
| Deferred Tax Liability carrying value | (258,665) | (245,084) |
| Net Deferred Tax Asset | 475,376 | 97,757 |
| Components of Deferred Tax Asset Carrying Amount: | | |
| Accrued Expenses | 121,624 | 119,083 |
| Employee Benefits | 150,376 | 128,127 |
| Provisions | 93,272 | 95,132 |
| Tax losses carried forward | 368,769 | - |
| Tax carrying value of assets | - | 9,568 |
| Accrued Income | (258,665) | (254,153) |
| | 475,376 | 97,757 |

TABLE 16: DEFERRED TAX ASSETS

| Consolidated Group | Total |
|---|---|
| Balance at the beginning of the year | 97,757 |
| Adjustment to prior year balances | - |
| Current year movement | 377,619 |
| | 475,376 |

TABLE 17: MOVEMENTS IN THE DEFERRED TAX ASSET CARRYING AMOUNTS DURING THE CURRENT FINANCIAL YEAR

## Note 14. Intangible Assets

| | Consolidated Group | |
|---|---|---|
| | 2024 | 2023 |
| **Goodwill** | | |
| Cost | 5,622,920 | 5,622,920 |
| Accumulated impairment | - | - |
| Net carrying amount | 5,622,920 | 5,622,920 |
| **Website Development Costs** | | |
| Cost | 84,662 | 81,001 |
| Accumulated amortisation and impairment | (58,931) | (28,407) |
| Net carrying amount | 25,731 | 52,594 |
| Total intangible assets | 5,648,651 | 5,675,514 |
| | | |
| Karratha Machinery Hire (Equipment Vertical) | 4,896,354 | 4,896,354 |
| Bridge Resources (People Vertical) | 726,566 | 726,566 |
| | 5,622,920 | 5,622,920 |

TABLE 18: INTANGIBLE ASSETS

*Impairment reviews have been completed with no requirement for impairment to the carrying value of the Goodwill per cash generating units noted. The discount rate used in the fair value assessment was 11% which is a combination of the weighted average costs of debt and equity, and with a +5% sensitivity analysis. The testing assumed an average of 4% year on year growth rate.*

| Consolidated Group | Goodwill | Website Development | Total |
|---|---|---|---|
| **Year ended 30 June 2024** | | | |
| Balance at the beginning of year | 5,622,920 | 52,594 | 5,675,514 |
| Additions | - | 3,661 | 3,661 |
| Disposals | - | - | - |
| Amortisation charge | - | (30,524) | (30,524) |
| Impairment losses | - | - | - |
| Closing value at 30 June 2024 | 5,622,920 | 25,731 | 5,648,651 |
| | | | |
| **Year ended 30 June 2023** | | | |
| Balance at the beginning of year | 5,622,920 | 67,271 | 5,690,191 |
| Additions | - | 3,404 | 3,404 |
| Disposals | - | - | - |
| Amortisation charge | - | (18,081) | (18,081) |
| Impairment losses | - | - | - |
| Closing value at 30 June 2023 | 5,622,920 | 52,594 | 5,675,514 |

TABLE 19: MOVEMENTS IN CARRYING AMOUNTS FOR EACH CLASS OF INTANGIBLES

# Note 15. Right of Use Assets

The Group's lease portfolio relates to office premises it leases for its operating activities and the corporate head office. These leases have an average of less than two years as their lease term.

| | 2024 | 2023 |
|---|---|---|
| Leased Assets | 1,785,826 | 1,785,826 |
| Accumulated depreciation | (938,896) | (493,272) |
| Total Right of use asset | 846,930 | 1,292,554 |
| Movement in carrying amounts: | | |
| Opening net carrying amount 1 July 2023 | 1,292,554 | 1,987,523 |
| Leased assets acquired through business combinations on acquisition | - | - |
| Leased assets acquired during the year | - | 165,411 |
| Leased assets terminated during the year | - | (372,360) |
| Depreciation expense | (445,624) | (488,020) |
| Net carrying amount 30 June 2024 | **846,930** | **1,292,554** |

TABLE 20: AASB 16 RELATED AMOUNTS RECOGNISED IN THE BALANCE SHEET

| | 2024 | 2023 |
|---|---|---|
| Depreciation charge related to right-of-use assets | 445,624 | 488,020 |
| Interest expense on lease liabilities | 69,784 | 104,783 |

TABLE 21: AASB 16 RELATED AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

## Note 16. Trade and Other Payables

| | Note[16] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| **CURRENT** | | | |
| Unsecured liabilities: | | | |
| Trade payables | | 4,114,093 | 860,294 |
| Sundry payables and accrued expenses | | 1,018,751 | 2,488,762 |
| | | 5,132,844 | 3,349,056 |

TABLE 22: TRADE AND OTHER PAYABLES



[16] The accompanying Notes form part of these financial statements

# Note 17. Borrowings

| | Note[17] | Consolidated Group 2024 | 2023 |
|---|---|---|---|
| **Current** | | | |
| Unsecured liabilities – amortised cost: | | | |
| - Unsecured liabilities | | - | - |
| Secured liabilities – amortised cost: | | | |
| - Debtor finance facility bank overdrafts | | 3,725,597 | 2,920,648 |
| - Bank loans | | 1,421,000 | 487,200 |
| - Other | | 347,509 | 77,562 |
| | | 5,494,106 | 3,485,410 |
| - Hire Purchase liabilities mortgage loans | | 5,138,172 | 3,860,452 |
| - Right of use asset liabilities | | 408,769 | 442,228 |
| | | 5,546,941 | 4,302,680 |
| Total current borrowings | | 11,041,047 | 7,788,090 |
| **Non-current** | | | |
| Unsecured liabilities – amortised cost: | | | |
| - Unsecured liabilities | | - | - |
| Secured liabilities – amortised cost: | | | |
| - Debtor finance facility bank overdrafts | | | |
| - Bank loans | | - | 1,421,000 |
| | | - | 1,421,000 |
| - Hire Purchase liabilities mortgage loans | | 18,767,198 | 17,950,293 |
| - Right of use asset liabilities | | 541,029 | 950,832 |
| Total non-current borrowings | | 19,308,227 | 20,322,125 |
| **Total borrowings** | | **30,349,274** | **28,110,215** |

TABLE 23: TOTAL BORROWINGS

| | Debtor finance facility ($) | Bank loans ($) | Hire Purchase liabilities ($) | Right of use asset liabilities ($) | Other ($) | Total ($) |
|---|---|---|---|---|---|---|
| Balance 1 July 2023 | 2,920,648 | 1,908,200 | 21,810,745 | 1,393,060 | 77,562 | 28,110,215 |
| Drawdowns through the year | 804,949 | - | 6,502,297 | - | 522,215 | 7,829,461 |
| Repayments from cash flows | - | (487,200) | (4,407,672) | (443,262) | (252,268) | (5,590,402) |
| Balance 30 June 2024 | 3,725,597 | 1,421,000 | 23,905,370 | 949,798 | 347,509 | 30,349,274 |

TABLE 24: SECURED LIABILITIES

## Details on Secured Liabilities

*Debtor finance facility* is provided by National Australia Bank Limited (NAB). The facility is secured by the debtors assigned to it by the Group's People Vertical and KMH, the facility is subject to floating interest rates.

[17] The accompanying Notes form part of these financial statements

Repayments are made on receipt of payments to the Company from the assigned debtors. The facility limit is $5,000,000 resulting in undrawn facility at 30 June 2024 of $2,077,667.

In June 2024, Scottish Pacific Business Finance Pty Ltd (Scotpac) provided a debtor finance facility for one of the Group's Equipment subsidiaries, Tru Fleet. This had a facility limit of $2,000,000, with a drawn balance as at 30 June 2024 of $803,265, leaving an undrawn facility balance of $1,196,735. Post year end the Scotpac debtor finance facility (as mentioned above) was extended to a facility limit of $9,000,000, with the existing NAB debtor funding facility transferred to Scotpac on 26th July 2024.

*Secured bank loan* is provided by NAB to provide acquisition funds to acquire Karratha Machinery Hire. The facility is secured over all assets of SSH Group Machinery Hire Pty Ltd and Complete Equipment Australia Pty Ltd plus a guarantee from SSH Group Limited. The facility is repayable monthly over 5 years and is subject to variable interest rates. The facility has a number of reporting and covenant requirements. During the period, the Group breached its covenants resulting in the loan being classified as current.

The facility was paid out on 26 July 2024, post the balance sheet cut off, but prior to the signing of these financial accounts. The extended Scotpac debtor finance facility (as mentioned above) was used to pay out the balance of the loan.

*Hire Purchase liabilities* are provided by a number of lenders; Toyota Financial Services (Toyota), Nissan Finance (Nissan), Daimler Financial Services (Daimler), Caterpillar Finance (Catepillar), DLL Financial Services NAB. The Toyota, Nissan and Daimler facilities are provided to the Company's subsidiary Tru Fleet Pty Ltd for the acquisition of light vehicles, whilst the Caterpillar, DLL Financial Services, NAB and a portion of the Toyota facilities relates to the assets acquired by Complete Equipment Australia Pty Ltd. The Hire Purchase agreements vary over 3 -5 years with fixed interest rates agreed at the inception of the agreement. Security is provided in the form of the funded assets, including motor vehicles to the net book value of $14,389,922 and plant and equipment with a net book value of $11,549,050.

The Group has undrawn Hire Purchase facilities of $702,355 as 30 June 2024.

## Note 18. Tax

| | Consolidated Group | |
|---|---|---|
| | **2024** | **2023** |
| **CURRENT** | | |
| Income tax (benefit) / payable | - | (344,865) |

TABLE 25: INCOME TAX

## Note 19. Provisions

| Consolidated Group | Consolidated Group 2024 | 2023 |
|---|---|---|
| Opening balance at 1 July 2023 | 337,579 | 343,118 |
| Additional provisions | 43,808 | - |
| Payment of leave liabilities (Net of provisions recognised) | - | (5,539) |
| Balance at 30 June 2024 | 381,387 | 337,579 |

TABLE 26: PROVISIONS

| | 2024 | 2023 |
|---|---|---|
| Current | 363,118 | 295,571 |
| Non-current | 18,269 | 42,008 |
| | 381,387 | 337,579 |

TABLE 27: ANALYSIS OF TOTAL PROVISIONS

### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1.L titled “Employee Benefits” on page 32 of this Annual Report.

# Note 20. Issued Capital

| | Consolidated Group | |
|---|---|---|
| | 2024 | 2023 |
| 65,899,853 fully paid ordinary shares (2023; 65,399,853 full paid units) | 9,662,753 | 9,591,955 |
| Less Share issue and capital raising costs | (1,168,895) | (1,154,281) |
| | 8,493,858 | 8,437,674 |

TABLE 28: ISSUED CAPITAL

| Movement for the period | Qty | $ |
|---|---|---|
| At the beginning of the reporting period | 65,399,853 | 8,437,674 |
| - Issue of shares as part of deferred consideration to acquire Karratha Machinery Hire | 500,000 | 70,798 |
| - Share issue and capital raising costs | - | (14,614) |
| At the end of the reporting period | 65,899,853 | 8,493,858 |

TABLE 29: MOVEMENTS

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the Shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

## Options

For information relating to the SSH Group Limited options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Directors' Report, paragraph title Options on page 10.

No options were issued to Key Management Personnel in the year.

## Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital structure includes ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements other than ongoing ASX requirements for shareholder approval of share issues greater than the approved limit.

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

No changes were made in the objectives, policies, or processes for managing capital during the year.

| | Consolidated Group | |
|---|---|---|
| | 2024 | 2023 |
| Interest bearing loans and borrowings | 30,349,273 | 28,110,215 |
| Trade and other payables | 5,132,844 | 3,349,056 |
| Less cash and short-term deposits | (2,601,463) | (2,049,474) |
| Less trade and other receivables | (6,779,868) | (5,138,500) |
| Net debt | 26,100,786 | 24,271,297 |
| | | |
| Equity | 7,552,154 | 6,898,821 |
| Total capital | 7,552,154 | 6,898,821 |
| Capital and net debt | 33,652,940 | 31,170,118 |
| Gearing Ratio | **77.6%** | **77.9%** |

TABLE 30: CAPITAL MANAGEMENT

# Note 21. Operating Segments

## General Information

### A. Identification of Reportable Segments

During the 2023 year it was determined that Group operates in two distinct segments "Recruitment and Workforce Management" and "Equipment". Whilst these segments have not changed, in 2024 they have been relabelled as People Vertical and Equipment Vertical.

The People Vertical delivers a broad range of workforce management services including labour hire, recruitment, placement, and associated services for the construction, resources, and energy portfolios, including site security and site access services. The People Vertical comprises client contracts held by Bridge Resources and SSH Group Safety Trust

These client contracts usually focus on the supply of a quantity of contracted labour resources for a scope of works. The client usually retains operational control over the activities of the worker and is responsible for the allocation and supervision of tasks and duties.

The Equipment Vertical include two service delivery businesses: 1) Machinery Hire and 2) Fleet Hire. They provide a range of light vehicles and other small to medium size items of machinery into the construction civil and mining portfolios. Customer contracts are held by Tru Fleet Pty Ltd for light vehicles, and SSH Group Machinery Hire Pty Ltd trading as KMH for other machinery items.

### B. Accounting Policies Adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

### C. Intersegment Transactions

An internally determined transfer price is set for all intersegment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

### D. Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

### E. Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and direct borrowings.

### F. Segment Information

*Segment Performance*

| | People Vertical $ | Equipment Vertical $ | Corporate $ | Total $ |
|---|---|---|---|---|
| 30 June 2024 | | | | |
| Revenue | | | | |
| External sales | 26,275,724 | 13,402,073 | 374,244 | 40,052,041 |
| Intersegment sales | 432,550 | 159,346 | (591,896) | - |
| Total segment revenue | 26,708,274 | 13,561,419 | (217,652) | 40,052,041 |
| Segment result from continuing operations | 1,964,309 | 8,041,904 | (2,758,058) | 7,248,155 |
| - depreciation and amortisation | (82,259) | (3,889,315) | (273,361) | (4,244,935) |
| - finance and interest costs | (416,108) | (1,917,863) | (34,055) | (2,368,026) |
| - share based payments | - | - | - | - |
| - tax expense | (442,715) | (731,377) | 1,206,845 | 32,753 |
| Net profit | 1,023,227 | 1,503,349 | (1,858,629) | 667,947 |
| 30 June 2023 | | | | |
| Revenue | | | | |
| External sales | 32,828,377 | 8,322,438 | 2,224 | 41,153,039 |
| Intersegment sales | - | 360,862 | (360,862) | - |
| Total segment revenue | 32,828,377 | 8,683,300 | (358,638) | 41,153,039 |
| Segment result from continuing operations | 758,677 | 4,693,365 | (2,430,028) | 3,022,014 |
| - depreciation and amortisation | 236,913 | 2,580,196 | 187,478 | 3,004,587 |
| - finance and interest costs | 359,780 | 1,326,603 | 58,402 | 1,744,785 |
| - share based payments | - | - | 54,712 | 54,712 |
| - tax expense | (337,089) | 236,412 | (382,051) | (482,728) |
| Net profit | 499,073 | 550,154 | (2,348,569) | (1,299,342) |

TABLE 31: SEGMENT PROFIT

| | Recruitment $ | Equipment $ | Corporate $ | Total $ |
|---|---|---|---|---|
| Segment assets | | | | |
| 30 June 2024 | 8,701,099 | 26,826,872 | 7,887,687 | 43,415,658 |
| 30 June 2023 | 5,248,990 | 30,527,351 | 3,189,330 | 38,965,671 |
| Segment liabilities | | | | |
| 30 June 2024 | 6,997,109 | 27,960,219 | 906,176 | 35,863,504 |
| 30 June 2023 | 5,580,197 | 25,896,740 | 319,913 | 31,796,850 |

TABLE 32: SEGMENT ASSETS AND LIABILITIES

## Note 22. Cash Flow Information

| **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax** | **Consolidated Group 2024** | **2023** |
|---|---|---|
| Profit after income tax | 667,947 | (1,299,342) |
| Non-cash flows in profit: | | |
| - depreciation and amortisation | 4,230,294 | 3,004,587 |
| - share based payments | - | 54,712 |
| - net gain on disposal of property, plant, and equipment | 12,877 | (170,967) |
| - provision for asset impairment | (304,042) | 321,625 |
| - borrowing costs amortised | (24,216) | 32,456 |
| Changes in assets and liabilities | | |
| - movement in trade and other receivables | (1,632,809) | 5,707,611 |
| - movement in prepayments and other assets | (227,399) | (293,541) |
| - movement in inventories | - | (21,498) |
| - movement in trade payables and accruals | 1,783,788 | (3,942,615) |
| - movement in tax liabilities | - | (514,784) |
| - movement in deferred taxes receivable | (32,754) | (18,729) |
| - movement in provisions | 43,582 | (5,539) |
| **Net cash generated by operating activities** | **4,517,268** | **2,853,976** |

TABLE 33: CASH FLOW RECONCILIATION

## Note 23. Events After the Reporting Period

As disclosed in its ASX announcement on 31 July 2024, SSH Group Limited paid out the remaining $1,380,400 balance of the term loan that was established for the acquisition of KMH in May 2022. The loan was entered into with the NAB in April 2022 for a period of five years.

This loan included restrictive debt covenant arrangements that have now been extinguished.

In June 2024, Scotpac provided a debtor finance facility for one of the Group's Equipment subsidiaries, Tru Fleet. This had a facility limit of $2,000,000, with a drawn balance as at 30 June of $803,265, leaving an undrawn facility balance of $1,196,735. Post year end the Scotpac debtor finance facility was extended to a facility limit of $9,000,000, with the existing NAB debtor funding facility transferred to Scotpac on 26 July 2024.

There have been no other events following the end of the year that would have a material impact on the financial performance of the Company or its subsidiaries.

# Note 24. Related Party Transactions

## Related Parties

The Group's main related parties are key management personnel. For details of disclosures relating to key management personnel, refer to the Remuneration Report as part of the Directors' Report.

The related entities include:

### Tapanui Capital Pty Ltd

Bruce Lane, Non-Executive Director, is a Director of Tapanui Capital Pty Ltd, which provides directorship, advisory, consulting and CFO services (Services).Fees charged for the FY24 totalled $254,400. For the avoidance of doubt, all services are provided on arm's length, commercial terms and in ordinary course of business. Anna Lane, spouse of Bruce Lane, is engaged through Tapanui Capital as the interim CFO of SSH Group Limited (Please refer ASX release titled "SSH APPOINTMENT OF INTERIM CFO" on 13 September 2023).

### Principle Investments Holding Trust

Stefan Finney is a Beneficiary of the Principle Investment Holding Trust (Principle Trust), which received Mr. Finney's Director's fees for the period. The Principle Trust purchased a RAV 4 GX from a subsidiary of SSH Group Limited for the value of $44,064. The transaction was valued at an arm's length value which covered the debt payout due by the Group.

### Prosperous Capital Trust

Daniel Cowley-Cooper is a Beneficiary of Prosperous Capital Trust (Prosperous Trust), which received Mr. Cowley-Cooper's Director's fees for the period. The Board has approved these transactions being on arm's length basis.

## Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

| | Consolidated Group | |
|---|---|---|
| | **2024** | **2023** |
| Short term employee benefits | 861,222 | 930,152 |
| Post-employment benefits | 139,903 | 163,147 |
| Equity settled share-based payments | - | 54,712 |
| Total | 1,001,125 | 1,148,011 |

TABLE 34: RELATED PARTY REMUNERATION PAYMENTS

# Note 25. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and bank loans.

The Board of Directors is among other issues, responsible for managing the financial risk exposures of the Group. The Group has a risk management policy and effective internal controls relating to liquidity risk, and interest rate risk.

## Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies, and processes for managing or measuring the risks from the previous period.

### A. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through:

- The maintenance of procedures such as the utilisation of systems for the approval, granting and renewal of credit limits;
- regular monitoring of exposures against such limits; and
- monitoring of the financial stability of significant customers and counterparties.

This ensures to the extent possible that customers and counterparties to transactions are of sound creditworthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 45 days from the end of month from invoice date.

#### *Significant Increase in Credit Risk for Financial Instruments*

The Group evaluates and compares the risk of a default on a financial instrument at the reporting date with the risk of a default on the financial instrument at the date of initial recognition. To support the evaluation process, the Group takes into consideration both quantitative and qualitative information that is reasonable and justifiable, including past experience and prospective information that is publicly available.

Prospective information taken into consideration includes the future volatility of the industries in which the Group's debtors are in, obtained from industry expert reports, financial news report, governmental bodies, as well as taking into consideration multiple external sources of current and future economic information to which the Group's core operations may relate.

#### *Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level, given to parties securing the liabilities of certain subsidiaries.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 8. titled "Trade and Other Receivables" on page 39 of this Annual Report.

### B. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing, and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile; and
- managing credit risk related to financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|---|---|---|---|---|---|---|---|---|
| Consolidated Group | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Financial liabilities due for payment | | | | | | | | |
| Bank overdrafts and loans | 1,421,000 | 487,200 | - | 1,421,000 | - | - | 1,421,000 | 1,908,200 |
| Receivable Funding Facility | 3,725,597 | 2,920,648 | - | - | - | - | 3,725,597 | 2,920,648 |
| Other amounts due | 347,509 | 77,562 | - | - | - | - | 347,509 | 77,562 |
| Trade and other payables | 5,132,844 | 3,349,056 | - | - | - | - | 5,132,844 | 3,349,056 |
| Lease liabilities | 5,546,941 | 4,302,680 | 19,308,227 | 18,901,125 | - | - | 24,855,168 | 23,203,805 |
| Total expected outflows | 16,173,891 | 11,137,146 | 19,308,227 | 20,322,125 | - | - | 35,482,118 | 31,459,271 |
| Financial assets – cash flows realisable | | | | | | | | |
| Cash and cash equivalents | 2,601,463 | 2,049,474 | - | - | - | - | 2,601,463 | 2,049,474 |
| Trade, term, and loan receivables | 7,291,495 | 5,444,226 | 303,065 | 328,220 | - | - | 7,594,560 | 5,772,446 |
| Total anticipated inflows | 9,892,958 | 7,493,700 | 303,065 | 328,220 | - | - | 10,196,023 | 7,821,920 |
| Net (outflow)/ inflow on financial instruments | (6,280,933) | (3,643,446) | (19,005,162) | (19,993,905) | - | - | (25,286,095) | (23,637,351) |

TABLE 35: FINANCIAL LIABILITY AND FINANCIAL ASSET MATURITY ANALYSIS

### C. Market Risk

*Interest Rate Risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are loan facilities, cash, and cash equivalents.

The net effective variable interest rate borrowings (i.e., unhedged debt) expose the Group to interest rate risk, which will impact future cash flows and interest charges and is indicated by the floating interest rate financial liabilities listed in Table 36: FLOATING INTEREST RATE FINANCIAL LIABILITIES.

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Floating rate instruments | | |
| Debtor funding facility | 3,725,597 | 2,920,648 |
| Business Loan | 1,421,000 | 1,908,200 |
| | 5,146,597 | 4,828,848 |

TABLE 36: FLOATING INTEREST RATE FINANCIAL LIABILITIES

# Note 26. Reserves

## Share-Based Payments Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

| | Consolidated Group | |
|---|---|---|
| | 2024 | 2023 |
| Other Reserve | | |
| Opening Balance | 36,761 | 36,761 |
| Movement for the year | - | - |
| Closing Balance | 36,761 | 36,761 |
| | | |
| Share Based Payments Reserve | | |
| Opening Balance | 1,984,779 | 1,930,067 |
| Class A Performance Rights issued as incentive based renumeration to Chief Financial Officer on 15 September 2021 | - | 35,399 |
| Class B Performance Rights issued as incentive based renumeration to Chief Financial Officer on 15 September 2021 | - | 9,314 |
| Class C Performance Rights issued as incentive based renumeration to Chief Financial Officer on 15 September 2021 | - | 9,999 |
| Conversion of performance rights to issued share capital | (70,798) | - |
| Movement in share-based payments reserve | 1,913,981 | 1,984,779 |

TABLE 37: SHARE-BASED PAYMENTS RESERVE

## Note 27. Subsidiaries and Associates

| Entity | Type | Ownership | |
|---|---|---|---|
| | | 2024 | 2023 |
| SSH Group Limited | Company | - | - |
| Entities controlled by the Group at 30 June 2024: | | | |
| Site Services Holdings Trust | Unit Trust | 100% | 100% |
| SSH Group Safety Trust | Unit Trust | 100% | 100% |
| SSH Group People Trust | Unit Trust | 100% | 100% |
| SSH Group Fleet Hire Trust | Unit Trust | 100% | 100% |
| Site Labour Hire Services Trust | Unit Trust | 100% | 100% |
| SSH Group (WA) Pty Ltd | Company | 100% | 100% |
| Site Services Enterprises Pty Ltd | Company | 100% | 100% |
| Tru Fleet Pty Ltd | Company | 100% | 100% |
| SSH Group Machinery Hire Pty Ltd | Company | 100% | 100% |
| Complete Equipment Australia Pty Ltd | Company | 100% | 100% |
| Site Services Holdings Pty Ltd | Company | 100% | 100% |
| Complete Workforce Australia Pty Ltd | Company | 100% | 100% |
| Associated entities as at 30 June 2024 | | | |
| Four Hills Services Pty Ltd | Company | 49% | - |

TABLE 38: SSH GROUP LIMITED SUBSIDIARIES AND ASSOCIATES

A secured bank loan was provided by National Australia Bank Limited to assist with the acquisition of Karratha Machinery Hire. The facility is secured over all assets of SSH Group Machinery Pty Ltd and Complete Equipment Australia plus a guarantee from SSH Group Ltd. The facility was repayable monthly over 5 years and is subject to variable interest rates. The facility has a number of reporting and covenant requirements. During the period, the Group breached its covenants resulting in the loan being classified as current.

## Note 28. Parent Company Information

The Parent Company Information has been extracted from the books and records of the financial information of the Parent Entity set out below and has been prepared in accordance with Australian Accounting Standards.

| | 2024 | 2023 |
|---|---|---|
| Statement of Financial Position | | |
| ASSETS | | |
| Current assets | 96,028 | 111,461 |
| Non-current assets | 7,563,799 | 8,174,025 |
| TOTAL ASSETS | 7,659,827 | 8,285,486 |
| LIABILITIES | | |
| Current liabilities | 107,672 | 727,590 |
| Non-current liabilities | - | - |
| TOTAL LIABILITIES | 107,672 | 727,590 |
| EQUITY | | |
| Issued capital | 9,448,858 | 9,392,674 |
| Retained earnings | (3,810,684) | (3,819,557) |
| Share based payments reserve | 1,913,981 | 1,984,779 |
| TOTAL EQUITY | 7,552,155 | 7,557,896 |
| Total profit | (3,241,476) | (777,273) |
| Total comprehensive income | (390,103) | (777,273) |

TABLE 39: PARENT COMPANY INFORMATION

### Guarantees

SSH Group Limited has provided a guarantee to the National Australia Bank Limited with respect to the repayment of borrowings of its subsidiaries SSH Group Machinery Hire Pty Ltd and Complete Equipment Australia Pty Ltd.

A secured bank loan was provided by National Australia Bank Limited to assist with the acquisition of Karratha Machinery Hire. The facility is secured over all assets of SSH Group Machinery Hire Pty Ltd and Complete Equipment Australia Pty Ltd plus a guarantee from SSH Group Limited. The facility was repayable monthly over 5 years and is subject to variable interest rates. The facility has a number of reporting and covenant requirements. During the period, the Group breached its covenants resulting in the loan being classified as current.

# Consolidated Entity Disclosure Statement

| Name of Entity | Type of Entity | Country of Incorporation | Australian Tax Resident or Foreign Tax Resident | Foreign Jurisdiction of foreign residents | Ownership | |
|---|---|---|---|---|---|---|
| | | | | | 30 June 2024 | 30 June 2023 |
| Parent entity: | | | | | - | - |
| SSH Group Limited | Body Corporate | Australia | Australian | N/A | | |
| Subsidiaries: | | | | | | |
| Site Services Holdings Trust | Unit Trust | Australia | Australian | N/A | 100% | 100% |
| SSH Group Safety Trust | Unit Trust | Australia | Australian | N/A | 100% | 100% |
| SSH Group People Trust | Unit Trust | Australia | Australian | N/A | 100% | 100% |
| SSH Group Fleet Hire Trust | Unit Trust | Australia | Australian | N/A | 100% | 100% |
| Site Labour Hire Services Trust | Unit Trust | Australia | Australian | N/A | 100% | 100% |
| SSH Group (WA) Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Site Services Enterprises Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Bridge Resources Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Tru Fleet Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| SSH Group Machinery Hire Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Complete Equipment Australia Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Site Services Holdings Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Complete Workforce Australia Pty Ltd | Company | Australia | Australian | N/A | 100% | 100% |
| Jacka Resources Africa Limited | Company | British Virgin Islands | Foreign | British Virgin Islands | 100% | 100% |
| Jacka Resources Somaliland Limited | Company | British Virgin Islands | Foreign | British Virgin Islands | 100% | 100% |

## Basis of preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are SSH Group Limited and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

# Directors' Declaration

In accordance with a resolution of the Directors of SSH Group Limited, the Directors of the Company declare that:

The Directors of the Company declare that:

1) The financial statements and notes, as set out on pages 23 to 62 are in accordance with the Corporations Act 2001 (Cth) and:
   a) comply with Australian Accounting Standards;
   b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
   c) give a true and fair view of the financial position as at 30 June 2024 and of the financial performance for the year ended on that date of the Company and the Consolidated Group.
2) The Consolidated Entity Disclosure Statement on page 63 is true and correct as at 30 June 2024;
3) The Chief Executive Officer (equivalent) and Chief Finance Officer (equivalent) have each declared that:
   a) the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001 (Cth);
   b) the financial statements and notes for the financial year comply with the Accounting Standards;
   c) the financial statements and notes for the financial year give a true and fair view; and
   d) the Consolidated Entity Disclosure Statement is true and correct as at 30 June 2024.
4) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

**Managing Director**

Daniel Cowley-Cooper

29 August 2024

# Independent Auditor's Report

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SSH GROUP LIMITED

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of SSH Group Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), 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 material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### Basis for Opinion

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

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

HALL CHADWICK



## Material Uncertainty Related to Going Concern

We draw attention to Note 1C in the financial report which indicates that the Consolidated Entity had a working capital deficiency of $6,622,553 as at 30 June 2024. As stated in Note 1C, these events or conditions, along with other matters as set forth in Note 1C, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

## Key Audit Matters

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

| Key Audit Matter | How our audit addressed the Key Audit Matter |
| --- | --- |
| **Revenue Recognition**<br><br>During the year ended 30 June 2024, the Consolidated Entity generated revenue of $40,052,041.<br><br>Revenue recognition is considered a key audit matter due to its financial significance. | Our procedures amongst others included:<br>• Obtaining an understanding of the design of the key revenue systems and processes;<br>• We reviewed the Consolidated Entity's revenue accounting policy and their contracts with customers and assessed its compliance with *AASB 15 Revenue from Contracts with Customers*;<br>• Performed audit procedures on a sample basis by ensure the completeness of revenue, verifying revenue to relevant supporting documentation including verification contractual terms of the relevant agreements, verification of receipts and ensuring the revenue was recognised at the appropriate time and classified correctly;<br>• Performed cut-off procedures to assess whether revenue is recorded in the correct period;<br>• Performed analytical review procedures; and<br>• Assessed the adequacy of the related disclosures within the financial statements. |

HALL CHADWICK



| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Impairment Assessment**<br>The impairment assessment of the Consolidated Entity's cash generating units is a Key Audit Matter due to:<br>• The significance to the Consolidated Entity's financial position; and<br>• The presence of impairment indicators and judgement required in assessing the value in use of the cash generating units ("CGU's") to which the assets relate. | Our procedures included the following:<br>• Assessed management's determination of CGU's;<br>• Assessed management's value in use calculations including analysis of key assumptions and inputs such as discount rates and assessing the reasonableness of the forecasts prepared; and<br>• Assessed the appropriateness of the disclosures included in the financial report. |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity'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.

## 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, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

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 Consolidated Entity'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 Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

HALL CHADWICK

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. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

## Auditor's Opinion

In our opinion, the Remuneration Report of SSH Group Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Hall Chadwick
**HALL CHADWICK WA AUDIT PTY LTD**

**D M BELL CA**
**Director**

Dated this 29th day of August 2024
Perth, Western Australia

# ASX Additional Information

The following additional information is required by ASX Limited in respect of listed public companies.

As of 16 August 2024, there are 65,899,853 ordinary fully paid shares on issue and there are 164 shareholdings with less than a marketable parcel based on a share price of $0.066.

## Distribution of Shareholders

| Number of Fully Paid Ordinary Shares Held | Number of Holders | Number of Units |
|---|---|---|
| 1 – 1,000 | 61 | 12,464 |
| 1,001 – 5,000 | 86 | 259,752 |
| 5,001 – 10,000 | 50 | 433,996 |
| 10,001 – 100,000 | 137 | 5,608,485 |
| > 100,001 | 75 | 59,585,156 |
| **Total number of holders** | **409** | **65,899,853** |

## Largest Shareholders of Securities as at 16 August 2024

| Position | Holder Name | Holding | % IC |
|---|---|---|---|
| 1 | PROSPEROUS ASSETS PTY LTD <PROSPEROUS ASSETS A/C> | 12,500,000 | 18.97% |
| 2 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 5,700,663 | 8.65% |
| 3 | VACANT HOLDINGS PTY LTD | 5,565,454 | 8.45% |
| 4 | PRINCIPLE INVESTMENT HOLDING PTY LTD <PRINCIPLE INV HOLDING A/C> | 3,579,685 | 5.43% |
| 5 | PROSPEROUS BEGINNINGS PTY LTD <PROS BEGINNINGS S/F> | 2,950,000 | 4.48% |
| 6 | SHAH NOMINEES PTY LTD | 2,775,750 | 4.21% |
| 7 | PRINCIPLE INVESTMENT FUND PTY LTD <PRINCIPLE INVESTMENT SF A/C> | 1,545,315 | 2.34% |
| 8 | ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C> | 1,517,980 | 2.30% |
| 9 | SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C> | 1,158,708 | 1.76% |
| 10 | MR ANGUS WILLIAM JOHNSON & MRS LINDY JOHNSON <THE DENA SUPER FUND A/C> | 1,000,000 | 1.52% |
| 11 | TRIBECA NOMINEES PTY LTD | 950,000 | 1.44% |
| 12 | EMERALD SHARES PTY LIMITED <EMERALD UNIT A/C> | 800,000 | 1.21% |
| 13 | MR SIDDHARTHA KANTICHAND DHADHA | 783,916 | 1.19% |
| 14 | ALISSA BELLA PTY LTD <THE C&A TASSONE SUPER A/C> | 775,000 | 1.18% |
| 15 | TRIBECCA NOMINEES PTY LTD | 746,720 | 1.13% |

| Position | Holder Name | Holding | % IC |
|---|---|---|---|
| 16 | SYRACUSE CAPITAL PTY LTD <TENACITY A/C> | 651,633 | 0.99% |
| 17 | LUCKY CAT PTY LTD <STUDIO 2020 SUPER FUND A/C> | 600,000 | 0.91% |
| 18 | ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C> | 598,018 | 0.91% |
| 19 | BROWN BRICKS PTY LTD <HM A/C> | 550,000 | 0.83% |
| 20 | VANGAURD SUPERANNUATION PTY LTD <VANGUARD INVESTMENT A/C> | 538,841 | 0.82% |
| 20 | ING INVESTMENT FUND PTY LTD <ING INVESTMENT FUND A/C> | 538,841 | 0.82% |
| | **Total** | **45,826,524** | **69.54%** |
| | **Balance of Register** | 20,073,329 | 30.46% |
| | **Total issued capital (FPO)** | **65,899,853** | **100.00%** |

## Substantial Shareholders of Ordinary Shares

As of 16 August 2024, the following shareholders held more than 5% of issued capital in the company:

| Fully Paid Ordinary Shares | Number of Shares | % |
|---|---|---|
| Daniel Cowley-Cooper | 15,450,000 | 23.44% |
| Stefan Finney | 5,125,000 | 7.78% |
| Vacant Holdings Pty Ltd | 5,565,454 | 8.45% |

## Securities Subject to Escrow

There are no securities subject to ASX-imposed escrow.

## Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

## Options and Performance Rights

There are no voting rights attached to any class of options that are on issue.

## Unquoted Securities as of 16 August 2024

Set out below are the classes of unquoted securities currently on issue.

| Number | Class |
|---|---|
| 7,000,000 | Options exercisable at $0.35 on or before 9/9/2024 |
| 10,000,000 | Options exercisable at @ $0.35 on or before 9/9/2025 |

## Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 16 August 2024 the following classes of unquoted securities had holders with greater than 20% of that class on issue:

| | Number securities held | % Interest |
|---|---|---|
| ***OPTIONS @ $0.35 EXP 09/09/2024*** | | |
| Taurus Capital Group Pty Ltd | 3,500,000 | 50.00% |
| ***OPTIONS @ $0.35 EXP 09/09/2025*** | | |
| Stefan Finney | 5,000,000 | 50.00% |
| Daniel Cowley-Cooper | 5,000,000 | 50.00% |

## On-Market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

## Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: https://sshgroup.com.au/corporate-governance/