

**Appendix 4E**  
**Preliminary Final Report for the year ended 30 June 2024**



Name of entity	ABN Reference
<b>SAFEROADS HOLDINGS LIMITED</b>	81 116 668 538

**1. Reporting periods**

Year ended (‘current period’)	Year ended (‘previous corresponding period’)
<b>30 June 2024</b>	30 June 2023

**2. Results for announcement to the market**

	<b>Current period</b>	Previous corresponding period	% Change increase / (decrease)	Amount (\$) increase / (decrease)
	\$	\$		\$
<b>Key information</b>				
Revenue from ordinary activities	<b>12,586,816</b>	14,648,496	-14%	(2,061,680)
Profit/(loss) from ordinary activities after tax attributable to members	<b>(3,817,566)</b>	(197,407)	1834%	(3,620,159)
Net profit/(loss) for the period attributable to members	<b>(3,817,566)</b>	(197,407)	1834%	(3,620,159)
<b>Dividends (distributions)</b>			Amount per share	Franked amount per share
Final dividend	Record Date Paid	N/A N/A	N/A	N/A
Interim dividend	Record Date Paid	N/A N/A	N/A	N/A
<b>Supplementary comments</b>				
<p>For the financial year the consolidated entity recorded an overall loss after income tax was \$3,817,566 (2023: \$197,407) with net cash generated from operating activities of \$1,031,559 (2023: \$2,377,608). The consolidated entity's results for the year reflect the fierce competition faced in the industry after multiple infrastructure projects were downsized or put on hold due to funding cuts. The result also reflects three very significant non recurring expenses. The non cash write offs of the Deferred Tax Asset of \$1,152,593 and the additional provision for the worksafe fine of \$325,000. Further to our announcement on 19 July 2024 we have conducted the required assessment of the carrying value of our intangible assets and we have fully impaired their value resulting in a full year non cash impairment charge of \$1,062,029 that is in addition to the \$105,091 impairment of fixed assets.</p>				

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### 3. NTA backing

	<b>Current period</b>	Previous corresponding period
Net tangible asset backing per ordinary share (including right-of-use assets)	<b>10.8 cents</b>	15.6 cents

### 4. Dividends

	Date paid/payable	Amount per share	Franked amount per share	Amount per share of foreign source dividend	Amount \$
<b>Final dividend:</b>	N/A	N/A	N/A	N/A	N/A
<b>Interim dividend:</b>	N/A	N/A	N/A	N/A	N/A

### 5. Dividend reinvestment plans

The Company's Dividend Reinvestment Plan ("DRP") was registered on 9 June 2020 and remains active for eligible shareholders who may participate in the DRP in respect to all or part of their shareholding. For more details refer to the Company's website: <https://www.saferoads.com.au/investors>.

### 6. Details of associates and joint venture entities

Not Applicable

### 7. Foreign entities

Not Applicable

### 8. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements are unaudited. The audit is progressing and their audit report will be provide in due course with an expectation of a material uncertainty on going concern.



## **SAFEROADS HOLDINGS LIMITED**

**ABN 81 116 668 538**

### **APPENDIX 4E CONDENSED FINANCIAL INFORMATION**

**FOR THE YEAR ENDED**

**30 JUNE 2024**

Saferoads is an ASX listed company specialising in providing innovative safety solutions. Headquartered in Pakenham, Victoria with representation across Australia, New Zealand and the USA. The company provides state government departments, local councils, road construction companies and equipment hire companies with a broad range of products and services for purchase or hire that are designed to direct, protect, inform and illuminate for the public's safety.

**SAFEROADS HOLDINGS LIMITED**  
**Consolidated Statement of Profit or Loss**  
**and Other Comprehensive Income**  
**FOR THE YEAR ENDED 30 JUNE 2024**  
**Unaudited**



	Notes	CONSOLIDATED	
		2024 \$	2023 \$
<b>Revenue</b>			
Revenue from product sales and services	2	12,586,816	14,648,496
Other income	2	143,172	232,598
<b>Total revenue and other income</b>		<b>12,729,988</b>	<b>14,881,094</b>
Raw material, finished goods and logistics		(5,534,574)	(7,128,972)
Employee benefits		(4,033,924)	(3,805,518)
Fines and penalties		(325,000)	(325,000)
Insurance		(242,261)	(215,988)
Motor vehicle costs		(209,113)	(170,987)
Occupancy costs		(70,062)	(66,240)
Professional fees		(277,787)	(218,708)
Travel and accommodation costs		(136,996)	(105,680)
IT & Communications costs		(151,155)	(132,258)
Warehouse costs		(275,286)	(272,214)
Marketing costs		(215,823)	(198,318)
Other expenses		(490,198)	(420,929)
Impairment of fixed assets		(105,091)	-
Impairment of intangible assets		(1,062,029)	-
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(399,311)</b>	<b>1,820,281</b>
Depreciation and amortisation	2	(1,923,902)	(1,712,609)
<b>Earnings before interest and tax (EBIT)</b>		<b>(2,323,213)</b>	<b>107,672</b>
Finance costs	2	(341,760)	(305,079)
<b>Profit/(loss) before income tax</b>		<b>(2,664,973)</b>	<b>(197,407)</b>
Income tax benefit/(expense)	3	(1,152,593)	-
<b>Net profit/(loss) for the period</b>		<b>(3,817,566)</b>	<b>(197,407)</b>
<b>Net profit/(loss) attributable to members of the parent</b>		<b>(3,817,566)</b>	<b>(197,407)</b>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(3,817,566)	(197,407)
<b>Total comprehensive income/(loss) attributable to members of the parent</b>		<b>(3,817,566)</b>	<b>(197,407)</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
- Basic for profit/(loss) for the full year	4	(9.54)	(0.53)
- Diluted for profit/(loss) for the full year	4	(9.54)	(0.53)
Dividend paid per share (cents)		-	-

The accompanying notes form part of this condensed financial information

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**SAFEROADS HOLDINGS LIMITED**  
**Consolidated Statement of Financial Position**  
AS AT 30 JUNE 2024



	Notes	CONSOLIDATED	
		2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	-	220,111
Trade and other receivables	6	1,631,611	1,498,671
Inventories	7	1,667,745	2,119,887
Prepayments		171,751	283,867
<b>Total Current Assets</b>		<b>3,471,107</b>	<b>4,122,536</b>
<b>Non-current Assets</b>			
Property, plant and equipment	8	8,144,215	8,456,959
Intangible assets	9	-	1,131,861
Deferred tax assets	3	-	1,152,593
Other non-current assets		135,254	159,501
<b>Total Non-current Assets</b>		<b>8,279,469</b>	<b>10,900,914</b>
<b>TOTAL ASSETS</b>		<b>11,750,576</b>	<b>15,023,450</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Bank overdraft	11	361,716	-
Trade and other payables	10	1,741,189	1,080,405
Contract liabilities		297,502	268,344
Interest-bearing loans and borrowings	11	2,414,881	3,054,459
Lease liabilities	12	760,265	614,796
Provisions	13	487,376	771,051
<b>Total Current Liabilities</b>		<b>6,062,929</b>	<b>5,789,055</b>
<b>Non-current Liabilities</b>			
Interest-bearing loans and borrowings	11	136,633	111,404
Lease liabilities	12	791,536	960,529
Provisions	13	18,131	21,771
<b>Total Non-current Liabilities</b>		<b>946,300</b>	<b>1,093,704</b>
<b>TOTAL LIABILITIES</b>		<b>7,009,229</b>	<b>6,882,759</b>
<b>NET ASSETS</b>		<b>4,741,347</b>	<b>8,140,691</b>
<b>EQUITY</b>			
Contributed equity	15	6,012,220	5,593,998
Retained earnings (accumulated losses)	15	(1,270,873)	2,546,693
<b>TOTAL EQUITY</b>		<b>4,741,347</b>	<b>8,140,691</b>

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**SAFEROADS HOLDINGS LIMITED**  
**Consolidated Statement of Changes in Equity**  
**FOR THE YEAR ENDED 30 JUNE 2024**



	Contributed Equity \$	Retained Earnings (losses) \$	Total Equity \$
<b>CONSOLIDATED</b>			
<b>At 1 July 2022</b>	5,593,998	2,744,100	8,338,098
Net profit/(loss) for the period	-	(197,407)	(197,407)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	(197,407)	(197,407)
<b>At 30 June 2023</b>	5,593,998	2,546,693	8,140,691
<b>At 1 July 2023</b>	<b>5,593,998</b>	<b>2,546,693</b>	<b>8,140,691</b>
Net profit/(loss) for the period	-	(3,817,566)	(3,817,566)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>(3,817,566)</b>	<b>(3,817,566)</b>
<b>Transactions with owners in their capacity as owners</b>			
Contributions of equity, net of transaction costs	418,222	-	418,222
<b>At 30 June 2024</b>	<b>6,012,220</b>	<b>(1,270,873)</b>	<b>4,741,347</b>

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**SAFEROADS HOLDINGS LIMITED**  
**Consolidated Statement of Cash Flows**  
**FOR THE YEAR ENDED 30 JUNE 2024**



	Notes	CONSOLIDATED	
		2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		13,547,121	16,396,421
Payments to suppliers and employees		(12,515,562)	(14,018,813)
<b>Net cash flows from operating activities</b>	5	<b>1,031,559</b>	<b>2,377,608</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of hire inventory, plant and equipment		88,404	109,554
Purchase of plant and equipment		(700,887)	(788,204)
Product development costs	9	(230,672)	(294,776)
R&D tax incentive received		396,344	-
<b>Net cash flows from investing activities</b>		<b>(446,811)</b>	<b>(973,426)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		596,208	761,464
Repayment of loans and borrowings		(1,210,557)	(1,104,688)
Repayment of lease liabilities		(630,053)	(542,645)
Proceeds from issue of shares	15	437,053	-
Share issue costs	15	(18,831)	-
Interest received	2	2,252	4
Interest paid		(342,646)	(302,431)
<b>Net cash flows from financing activities</b>		<b>(1,166,574)</b>	<b>(1,188,296)</b>
Net increase/(decrease) in cash and cash equivalents		(581,826)	215,886
Cash and cash equivalents at beginning of period		220,111	4,219
Effects of exchange rate changes on cash		(1)	6
<b>Cash and cash equivalents at end of period</b>	5	<b>(361,716)</b>	<b>220,111</b>

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**1 SEGMENT INFORMATION**

The Group's chief operating decision maker (Managing Director) reviews financial information on a consolidated basis and makes strategic decisions based on this consolidated information.

The Group operates predominantly in Australia.

During 2024, no single customer accounted for 10% or more of the Group's revenues (2023: \$1,559,930 or 10.6% from a single customer).

**2 REVENUES AND EXPENSES**

**Specific Items**

Profit/(loss) before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

**Disaggregation of revenue**

The disaggregation of revenue from contracts with customers is as follows:

	CONSOLIDATED	
	2024	2023
	\$	\$
<b>(i) Revenue</b>		
Revenue from product sales - point in time	6,709,456	9,667,448
Revenue from provision of services - over time	5,877,360	4,981,048
	<b>12,586,816</b>	14,648,496
<b>(ii) Other income</b>		
Net gain/(loss) on sale of assets	(15,019)	(2,614)
Net profit/(loss) on termination of lease	-	14,756
Interest	2,252	4
R&D tax rebate	142,879	205,911
Net foreign exchange gains/(losses)	(16,759)	8,194
Other	29,819	6,347
	<b>143,172</b>	232,598
	<b>12,729,988</b>	14,881,094
<b>(iii) Expenses</b>		
Depreciation and amortisation		
- Property, plant & equipment	1,217,582	1,056,211
- Right-of-use assets	493,656	458,939
- Intangible assets	212,664	197,459
	<b>1,923,902</b>	1,712,609
Impairment of intangibles, plant and equipment		
- Property, plant & equipment	105,091	-
- Intangible assets	1,062,029	-
	<b>1,167,120</b>	-
Finance costs		
- Bank borrowings	131,371	110,915
- Leasing arrangements	210,389	194,164
	<b>341,760</b>	305,079
Bad debts written off	13,839	-
Provision for expected credit losses	3,205	8,873

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**3 INCOME TAX**

	CONSOLIDATED	
	2024	2023
	\$	\$
<b>(a) Movement in deferred tax assets</b>		
Opening balance	1,152,593	1,152,593
Expensed in profit and loss	(1,152,593)	-
Credited to equity	-	-
Closing Balance	-	1,152,593
<b>(b) Deferred income tax at 30 June relates to the following:</b>		
Deferred tax assets attributable to unused tax losses carried forward	1,397,849	1,545,694
Net deferred tax assets/(liabilities) attributable to temporary differences	37,247	(245,256)
Tax losses not brought to account	(1,435,096)	(147,845)
	-	1,152,593
<b>(c) Deferred tax assets not brought to account at reporting date</b>		
Operating losses	1,435,096	147,845
Capital losses	458,037	458,037

**4 EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	CONSOLIDATED	
	2024	2023
	\$	\$
Net profit/(loss) attributable to equity holders from continuing operations	(3,817,566)	(197,407)
Net profit/(loss) attributable to equity holders of the parent	(3,817,566)	(197,407)
Net profit/(loss) attributable to ordinary shareholders for diluted earnings per share	(3,817,566)	(197,407)
Weighted average number of ordinary shares for basic earnings per share	40,020,644	37,461,783
Adjusted weighted average number of ordinary shares for diluted earnings per share	40,020,644	37,461,783
	<b>Cents</b>	Cents
- Basic for profit/(loss) for the full year	(9.54)	(0.53)
- Diluted for profit/(loss) for the full year	(9.54)	(0.53)

For the purpose of calculating earnings and dividends per share, it is the ordinary shares of the legal parent that is used, being the proportionate weighting of the 43,705,405 (2023: 37,461,783) shares on issue.

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**5 NOTES TO THE STATEMENT OF CASH FLOWS**

	CONSOLIDATED	
	2024 \$	2023 \$
<b>Reconciliation of cash</b>		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and on hand/(overdraft)	(361,716)	220,111
<b>Reconciliation from the net profit/(loss) after tax to the net cash flows from operations</b>		
Profit/(loss) after tax for the year	(3,817,566)	(197,407)
Adjustments for:		
Depreciation and amortisation	1,923,902	1,712,609
Impairment of fixed assets	105,091	-
Impairment of intangible assets	1,062,029	-
Net (profit)/loss on disposal of plant and equipment	15,019	2,614
Net (profit)/loss on termination of lease	-	(14,756)
Movement in slow moving stock provision	112,466	23,748
Movement in expected credit loss provision	3,205	8,873
Effects of exchange rate changes on cash	1	(6)
Interest received	(2,252)	(4)
Interest paid	342,646	302,431
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(444,649)	474,874
(Increase)/decrease in inventories	40,084	(45,349)
(Increase)/decrease in other assets	1,288,956	(90,443)
(Decrease)/increase in trade and other payables	660,784	(309,922)
(Decrease)/increase in contract liabilities	29,158	126,553
(Decrease)/increase in provisions	(287,315)	383,793
<b>Net cash from operating activities</b>	<b>1,031,559</b>	<b>2,377,608</b>

**6 TRADE AND OTHER RECEIVABLES (CURRENT)**

	CONSOLIDATED	
	2024 \$	2023 \$
Trade receivables	1,414,422	1,084,303
Other receivables	245,297	439,271
Less: Allowance for expected credit losses	(28,108)	(24,903)
	<b>1,631,611</b>	<b>1,498,671</b>

**Ageing of trade receivables (net of allowance for expected credit losses)**

1 - 30 days	791,050	576,176
31 - 60 days	518,374	453,693
61 - 90 days	55,942	19,165
91 days and over	20,948	10,366
	<b>1,386,314</b>	<b>1,059,400</b>

Trade receivables are non-interest bearing.

**Movement in allowance for expected credit losses**

Balance at the beginning of financial year	24,903	16,030
Amounts written off	(13,839)	-
Additional allowance for expected credit losses recognised/(released)	17,044	8,873
	<b>28,108</b>	<b>24,903</b>

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**7 INVENTORIES**

	CONSOLIDATED	
	2024 \$	2023 \$
Stock on hand	1,834,709	2,174,386
Less: Allowance for slow moving or obsolete stock	(166,964)	(54,499)
	<b>1,667,745</b>	<b>2,119,887</b>

During the year the Group expensed \$112,465 for an additional provision against slow moving or obsolete inventories (2023: \$23,748).

**8 PROPERTY, PLANT AND EQUIPMENT**

	CONSOLIDATED	
	2024 \$	2023 \$
Property, plant & equipment at cost	16,274,117	14,905,113
Less accumulated depreciation	(8,024,811)	(6,448,154)
Less accumulated impairment	(105,091)	-
<b>Total plant &amp; equipment</b>	<b>8,144,215</b>	<b>8,456,959</b>

Movements in Carrying Amounts	Property/ Leasehold improvements \$	Plant & equipment \$	Motor vehicles \$	Rental equipment \$	Total \$
	Balance at 1 July 2022	1,102,160	598,992	255,028	6,344,415
Additions	419,748	277,930	57,909	728,772	1,484,359
Depreciation expense	(446,352)	(171,939)	(59,179)	(837,680)	(1,515,150)
Disposals	(145,012)	(238)	-	(111,930)	(257,180)
Assets transferred from inventories	-	-	-	444,335	444,335
Impairment	-	-	-	-	-
<b>Carrying amount at 30 June 2023</b>	<b>930,544</b>	<b>704,745</b>	<b>253,758</b>	<b>6,567,912</b>	<b>8,456,959</b>
Balance at 1 July 2023	930,544	704,745	253,758	6,567,912	8,456,959
Additions	631,304	81,991	263,657	330,463	1,307,415
Depreciation expense	(478,411)	(181,718)	(107,285)	(943,825)	(1,711,238)
Disposals	-	(844)	(48,861)	(94,466)	(144,171)
Assets transferred from inventories	6,742	-	-	333,598	340,341
Impairment	-	-	-	(105,091)	(105,091)
<b>Carrying amount at 30 June 2024</b>	<b>1,090,179</b>	<b>604,175</b>	<b>361,270</b>	<b>6,088,591</b>	<b>8,144,215</b>

Included in Property, plant and equipment are right-of-use assets as follows:

	Net carrying amount b/f \$	Additions \$	Disposals \$	Depreciation \$	Net carrying amount \$
<b>2023</b>					
Property	993,464	376,860	(145,012)	(400,269)	825,043
Equipment under finance lease	443,882	319,295	-	(58,669)	704,508
<b>Total right-of-use assets</b>	<b>1,437,346</b>	<b>696,155</b>	<b>(145,012)</b>	<b>(458,938)</b>	<b>1,529,551</b>

	Net carrying amount b/f \$	Additions \$	Disposals \$	Depreciation \$	Net carrying amount \$
<b>2024</b>					
Property	825,043	606,528	-	(409,575)	1,021,996
Equipment under finance lease	704,508	-	-	(88,426)	616,082
<b>Total right-of-use assets</b>	<b>1,529,551</b>	<b>606,528</b>	<b>-</b>	<b>(498,001)</b>	<b>1,638,077</b>

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**9 INTANGIBLE ASSETS**

	CONSOLIDATED	
	2024 \$	2023 \$
Product development costs	2,104,729	1,972,955
Less accumulated amortisation	(1,251,544)	(1,070,060)
Less accumulated impairment*	(853,185)	-
	-	902,895
Website development costs	56,427	56,427
Less accumulated amortisation	(56,427)	(56,427)
	-	-
Patents and product approvals	370,715	359,656
Less accumulated amortisation	(161,871)	(130,690)
Less accumulated impairment*	(208,844)	-
	-	228,966
	-	1,131,861

Movement in carrying amounts	Website dev't costs \$	Patents/ Product approvals \$	Product dev't costs \$	Total \$
Balance at 1 July 2022	408	257,294	957,993	1,215,695
Capitalisation of costs	-	5,789	288,987	294,776
R&D tax rebate allocation	-	-	(181,151)	(181,151)
Amortisation expense	(408)	(34,117)	(162,934)	(197,459)
<b>Carrying amount at 30 June 2023</b>	-	228,966	902,895	1,131,861
Balance at 1 July 2023	-	228,966	902,895	1,131,861
Capitalisation of costs	-	11,059	219,613	230,672
R&D tax rebate allocation	-	-	(87,839)	(87,839)
Amortisation expense	-	(31,181)	(181,484)	(212,665)
Impairment expense *	-	(208,844)	(853,185)	(1,062,029)
<b>Carrying amount at 30 June 2024</b>	-	-	-	-

\* During the year impairment assessments were carried out and the Intangible assets were found to be impaired in full.

**10 TRADE AND OTHER PAYABLES (CURRENT)**

	CONSOLIDATED	
	2024 \$	2023 \$
Trade payables	1,473,863	803,347
Accrued expenses	207,701	245,256
GST payable	59,625	31,802
	<b>1,741,189</b>	<b>1,080,405</b>

Payables are non-interest bearing and are normally settled between 30 and 60-day terms.

Current trade payables includes \$654,369 for court ordered fines and costs relating to the WorkSafe case. Subsequent to balance date, the Group entered into a payment plan with Fines Victoria requiring monthly payments of \$10,000 beginning on 1 August 2024 and continuing until all outstanding fines have been paid in full.



**11 INTEREST-BEARING LOANS AND BORROWINGS**

	<b>CONSOLIDATED</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Bank loans	997,809	1,179,263
Borrowings for asset finance	1,417,072	1,875,196
	<b>2,414,881</b>	<b>3,054,459</b>
<b>Non-current</b>		
Bank loans	-	-
Borrowings for asset finance	136,633	111,404
	<b>136,633</b>	<b>111,404</b>
<b>Financing facilities available</b>		
At reporting date, the Group had the following financing facilities provided by the Commonwealth Bank available:		
<b>Total facilities:</b>		
- term loan	999,015	1,183,128
- asset finance	2,000,000	2,000,000
- overdraft	500,000	500,000
- bank charge card	75,000	75,000
	<b>3,574,015</b>	<b>3,758,128</b>
<b>Facilities used at reporting date</b>		
- term loan	997,809	1,179,263
- asset finance	1,237,338	1,642,939
- overdraft	361,716	-
- bank charge card	17,630	9,830
	<b>2,614,493</b>	<b>2,832,032</b>
<b>Facilities unused at reporting date</b>		
- term loan	1,206	3,865
- asset finance	762,662	357,061
- overdraft	138,284	500,000
- bank charge card	57,370	65,170
	<b>959,522</b>	<b>926,096</b>

The bank facilities are secured by a registered charge over certain assets and undertakings, and also a registered charge over the assets and undertakings of Saferoads Holdings Ltd.

The bank loan facility had a variable interest rate of 8.00% at 30 June 2024 (30 June 2023: 7.75%). The bank loan facility matures on 10 December 2024.

The weighted average interest rate of borrowings for asset finance was 6.30% at 30 June 2024 (30 June 2023: 5.52%).

The Group was in breach of its facility covenants with the Commonwealth Bank at 30 June 2024. As a consequence \$596,729 of the borrowings for asset finance have been reclassified as current. The covenant breach has not been rectified nor the terms of the loan renegotiated.

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**12 LEASE LIABILITIES**

	CONSOLIDATED	
	2024 \$	2023 \$
<b>Current</b>		
Right-of-use asset leases	760,265	614,796
	<b>760,265</b>	<b>614,796</b>
<b>Non-current</b>		
Right-of-use asset leases	791,536	960,529
	<b>791,536</b>	<b>960,529</b>

Hire purchase liabilities are secured by a charge over the related non-financial assets.

**Lease payments not recognised as a liability**

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2024 \$	2023 \$
Short-term leases	72,187	28,271
Leases of low value assets	6,210	7,926
	<b>78,397</b>	<b>36,197</b>

The Group leases its head office and warehouse facility and other warehouse sites with terms ranging from 3 years to 10 years.

There are no material make good obligations with leases, individually or in the aggregate.

The Group has leases for the main warehouse and related facilities, an office and production building, equipment rental assets, motor vehicles, production equipment and office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

**13 PROVISIONS**

	CONSOLIDATED	
	2024 \$	2023 \$
<b>Current</b>		
Employee benefits	487,376	446,051
Workplace fatality	-	325,000
	<b>487,376</b>	<b>771,051</b>
<b>Non-Current</b>		
Employee benefits	18,131	21,771
	<b>18,131</b>	<b>21,771</b>

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**13 PROVISIONS (continued)**

**Movements in provisions**

Movements in the employee benefits and workplace fatality provisions during the current financial year are set out below:

	2024 \$	2023 \$
<b>Employee benefits</b>		
Carrying amount at the start of the year	467,822	409,029
Additional provisions recognised	37,685	58,793
	<b>505,507</b>	<b>467,822</b>
<b>Workplace fatality</b>		
Carrying amount at the start of the year	325,000	-
Additional provisions recognised	-	325,000
Amount taken up in creditors	(325,000)	-
	<b>-</b>	<b>325,000</b>

**Workplace Fatality Provision**

On 24 May 2024, the Melbourne Magistrates' Court sentenced the Group to pay fines totalling \$650,000. The total of the fines exceeded the provision by \$325,000, with this variance recognised as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The full \$650,000 is now recognised in these financial statements as a current liability. Refer note 10

**14 SUBSEQUENT EVENTS**

On 12 July 2024, the Group was advised that our proposed payment plan for the court ordered fines and costs relating to the WorkSafe case totalling \$654,369 was agreed to by Fines Victoria. The payment plan requires the Group to make monthly payments of \$10,000 beginning on 1 August 2024 and continuing until all outstanding fines have been paid in full. No interest is payable. These fines and court costs have been presented as a current liability in the financial statements. The court costs component of \$4,369 was recovered from our insurers following our first payment made under the repayment plan.

A strategic review is underway to determine the options we have to maximise shareholder value in this very difficult period.

There has been no other matter or circumstance which has arisen since 30 June 2024 that has significantly affected or may significantly affect the operations of the Group or the results of those operations or the state of affairs of the Group.

**15 EQUITY**

	CONSOLIDATED	
	2024 \$	2023 \$
<b>Contributed Equity</b>		
<b>Ordinary shares</b>		
Balance at beginning of period	5,593,998	5,593,998
Issue of Shares under Rights Issue	437,053	-
Share Issue costs	(18,831)	-
Issued and fully paid	<b>6,012,220</b>	<b>5,593,998</b>
<b>Movements in ordinary shares on issue (legal parent)</b>		No. of shares
Balance at beginning of the period	37,461,783	37,461,783
Issue of Shares under Rights Issue	6,243,622	-
<b>At 30 June 2024</b>	<b>43,705,405</b>	<b>37,461,783</b>

Ordinary shares carry one vote per share, either in person or by proxy, at a meeting of the Company, and carry the rights to dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. There is no current on-market buy-back of ordinary shares.

**Retained Earnings**

	CONSOLIDATED	
	2024 \$	2023 \$
Movements in retained earnings are as follows:		
Balance at beginning of period	2,546,693	2,744,100
Net loss for the year	(3,817,566)	(197,407)
Less: Dividend paid	-	-
<b>Balance at 30 June 2024</b>	<b>(1,270,873)</b>	<b>2,546,693</b>

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