ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

Appendix 4E

Year Ended 5 July 2020

Lodged with the ASX under Listing Rule 4.3A

28 August 2020

The following information should be read in conjunction with the attached Annual Report.

1. DETAILS OF REPORTING PERIODS:

The current reporting period is the 53 weeks to 5 July 2020. The previous corresponding reporting period was the 52 weeks from 1 July 2018 to 30 June 2019. The group works on a 4-4-5 week based calendar in line with the group's weekly reporting calendar and 53 week years are required occasionally to ensure the month end date is included more appropriately within the periods. The consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position relates to Ashley Services Group Limited ("ASH" and its controlled entities).

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET:

The Group has adopted Accounting Standard AASB16 'Leases' for the year ended 5 July 2020. The Group adopted the Accounting Standard from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard.

Results:

		Change %	Change	Amount $'000
Revenue from ordinary activities	Up	17.1%	To	336,841
Profit from ordinary activities after tax attributable to members	Down	6.5%	To	5,069
Profit for the year attributable to members	Down	6.5%	To	5,069

Refer to Chairman and Managing Director's review in the Annual Report and separate results presentation for commentary on the results.

Control gained over entities:

During the financial year ended 5 July 2020, 80% of the shares in the CCL Group were acquired.

The CCL Group is comprised of the following companies:

- Construction Contract Labour (VIC) Pty Ltd
- Complete Traffic Services (VIC) Pty Ltd
- VIC Traffic and Labour Solutions Pty Ltd (formerly CCL Filcon Pty Ltd – change of name date 22 May 2020)

The acquisition was completed on 20 December 2019 with a financial effective date of 1 July 2019.

		Ownership interest held by the Group				Share of operating profits, net of tax	
Name of entity	Country of Incorporation	5 Jul 2020	30 Jun 2019	Nature of relationship	Measurement method	5 Jul 2020	30 Jun 2019
Construction Contract Labour (VIC) Pty Ltd	Australia	80%	-	Subsidiary	Consolidated	N/A	-
Complete Traffic Services (VIC) Pty Ltd	Australia	80%	-	Subsidiary	Consolidated	N/A	-
VIC Traffic and Labour Solutions Pty Ltd[1]	Australia	80%	-	Subsidiary	Consolidated	N/A	-
CCL Group	**Australia**	**80%**	**-**	**Subsidiary**	**Consolidated**	**1,609**	**-**

Note:

1. Formerly CCL Filcon Pty Ltd – change of name date 22 May 2020.

Loss of control over entities:

Not applicable.

Details of interests in significant joint ventures and associates:

Not applicable.

Dividend re-investment plans:

Not applicable.

Dividends:

	Record Date	Payment Date	Cents per Share	Franked Amount per Share (Cents)
Final Dividend - 2020	2 September 2020	11 September 2020	2.7	2.7

Additional Information:

	2020	2019
Net tangible assets ($000)	14,163[1]	23,424
Shares on Issue	143,975,904	143,975,904
Net tangible assets per share ($)	**0.098**	**0.163**

Note:

1. Right-of-use assets have been considered as intangible assets and as such are excluded assets for the purposes of the Net Tangible Assets calculation.

Audit qualification or review:

The audited financial statements are attached.

Ross Shrimpton

Managing Director

Sydney, 28 August 2020

ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

Annual Report 2020

LABOUR HIRE | RECRUITMENT

ACTION WORKFORCE

CCL

concept Engineering
LABOUR HIRE & TECHNICAL RECRUITMENT

concept Recruitment Specialists

TRAINING

ashley institute of training

national institute of training

Australian Institute of Vocational Development

INTEGRACOM

TRACMIN
Training Action Motivating Industry

ASHLEY SERVICES GROUP
LABOUR HIRE | RECRUITMENT | TRAINING

Ashley Services Group Limited Annual Report 2020

Chairman and Managing Director's Review

MR IAN PRATT AND MR ROSS SHRIMPTON

2020 has been a challenging year as we have all faced the difficulties presented by living and working in a COVID impacted environment. Our staff throughout the entire company adapted and adjusted systems and operations, with this hard work having a major effect in limiting the COVID impact on our business. This has enabled us to achieve a profit after tax, normalised for the adoption of the new accounting standard (AASB 16 – Leases), which was up 1.6% on the previous year.

Our business has shown an impressive resilience to provide a hard-earned continuation of our quality results along with strong cash generation. To a large extent our organisation has been shielded from the worst impacts of COVID due to the major drivers underlying our business. Action Workforce has benefited from a high exposure to the supermarket and related supply chain sector. Both the CCL Group and Concept Engineering were supported by their presence in major Victorian government infrastructure projects that have continued throughout the COVID period.

The impressive safety performance of our company continues to represent world's best practice which is something we are extremely proud of.

Our cash flow performance, reflected in a $14.1 million operating cash inflow for the year, was an outstanding result. This has allowed us to again close the year with zero borrowings in a year where we made both our initial acquisition payment and a special dividend for the CCL Group, as well as the payment of our 2019 dividend. This cash position together with the resilience exhibited in our results places us as one of a select few companies maintaining a dividend at last year's level (2.7 cents per share).

As a result of our cash generation and our stable operating results, the Board is pleased to announce the move to twice yearly dividend payments.

Chairman and Managing Director’s Review

LABOUR HIRE DIVISION (including the CCL Group)

ACTION WORKFORCE

CCL

concept Engineering LABOUR HIRE & TECHNICAL RECRUITMENT

concept Recruitment Specialists

Our Labour Hire division delivered an impressive revenue growth of $50 million or 17.9%. EBITDA at $12.5m represented a $1 million or 9.1% lift on prior year.

Year one of our ownership of the CCL Group, with the acquisition completed on 20 December 2019 and having financial effective date of 1 July 2019, delivered on our expectations which underlined the business case at the time of the acquisition. The CCL Group was able to deliver revenue growth of 23% on the pre-acquisition year, driven predominantly by growth in the Victorian government infrastructure sector.

Action Workforce delivered revenue growth of 3.0% on the prior year.

Concept Engineering, which is strongly Victorian centric, experienced a revenue reduction of 8.7% on the previous year.

Concept Recruitment Specialists, which has now absorbed the former Blackadder operations, experienced a revenue reduction of 13.9% on the previous year, largely the result of the COVID effect on the permanent white-collar recruitment sector.

Chairman and Managing Director's Review

TRAINING DIVISION

Our Training division experienced restrictions on face to face training and a relaxing of the need to attend training classes to qualify for unemployment benefits, both of which impacted class numbers and completions.

The first half of the financial year had Training at an EBITDA of $0.8 million, well up on prior year and well poised for a similar second half. It was pleasing to breakeven across the second half and hold onto a full year EBITDA for the Training division of $0.8 million.

Results so far in the 2021 financial year are encouraging with Queensland and Western Australia returning to pre-COVID student activity and Victoria is holding the line with a move to a greater mix of distance learning.

Chairman and Managing Director's Review

DISCUSSION ON RESULTS

Earnings and result

Earnings

Net profit after tax ("**NPAT**") for the financial year ended 5 July 2020, including the full year contribution from the recently acquired CCL Group, was a total group profit of $5.1 million (FY19: profit $5.4 million)

Key elements within the result include:

Revenues

Group Revenue at $336.8 million increased by $49.3 million (17.1%) from the comparative period.

Labour Hire revenues were up $50 million (17.9%), largely due to the first year of CCL Group revenues.

Training revenues were down by $0.7 million (-8.6%).

Earnings before interest taxes depreciation and amortisation ("EBITDA")

Group EBITDA for the financial year was a profit of $9.7 million, up by $0.6 million (6.6%) on the prior corresponding period (FY19: EBITDA of $9.1 million).

- Labour Hire division EBITDA of $12.5 million, was up $1.0 million (9.1%) on the prior corresponding period (FY19: $11.5 million), largely due to the CCL contribution, with Action Workforce also showing a modest lift. These were somewhat reduced by declines in Concept Engineering and declines and start-up costs for our Concept Recruitment Specialists division which absorbed the Blackadder brand in FY20.
- Training division EBITDA of $0.8 million was down $0.2 million or -21% on the prior corresponding period (FY19: $1.0 million) after a breakeven second half, which was pleasing for a severely COVID impacted sector.
- Corporate overheads, at $3.6 million were up $0.2 million on prior corresponding period (FY19: $3.4 million), primarily due to additional costs incurred in relation to the acquisition of the CCL Group.

Statement of financial position

The acquisition of the CCL group has seen a significant change to our statement of financial position.

Net assets at $25.8 million were down by $0.8 million on the prior year (2019: $26.6 million), partly due to the creation of a non-current redemption liability ($2.0 million) for the 20% Put option for the CCL Group acquisition.

Noteworthy balance sheet movements include:

- Trade and Other Receivables up $0.9m - CCL $6.8m, so reflects significant reduction in traditional business
- Right-of-use Asset $2.3m - AASB16 adoption
- Intangible Assets up $6.1m - CCL Goodwill
- Trade and Other Payables up $4.6m - CCL $3.6m
- Dividends Payable up $0.4m - CCL minorities FY20 dividend payable in Jul-20
- Borrowings remain at ZERO – CCL acquisition initial payment $5.7m debt drawing in H1 repaid in H2
- Lease Liabilities (Current) up $0.7m - AASB16 adoption
- Other Liabilities (Current) up $1.4m - CCL Contingent Consideration $1.4m
- Lease Liabilities (Non-current) up $1.7m - AASB16 adoption
- Other Liabilities (Non-current) up $2.8m - CCL Contingent Consideration $0.8m, CCL Redemption Liability $2.0m
- Common Control Reserve up $1.6m – CCL Redemption Liability less Non-controlling interests.

Chairman and Managing Director's Review

Cash Flow

Operating cash flow was strong in the second half, building on an inflow of $2.2 million at the half, to end at our best ever level of $14.1 million inflow for the year (FY19: $4.8 million) allowing us to again close the year with zero borrowings.

The overall outflow from investing activities of $5.4 million was primarily due to the initial payment of $4.8 million for the CCL acquisition (less cash acquired) and also capital expenditure of $0.5 million which was in line with the prior year.

The overall outflow from financing activities of $7.5 million was primarily due to the $3.9 million dividend payment of 2.7 cent per share made during the year as well as a $2.6m special dividend paid to the former CCL Group shareholders.

Overall this delivered a net cash inflow for FY20 of $1.3 million.

DIVIDEND

On 27 July 2020 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 5 July 2020, in line with the rate of the prior financial year (FY19: 2.7 cents).

EVENTS SUBSEQUENT TO BALANCE DATE

Other than the dividend announcement outlined above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Ian Pratt Chairman	**Ross Shrimpton** Managing Director

Directors' Report

The Directors present their annual financial report on the consolidated entity, being Ashley Services Group Limited and its controlled entities ("**Group**") for the financial year ended 5 July 2020.

1. GENERAL INFORMATION

a. Directors

The names of the Directors in office at any time during, or since the end of the year are:

Table 1: Director Details

Names		Appointed / Resigned
Mr Ian Pratt	Chairman	Appointed 1 October 2015
Mr Ross Shrimpton	Managing Director	Appointed 12 Oct 2000; Managing Director to 15 Feb 2016, Non-Executive Director 15 Feb 2016 to 23 Jan 2017 and Managing Director from 23 Jan 2017
Mr Chris McFadden	Executive Director	Appointed 6 April 2017 and Company Secretary from 26 August 2020

Directors' Information

Mr Ian Pratt | Non-Executive Chairman (since 1 October 2015)

Qualifications | CA

Experience | Ian has over 40 years' experience in the accounting profession and is a Director of a number of Public and Private companies. During this time, he has been involved in the recruitment, finance and property industries, and advises on income tax and related matters. Currently Ian is a Partner at Trood Pratt & Co Chartered Accountants and was previously a Director of Charter Hall Direct Property Management Limited (formerly Macquarie Direct Property Management Limited).

Mr Pratt is a Member of Chartered Accountants Australia and New Zealand.

Ian is Chairman of the Nominations, Audit & Risk Management and Remuneration Committees.

Mr Ross Shrimpton | Managing Director (since 23 January 2017) (previously Non-Executive Director from 15 February 2016 and Managing Director to 15 February 2016)

Qualifications | BComm (UNSW), CA, MAICD

Experience | Ross is the founder and Managing Director of Ashley Services Group and has been instrumental in the overall growth and strategic direction of Ashley Services. Ross has over 40 years' experience in finance and management across a number of large international organisations such as CSR/Humes and David Brown, originally commencing his professional career with Deloitte Touche Tohmatsu. Overall, Ross has over 20 years of relevant experience in the labour hire and training industries.

Ross is a Member of Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors.

Ross is a member of the Nominations, Audit & Risk Management and Remuneration Committees.

Mr Chris McFadden | Executive Director (from 6 April 2017) & Company Secretary (from 26 August 2020)

Qualifications | BBus (UTS), FCPA, GAICD

Experience | Chris was appointed Chief Financial Officer of Ashley Services Group in January 2017 and was appointed Executive Director in April 2017. Chris was formerly CFO at Ross Human Directions Limited (ASX: RHD), a company principally involved in the provision of temporary labour and recruitment services. Chris's previous roles include: CFO of sass & bide, a division of Myer, CFO of Staples Australia, Senior Commercial Manager at Woolworths Limited and Asia Pacific CFO of The Nuance Group.

Chris is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.

Chris is a member of the Nominations, Audit & Risk Management and Remuneration Committees.

Directors' Report

Interests in shares and options

As at the date of this report, the interests of the directors in the shares of Ashley Services Group Limited were:

Table 2: Shares Held by Directors

Names	Number of Shares Held	Shareholding %
Mr Ian Pratt	15,060	0.01
Mr Ross Shrimpton	80,279,030	55.76
Mr Chris McFadden[1]	630,630	0.44

Directorships of other listed companies

Directorships held in other listed companies by the Directors in the three years immediately before the end of the financial year are as follows:

Table 3: Other Directorships of listed entities

Name	Company	Date from	Date to
Mr Ian Pratt	Nil	-	-
Mr Ross Shrimpton	Nil	-	-
Mr Chris McFadden	Nil	-	-

a. Principal activities

The principal activities of the Group during the financial year were the provision of labour hire (including recruitment) and training services.

b. Company secretary

Mr Ron Hollands held the position of Company Secretary for the entire financial year. Ron is a Chartered Accountant and holds a Bachelor of Business from University of Technology, Sydney, an MBA from MGSM and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. Ron has over 25 years' experience in a range of industries including professional practice, financial services and real estate.

Mr Chris McFadden, Executive Director and Chief Financial Officer of the Ashley Services Group Limited was appointed as joint Company Secretary on 26 August 2020.

Directors' meetings

Details of meetings of directors (including committees of directors) held in the financial year and attendances by each director are shown in the following table:

Table 4: Meeting Attendance

	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Ian Pratt	10	10	2	2	1	1	0	0
Mr Ross Shrimpton	10	10	2	2	1	1	0	0
Mr Chris McFadden	10	10	2	2	1	1	0	0

Directors' Report

1. BUSINESS REVIEW

a. Operating results

The consolidated profit of the Group attributable to equity holders after providing for income tax amounted to $4,667,000 (2019: profit $5,424,000).

b. Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Chairman and Managing Director's Review.

c. Future developments

Likely developments in the operations of the consolidated entity in future years and the expected results of those operations are referred to generally in the Chairman and Managing Director's Review.

d. Events subsequent to reporting date

There have been no matters or circumstances that have arisen since the end of the year that would have significantly affected the group's operations in financial year 2020 except as follows:

On 27 July 2020 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 5 July 2020, with a payment date of 11 September 2020.

e. Ongoing Litigation

Ashley Services Group Limited (ASH) has no current ongoing litigation.

2. OTHER INFORMATION

a. Options

There are no unissued ordinary shares that are either under option at the date of this report or have been exercised during the year.

b. Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The current auditor, HLB Mann Judd Assurance (NSW) Pty Ltd, did not provide any non-audit services during the year ended 5 July 2020.

Details of the amounts paid to HLB Mann Judd for audit services provided during the year are outlined in Note 4 to the financial statements.

c. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 19 and forms part of this report.

d. Environmental issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

e. Indemnifying officers or auditors

Insurance of officers

During the financial year, Ashley Services Group Limited paid a premium to insure the directors, secretaries and officers of the Group and its Australian entities.

The insurance policies prohibit disclosure of the premiums payable under the policies and details of the insured liabilities.

f. Proceedings on behalf of the Company

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

g. Rounding off of amounts

In accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, amounts in the financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

3. REMUNERATION REPORT – AUDITED

The directors of Ashley Services Group Limited present the remuneration report for Non-Executive Directors, Executive Directors and other key management personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

Directors' Report

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

- key management personnel;
- principles used to determine the nature and amount of remuneration;
- Non-Executive Director remuneration;
- details of remuneration;
- executive service agreements;
- share-based compensation; and
- additional information.

a. Key management personnel

The following persons acted as Directors of the Group or as key management personnel during the financial year:

Executive Directors:

- Ross Shrimpton
- Chris McFadden

Non-Executive Directors:

- Ian Pratt

Other key management personnel:

- Paul Rixon (General Manager, Labour Hire)

Key management personnel include both the Directors and other key management personnel named above.

b. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework seeks to align executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board seeks to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

Alignment of shareholders' interest

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering a return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high-calibre executives.

Alignment to program participants' interests

- rewards capability and experience;
- provides a clear structure for earning rewards; and
- provides recognition for contribution to the business.

The framework provides a mix of fixed and variable pay, including short term incentives.

The Board has established a Remuneration Committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executives and Directors. The Corporate Governance Statement provides further information on the role of this committee.

Executive pay

The executive pay and reward framework has three components:

- base pay and benefits, including superannuation; and
- short-term performance incentives, provided in cash.

The combination of these comprises the executive's total remuneration.

Directors' Report

Table 5: Key components of senior executive remuneration framework in place during the year ended 5 July 2020.

Fixed Remuneration/Base Pay	Short Term Incentive (STI)
• Base pay is determined by reference to appropriate benchmark information, taking into account an individual's responsibilities, performance, qualifications and experience, the broad objective being to pitch fixed remuneration at median market levels.	• 'At risk' award opportunity for the achievement of annual performance objectives linked to annual financial targets and non-financial goals set by individual.
• Base pay is structured as a package, which may be delivered as a mix of cash and other benefits, such as the provision of a motor vehicle, at the executive's discretion.	• Financial targets in line with budgets set for the individual's area of influence for the financial year, coupled with non-financial key performance measures.
• There are no guaranteed base pay increases in any executives' employment contracts.	• Paid in cash within 30 days of finalisation of Audited Annual Report.

Table 6: Key features of the senior executive STI plan for FY20

Overview of the senior executive STI plan		
Who participates in the Senior Executive STI plan?	Senior executives participate in the senior executive STI plan.	
How much can executives earn?	STI opportunity for senior executives ranges from zero to 100% of target STI for significant out-performance.	
Thresholds and performance conditions		
Is there a threshold level of performance required?	Yes. There are threshold levels for EBITDA that must be met to receive an STI payment. Achievement of the thresholds does not automatically entitle executives to an STI award. Financial performance measures must also be met to earn an STI payment.	
What are the performance conditions?	**Measures**	**Senior Executives**
	Financial measures (80% of STI opportunity)	Assessed against: • Budget EBITDA for the individual's area of influence for the financial year. • 20% payable for achievement of 80% of budget. Remaining 80% payable on a straight-line pro rata basis for performance from 80% to 130% of budget.
	Non-Financial measures (20% of STI opportunity)	• Individually set Key Performance Indicators.

Setting and assessing performance	
Who sets and assesses performance?	The MD sets and assesses performance and short term incentive outcomes for senior executives with guidance from the Remuneration Committee. The Remuneration Committee sets the targets for MD and assesses performance against those targets.
How is the STI delivered?	100% of any STI award is paid in cash within 30 days of finalisation of the audited Annual Report.

STI plan for the financial year ended 5 July 2020

The remuneration committee has approved a similar Short Term Incentive (STI) plan for the year ended 5 July 2020, based upon budget targets for that annual period.

c. Non-executive Director remuneration and Board performance review

Non-executive Directors' remuneration are reviewed annually and are determined by the Board based on recommendations from the Remuneration Committee. In making its recommendations, the Remuneration Committee takes into account remuneration paid to other non-executive Directors of comparable companies and where necessary will seek external advice. No remuneration consultants were used during the financial year.

In accordance with the Company's Constitution, the Directors are entitled to receive an annual fee and for participation in Board sub-committees. For non-executive Directors, fees are not linked to performance.

The Company does not operate equity plans for non-executive Directors.

Non-executive Directors are entitled to statutory superannuation included as part of their Directors' fees. There are no other schemes for retirement benefits for non-executive Directors.

d. Details of remuneration

Details of remuneration of the Directors and other key management personnel of Ashley Services Group are set out in the tables on pages 15 to 17.

The key management personnel of Ashley Services Group are listed in the table below. The key management personnel have authority and responsibility for planning, directing and controlling activities of the Group.

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Table 8: Executive and Key Management Personnel Service Agreements

Name	Base Salary $[1]	Target STI %[2]	Target LTI %[2, 3]	Term of agreement	Notice Period
Ross Shrimpton	450,000	-	-	Ongoing	6 months
Chris McFadden	450,000	50	50	Ongoing	6 months
Paul Rixon	291,748	50	50	Ongoing	6 months

Note:
1. Base salary is on an annual basis and includes superannuation contributions.
2. Maximum annual award as a percentage of annual salary.
3. This plan has been suspended since the financial year ended 30 June 2017.

Directors' Report

Table 9: Statutory key performance indicators of the group over the last five years

	2020	2019	2018	2017	2016
Profit / (Loss) for the year attributable to members ($000)	**4,667**	5,424	4,789	(5,969)	(69,626)
Basic earnings per share (cents)	**3.24**	3.77	3.33	(4.08)	(46.42)
Dividend payments ($000)[1]	**3,887**	3,887	3,600	-	-
Dividend payout ratio (%)	**83.3**	71.7	75.1	-	-
Increase / (decrease) in share price (%)[2]	**0.0**	33.3	204.7	(70.9)	(63.0)
Total KMP incentives as percentage of profit/(loss) for the year (%)	**4.1**	6.1	3.1	-	-

Note:
1. 2020 Dividend declared 27 July 2020 in relation to the 2020 financial year, with payment date of 11 September 2020.
   2019 Dividend declared 9 August 2019 in relation to the 2019 financial year, with payment date of 6 September 2019.
   2018 Dividend declared 26 July 2018 in relation to the 2018 financial year, with payment date of 17 August 2018.
2. Increase/(decrease) in share price (%) is year-end share price relative to prior year-end.

Table 10: 2020 – Remuneration of Key Management Personnel

2020	ST[1] employee benefits			PE[2] benefits	LT[3] employee benefit	Total[4]	Performance based Remuneration
Name	Cash salary & fees $	Salary non-cash $	ST[1] employee bonus $	Super-annuation $	$	$	%
Non-executive Directors							
Ian Pratt[5]	205,480	-	-	19,520	-	**225,000**	-
Executive Director							
Ross Shrimpton	428,997	-	-	21,003	-	**450,000**	-
Chris McFadden	428,997	-	118,293	21,003	-	**568,293**	20.8
Other key management personnel							
Paul Rixon[6]	273,336	-	71,760	21,003	-	**366,099**	19.6
Total	**1,336,810**	**-**	**190,053**	**82,529**	**-**	**1,609,392**	**11.8**

Note:
1. ST – Short-term.
2. PE – Post-employment.
3. LT – Long-term. As all previous LTI performance hurdles have now lapsed no expense has been recognised in the profit and loss account for the year ended 5 July 2020.
4. Amounts included in the above table include amounts paid to key management from all entities.
5. During the year tax advisory fees have also been paid to Trood Pratt & Co (Company in which Ian Pratt is a Partner).
6. Novated car lease refund of $4,715 included in these figures.

Directors' Report

Table 11: 2019 – Remuneration of Key Management Personnel

2019	ST[1] employee benefits			PE[2] benefits	LT[3] employee benefit	Total[4]	Performance based Remuneration
Name	Cash salary & fees $	Salary non-cash $	ST[1] employee bonus $	Super-annuation $	$	$	%
Non-executive Directors							
Ian Pratt[5]	206,347	-	-	19,603	-	**225,950**	-
Executive Director							
Ross Shrimpton	404,469	-	-	20,531	-	**425,000**	-
Chris McFadden	429,469	-	191,975	20,531	-	**641,975**	29.9
Other key management personnel							
Paul Rixon	262,719	-	136,400	20,531		**419,650**	32.5
Total	**1,303,004**	**-**	**328,375**	**81,196**		**1,712,575**	**19.2**

Note:
1. ST – Short-term.
2. PE – Post-employment.
3. LT – Long-term. As none of the performance hurdles for any of the relevant years has been met no expense has been recognised in the profit and loss account for the year ended 30 June 2019.
4. Amounts included in the above table include amounts paid to key management from all entities.
5. During the year tax advisory fees have also been paid to Trood Pratt & Co (Company in which Ian Pratt is a Partner).

Other transactions with key management personnel

Information on share-based payments and other transactions with key management personnel is set out on the previous pages.

e. Shares held by key management personnel

The number of ordinary shares in the Company during the 2020 reporting period held by each of the Group's key management personnel, including their related parties are set out below:

Table 12: Shares held by Key Management Personnel

Name	Balance at start of the year	Shares Disposed	Change from KMP	Balance at end of the year
Ian Pratt	**15,060**	-	-	**15,060**
Ross Shrimpton	**80,279,030**	-	-	**80,279,030**
Chris McFadden	**630,630**	-	-	**630,630**
Paul Rixon	**41,416**	-	-	**41,416**
Total	**80,966,136**	**-**	**-**	**80,966,136**

f. Executive service agreements

On appointment to the Board, all non-executive Directors sign a letter of appointment with the Company. The letter summarises the terms including compensation, relevant to the office of Director.

All contracts with executives may be terminated by either party with a notice period as outlined in Table 8. Executives are typically restricted for twelve months after termination from conducting or engaging in competing businesses and from solicitation of customers and employees of the Company.

Directors' Report

End of audited Remuneration Report.

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

Ian Pratt

Chairman

Sydney, 28 August 2020

Auditor's Independence Declaration

As lead auditor for the audit of the consolidated financial report of Ashley Services Group Limited for the year ended 5 July 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

This declaration is in relation to Ashley Services Group Limited and the entities it controlled during the period.

Sydney, NSW
28 August 2020

S P James
Director

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Corporate Governance Statement

A Corporate Governance Statement has been adopted by the Board on 30 August 2016 and can be found at

http://www.ashleyservicesgroup.com.au/investor-centre/corporate-governance/

The Board has adopted a suite of governance materials which are available in the Corporate Governance section of the Company's website (www.ashleyservicesgroup.com.au), under "Investor Centre". The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value, and help to engender the confidence of the investment market.

Diversity

To date, the board or a committee have not set measurable objectives for achieving gender diversity and to assess annually both the objectives and the company's progress in achieving them.

The Company provides the following information on the proportion of women employees in the whole organisation, women in Senior Executive positions and women on the Board of the Company.

	Female	**Male**
Directors & Senior Management	25%	75%
Corporate & Administration	86%	14%
Labour Hire	62%	38%
Recruitment	86%	14%
Training	58%	42%
Total	**66%**	**34%**

During the financial year ending 5 July 2020 the Company submitted its annual report to the Workplace Gender Equality Agency and is again compliant with the *Workplace Gender Equality Act 2012* (Act).

The performance of the Board and Senior Executives in the 2020 financial year has been reviewed against both quantitative and qualitative measures and Directors and Senior Executives provided feedback on the discharge of their responsibilities.

Directors' Declaration

1. In the opinion of the Directors of Ashley Services Group Limited:

    a. The consolidated financial statements and notes of Ashley Services Group Limited are in accordance with the *Corporations Act 2001*, including:
        i. Giving a true and fair view of its financial position as at 5 July 2020 and of its performance for the financial year ended on that date; and
        ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

    b. There are reasonable grounds to believe that Ashley Services Group Limited will be able to pay its debts as and when they become due and payable; and

    c. At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 28 to the financial statements.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 5 July 2020.

3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Ian Pratt
Chairman

Sydney, 28 August 2020

Independent Auditor's Report to the Members of Ashley Services Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Ashley Services Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 5 July 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration for the Group.

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

(a) giving a true and fair view of the Group's financial position as at 5 July 2020 and of their financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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.

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.

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Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition Refer to Note 1 (Summary of significant accounting policies) and Note 2 (Revenue and other income)	
Labour hire revenue is the most significant account balance in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Total revenue and other income of $338.9 million comprises a number of streams including: • labour hire revenue ($329.5 million); • training revenue ($7.3 million); and • other income ($2.1 million). We focussed on this matter due to the size and magnitude of labour hire revenue, as well as the higher level of inherent risk due to the manual processes for inputting, calculating, reviewing, and recording of the labour hire revenue.	We assessed whether the Group's accounting policies were in compliance with Australian Accounting Standards and specifcally whether revenue had been recognised in accordance with accounting standard AASB 15 *Revenue from Contracts with Customers*. We tested the Group's process for recognising labour hire revenue. We tested labour hire revenue recognised in the period by agreeing to timesheets, payroll reports, amounts billed and subsequently received. We tested the process for raising and authorising credit notes throughout the financial year and immediately subsequent to year end. We compared the accuracy of hours on-billed as labour hire revenue to amounts paid to employees, refer to employment costs below. We tested the correct cut-off and accrual of labour hire revenue at year end.
Employment Costs Refer to Note 1 (Accounting policies)	
Employment costs, both internal and allocated externally, is one of the most significant account balances in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Total employment costs amount to $321.7 million. We focussed on this matter due to the size and magnitude of employment costs, as well as the higher level of inherent risk due to the manual processes for the volume of inputting, calculating, reviewing, and recording of the employment costs.	We tested the Group's process for recognising employment costs. We tested the controls surrounding the authorisation of changes in employee details, such as pay rates. We tested employment costs recognised in the period by agreeing to timesheets, payroll reports, and amounts subsequently paid. We analytically reviewed the labour hire margins from the current and prior year. We tested the cut-off and accrual of employment costs at year end. We tested whether PAYG amounts were deducted and subsequently paid to the Australian Taxation Office. We tested superannuation amounts paid by recalculation and comparison to gross wages. We tested the subsequent payment to the superannuation clearing house.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for Asset Acquisition Refer to Note 24 (Business combination)	
As disclosed in Note 24 to the financial statements, during the year the Group completed the acquisition of 80% of the issued capital of CCL Group. The accounting for this business combination resulted in the recognition of goodwill of $6.3m. The estimated acquisition price for the 80% purchase of the CCL Group was $7.89 million but will be adjusted for subsequent earn-outs for FY20 and FY21 (currently estimated at FY20 EBITDA levels). The acquisition of the remaining 20% shareholding is subject to both Call and Put Options. Accounting for this acquisition is a complex and judgemental exercise, requiring management to determine the existence and fair value of acquired assets and liabilities, in particular determining the allocation of purchase consideration. We focussed on this area as a key audit matter given the size of the acquisition and its impact on the financial statements of the Group.	We examined the asset sale and purchase agreements to understand key terms and conditions. We reviewed the accounting treatment, and considered whether it complied with the requirements of Australian Accounting Standards. We reviewed management's assessment of the identified assets and liabilities acquired including the fair value attributable to these assets and liabilities. We reviewed the calculation of goodwill on acquisition. We reviewed the calculations and underlying assumptions used to determine the contingent liabilities for retention and earnouts. We reviewed the calculations and underlying assumptions used to determine the redemption liability for the Put Option. We considered the adequacy of the financial report discslosures in Note 24.
Carrying Value of Goodwill Refer to Note 12 (Intangible assets) and Note 13 (Impairment)	
The Group recognised Goodwill of $9.1m as at 5 July 2020 in relation to the Labour Hire division. This Goodwill arose on acquisition of subsidary companies during the current year (Note 24) and prior years. As required by Australian Accounting Standards the Group tested this Goodwill for impairment, at 5 July 2020. The Group determined the recoverable amount using value in use calculations for the relevant cash generating units ("CGU"), which involved a significant level of judgement in respect of factors such as: • Estimated future revenues and costs; • Discount rates; and • Terminal values. We considered this to be a key audit matter due to the significant judgement involved in estimating the recoverable amount of the Goodwill and the potentially material impact on the financial report.	We evaluated the Group's goodwill impairment assessment process; We obtained the Group's value in use models and considered the assumptions applied by management; We assessed the accuracy of previous Group forecasting to inform our evaluation of forecasts included in the value in use model. We applied increased scepticism to current period forecasts in areas where previous forecasts were not achieved and /or where future uncertainty is greater or volatility is expected; We challenged discount and terminal value multiples by comparing these with rates used by comparable companies. We compared forecast revenues and costs to historical results; We tested the mathematical accuracy of the impairment models used by management; We performed sensitivity analysis on the Labour Hire CGU in relation to the discount rate and terminal value multiple assumptions, and profit forecasts;

Key Audit Matter	How our audit addressed the key audit matter
	We assessed the Group's disclosures of the quantitative and qualitative considerations in relation to the valuation of goodwill, by comparing these disclosures to our understanding of the assets.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 5 July 2020, 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 5 July 2020.

In our opinion, the Remuneration Report of Ashley Services Group Limited for the year ended 5 July 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

S P James
Director

Sydney, NSW
28 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 5 July 2020

	Note	5 Jul 2020 $000	30 Jun 2019 $000
Revenue	2	336,841	287,570
Other income	2	2,040	1,184
Employment costs		(321,668)	(273,995)
Depreciation and amortisation expense	3	(2,068)	(1,007)
Finance costs	3	(713)	(647)
Other expenses		(7,387)	(5,570)
Profit before income tax from continuing operations		**7,045**	**7,535**
Income tax expense	5	1,976	2,111
Profit for the year from continuing operations		**5,069**	**5,424**
Profit / (Loss) for the year from discontinued operations		-	-
Profit for the year		**5,069**	**5,424**
Other comprehensive income		-	-
Total comprehensive income for the year		**5,069**	**5,424**
Total comprehensive income for the year is attributable to:			
Owners of Ashley Services Group Limited		4,667	5,424
Non-controlling interests		402	-
		5,069	**5,424**
Basic earnings per share (cents) from continuing operations	**21**	**3.24**	**3.77**
Diluted earnings per share (cents) from continuing operations	**21**	**3.24**	**3.77**
Basic earnings per share (cents) from discontinued operations	**21**	**0.00**	**0.00**
Diluted earnings per share (cents) from discontinued operations	**21**	**0.00**	**0.00**
Basic earnings per share (cents) Total	**21**	**3.24**	**3.77**
Diluted earnings per share (cents) Total	**21**	**3.24**	**3.77**

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 5 July 2020

	Note	5 Jul 2020 $000	30 Jun 2019 $000
Assets			
Current assets			
Cash and cash equivalents	7	8,063	6,784
Trade and other receivables	8	29,418	28,524
Contract assets	9	154	571
Other assets	10	1,745	1,444
Total current assets		**39,380**	**37,323**
Non-current assets			
Property, plant and equipment	11	1,060	1,140
Right-of-use assets	1(e)	2,345	-
Deferred tax assets	14	4,694	3,602
Intangible assets	12, 13	9,322	3,200
Other assets		92	-
Total non-current assets		**17,513**	**7,942**
Total assets		**56,893**	**45,265**
Liabilities			
Current liabilities			
Trade and other payables	15	18,517	13,900
Current tax payable	14	1,634	307
Dividends payable		400	-
Lease liabilities	1(e)	723	-
Other liabilities	16	1,412	-
Provisions	18	2,453	2,295
Total current liabilities		**25,139**	**16,502**
Non-current liabilities			
Deferred tax liabilities	14	764	964
Lease liabilities	1(e)	1,716	-
Other liabilities	16	2,762	-
Provisions	18	682	1,175
Total non-current liabilities		**5,924**	**2,139**
Total liabilities		**31,063**	**18,641**
Net assets		**25,830**	**26,624**
Equity			
Share capital	19	148,815	148,815
Common control reserve	20	(59,261)	(57,687)
Accumulated losses		(63,724)	(64,504)
Total equity		**25,830**	**26,624**

The accompanying notes form part of these financial statements.

ASHLEY SERVICES GROUP
LABOUR HIRE I RECRUITMENT I TRAINING

Consolidated Statement of Changes in Equity
For the financial year ended 5 July 2020

	Share Capital $000	Common Control Reserve $000	Retained Earnings $000	Non-controlling Interest $000	Total $000
For the year ended 5 July 2020					
Balance at 1 July 2019	**148,815**	**(57,687)**	**(64,504)**	**-**	**26,624**
Profit for the period	-	-	4,667	402	5,069
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**4,667**	**402**	**5,069**
Recognition of non-controlling interest of CCL Group	-	-	-	397	397
Derecognition of non-controlling interest of CCL Group	-	399	-	(399)	-
Other equity	-	(1,973)	-	-	(1,973)
Dividends paid	-	-	(3,887)	(400)	(4,287)
Balance at 5 Jul 2020	**148,815**	**(59,261)**	**(63,724)**	**-**	**25,830**
For the year ended 30 June 2019					
Balance at 2 July 2018	**148,815**	**(57,687)**	**(66,329)**	**-**	**24,799**
Profit for the period	-	-	5,424	-	5,424
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**5,424**	**-**	**5,424**
Dividends paid	-	-	(3,599)	-	(3,599)
Balance at 30 June 2019	**148,815**	**(57,687)**	**(64,504)**	**-**	**26,624**

The accompanying notes form part of these financial statements.

ASHLEY SERVICES GROUP
LABOUR HIRE | RECRUITMENT | TRAINING

Consolidated Statement of Cash Flows
For the financial year ended 5 July 2020

	Note	5 Jul 2020 $000	30 Jun 2019 $000
Operating activities			
Receipts from customers		371,567	318,707
Payments to suppliers and employees		(354,693)	(312,564)
Interest received		22	66
Interest paid		(620)	(632)
Income taxes paid		(2,151)	(825)
Net cash from continuing operations		**14,125**	**4,752**
Net cash used in discontinued operations		**-**	**-**
Net cash from operating activities	**23**	**14,125**	**4,752**
Investing activities			
Payments for property, plant and equipment in continuing operations		(502)	(899)
Payments for intangibles		(198)	-
Proceeds from sale of property, plant and equipment		139	166
Payments for businesses, net of cash acquired	**24**	(4,812)	-
Net cash used in investing activities		**(5,373)**	**(733)**
Financing activities			
Net proceed/(repayment) from/(of) external borrowings in continuing operations		-	-
Repayment of leasing liabilities		(966)	-
Dividends paid		(6,507)	(3,599)
Net cash used in financing activities		**(7,473)**	**(3,599)**
Net increase in cash and cash equivalents		**1,279**	**420**
Cash and cash equivalents at beginning of the financial year		6,784	6,364
Cash and cash equivalents at end of the financial year	**7**	**8,063**	**6,784**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

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1. ACCOUNTING POLICIES

a. General information

The financial statements for the financial year ended 5 July 2020 cover Ashley Services Group Limited and its controlled entities ("**Ashley Services**" or the **"Group"**). Ashley Services Group is a public Company listed on the Australian Securities Exchange (trading under the symbol "**ASH"**), incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the consolidated financial statements. The accounting policies have been consistently applied unless otherwise stated.

b. Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board. The consolidated financial statements of the Group also comply with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board. The Group is a for-profit entity for the purposes of preparing the financial statements.

The consolidated financial statements were authorised for issue by the Board of Directors on 28 August 2020.

c. Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities as disclosed in this note. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, amounts in the financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

d. Going concern

The consolidated financial statements have been prepared on a going concern basis.

e. Adoption of new and revised Accounting Standards and Interpretations

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

As stated below, the nature and effects of changes arising from adoption of new, revised or amending Accounting Standards and Interpretations did not have a significant impact on the Group.

The main new Accounting Standard that became effective during the current reporting period is as follows:

AASB 16: Leases

The Group has adopted AASB 16: Leases from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 July 2019.

The Group's leasing activities and how these are accounted for

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 2 to 5 years, both with and without extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of office are recognised on a straight-line basis as an expense in statement of financial performance. Short-term leases are leases with a lease term of 12 months or less.

Impact of adoption

On adoption of AASB 16, the Group recognised lease liabilities and associated right-of-use assets in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3%.

Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment

Notes to the Financial Statements

review. There were no onerous contracts as at 1 July 2019.
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Measurement of lease liabilities

Below is a reconciliation between the operating lease commitments reported as at 30 June 2019 and lease liabilities recognised under AASB16 *Leases* on 1 July 2019.

	2019 $000
Operating lease commitments disclosed as at 30 June 2019	3,140
Less: Discount based on the weighted average incremental borrowing rate of 3%	(233)
Less: Low value and short-term lease commitments	(96)
Lease liability recognised as at 1 July 2019	**2,811**
Of which are:	
Current lease liabilities	871
Non-current lease liabilities	1,940
	2,811

Adjustments recognised in the consolidated statement of financial position on 1 July 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 July 2019:
- right-of-use assets – increase by $2,810,721
- lease liabilities – increase by $2,810,721

There was no impact on accumulated losses on 1 July 2019 as the Group has used the practical expedients permitted by the standard. Refer to above.

Amounts recognised in the consolidated statement of financial position

	2020 $000	2019 $000
Right-of-use assets		
Property	2,345	2,811
	2,345	**2,811**
Lease liabilities		
Current	723	871
Non-current	1,716	1,940
	2,439	**2,811**

Additions to the right-of-use assets during the financial year ended 5 July 2020 were $520,000 and the total cash outflow for leases was $966,000.

Amounts recognised in the consolidated statement of financial performance

	2020 $000	2019 $000
Depreciation charge of right-of-use assets		
Property	986	-
	986	**-**
Interest expense (incl in finance costs)	75	-
Expense relating to short-term leases (incl in other expenses)	454	-

Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of AASB 16.

Other amending Accounting Standards and Interpretations

Several other amending Accounting Standards and Interpretations apply for the first time for the current reporting period commencing 1 July 2019. These other amending Accounting Standards and Interpretations did not result in

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any adjustments to the amounts recognised or disclosures in the financial report.

f. New Accounting Standard and Interpretations not yet adopted and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 5 July 2020 reporting periods and have not been early adopted by the Group. The Group's assessment is that there would be no material impact from these new standards and interpretations on the Group's results.

g. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and result in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are recognised as expenses in the statement of profit or loss and other comprehensive income when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

h. Basis of consolidation

The Group financial statements consolidate those of Ashley Services Group Limited and all of its subsidiaries as of 5 July 2020. Ashley Services Group Limited controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 5 July 2020.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains or losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

i. Revenue and other income

Revenue for both labour hire and training services 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 undertakes the following:

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i. Identifies the contract with a customer
ii. Identifies the performance obligations in the contract
iii. Determines the transaction price which considers estimates of variable consideration and time value of money
iv. Allocates the transaction price to the separate performance obligations based on the relative stand-alone selling price of each distinct service to be delivered
v. Recognises revenue when, or as, each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

All revenue is stated net of the amount of GST.

Labour hire

Labour hire revenue is recognised upon delivery of the service to the customers or in the instance of placement fees at the time the employee has been placed. Revenue from a contract to provide labour hire services is recognised over time as services are rendered based predominantly on an hourly rate.

Training revenue

Revenue from a contract to provide training services is recognised over time as the services are rendered using the percentage of completion method that depicts the transfer to the customer of the services rendered.

Interest revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established, usually on declaration of the dividend / distribution.

Other income

Other income primarily includes State funding employer rebates earned in relation to specified categories of individuals.

j. Intangible assets

Goodwill

Goodwill is initially recognised as the difference between the fair value of consideration, and the fair value of net assets acquired less any accumulated impairment losses.

The value of goodwill is recognised on acquisition of the business.

The Group adopts the full goodwill method. The fair value of the interests in the business is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the interests of the business is recognised in the financial statements.

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

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

Other intangibles

Intangibles acquired by the group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the profit or loss on a straight line basis over the estimated useful life.

Estimated useful life of intangibles is as follows:

Customer relationships	7 years
Licenses	5 years
Intellectual property	
- Course material	5-7 years

Intangible assets, such as Brands, which are deemed to have an indefinite useful life are not amortised, but are assessed for impairment annually, within the CGU to which they are attributed. Where impairment is recognised, it

Notes to the Financial Statements

is recorded in the profit or loss in the period the impairment is identified.

k. 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. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or 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 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.

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) 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.

Tax consolidation

Ashley Services Group Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. The CCL Group companies being 80% owned are not part of this income tax consolidated group. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'standalone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to head entity. The group notified the Australian Taxation Office that it has formed an income tax consolidation group to apply from 1 July 2003. The income tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contributions to the Group's taxable income.

Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution, to the head entity.

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown with short term borrowings in current liabilities on the consolidated statement of financial position.

m. Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The recoverability of trade receivables is reviewed on an ongoing basis. Amounts which are determined not to be recoverable are written off by reducing the carrying amount to its recoverable amount, the difference is charged to the statement of profit or loss and other comprehensive income in that period.

Expected credit losses, described in previous years' financial statements of the Group as an allowance for impairment, are measured by the Group by applying a simplified approach which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

n. Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

o. Property, plant and equipment

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

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of fixed assets is depreciated on a straight line basis, over the useful asset's life to the Group commencing from the time the assets are held ready for use.

The annual depreciation rates used for each class of depreciable assets are:

Class of fixed assets	Depreciation rate
Computer equipment	20 - 33%
Office equipment	20 - 33%
Furniture and fittings	10%
Motor vehicles	18.75 - 25%
Training equipment	33%
Leasehold improvements	20 - 50%

In the case of leasehold improvements, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

The carrying amount of property, plant and equipment is reviewed annually at the end of the reporting period by the Directors to ensure it is not in excess of the recoverable amount of these assets.

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. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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.

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Gains or losses on disposals are determined by comparing proceeds with carrying amount. These gains or losses are recognised immediately in profit or loss.

p. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

q. Employee benefits

Provision is made for the Group's liability for the employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on HQ corporate bonds with terms to maturity that match the expected timing of cash flows.

r. 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 an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

s. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

t. Impairment of assets

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

The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell, and its value in use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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 at least annually for goodwill and intangible assets with indefinite lives.

u. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

v. 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 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 balance sheet.

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.

w. Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Determination of Cash Generating Units for purpose of impairment reviews

Determination of the Cash Generating Units ("CGUs") for purpose of impairment reviews is a key judgement made by management. Management has undertaken a formal assessment of what constitutes the CGUs, by identifying the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, being Training and Labour Hire.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Both future operating results and discount rates are discussed in Note 13. In 2020, the Group recognised no impairment losses on goodwill and/or other intangible assets (see Note 13).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

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.

Long service leave provisions

In determining the provision for employees' long service leave, consideration is given to the probability an employee may not satisfy vesting requirements. In doing this, management considers the likelihood of employees reaching a qualifying period of service and adjust the valuation for these estimated probabilities.

Long term incentive plan

In determining the provision for senior management's long term incentive plan, consideration is given to the probability the required "earnings per share" performance requirement being achieved to be remote, and therefore a provision has not been recognised in relation to this.

Notes to the Financial Statements

x. Dividends

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

y. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Notes to the Financial Statements

2. REVENUE AND OTHER INCOME

	2020 $000	2019 $000
Operating activities:		
Labour hire revenue	329,517	279,556
Training revenue	7,324	8,014
	336,841	**287,570**
Other income:		
Interest received	22	66
Sundry income	2,018	1,118
	2,040	**1,184**

a. Disaggregation of revenue

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

2020	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	**329,517**	**7,324**	**336,841**
Timing of revenue recognition			
Services transferred over time	319,820	7,324	327,144
Services transferred at a point in time	9,697	-	9,697
	329,517	**7,324**	**336,841**

2019	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	**279,556**	**8,014**	**287,570**
Timing of revenue recognition			
Services transferred over time	268,294	8,014	276,308
Services transferred at a point in time	11,262	-	11,262
	279,556	**8,014**	**287,570**

Notes to the Financial Statements

3. EXPENSES

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

	2020 $000	2019 $000
Finance costs		
Interest and finance charges paid/payable on borrowings	544	633
Interest and finance charges paid/payable on lease liabilities	75	-
Bank fees	94	14
	713	**647**
Depreciation		
Motor vehicles	57	2
Office equipment	503	511
Leasehold improvements	144	247
Property right-of-use assets	986	-
	1,690	**760**
Amortisation		
Customer contracts and relationships – amortisation	129	129
Course material	249	118
	378	**247**

4. AUDITOR’S REMUNERATION

	2020 $	2019 $
Auditor of the parent entity		
Audit and review of financial reports under the *Corporations Act 2001* - HLB Mann Judd Assurance (NSW) Pty Ltd	151,000	150,000
Total Remuneration	**151,000**	**150,000**
Other entities		
In addition to the above, the related entities detailed in Note 26 have also paid fees to the auditor(s) as follows:		
Audit of financial reports - HLB Mann Judd Assurance (NSW) Pty Ltd	55,500	26,000
	55,500	**26,000**

Notes to the Financial Statements

5. INCOME TAX EXPENSE

a. Components of tax expense for continuing operations

	2020 $000	2019 $000
Current tax expense	3,221	1,295
Deferred tax – origination and reversal of temporary differences	(1,291)	978
Under / (over) provision of tax in prior year	84	(162)
– Change in tax rate – CCL Group	(38)	-
Income tax expense	**1,976**	**2,111**

b. Reconciliation of prima facie tax on profit from ordinary activities to income tax expense

	2020 $000	2019 $000
Net profit before tax from continuing operations	7,045	7,535
Prima facie tax expense on net profit from ordinary activities before income tax at 30% (FY19: 30%)	2,113	2,261
Add / (less) Tax effect of:		
– Entertainment	22	3
– Other	1	9
– Change in tax rate – CCL Group	(38)	-
– Intangible assets	(206)	-
– Under / (over) provision of tax in prior year	84	(162)
Income tax expense	**1,976**	**2,111**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

6. KEY MANAGEMENT PERSONNEL DISCLOSURES

a. Key management personnel compensation for the year was as follows

	2020 $	2019 $
Short-term employee benefits	1,526,863	1,631,379
Post-employment benefits	82,529	81,196
Total	**1,609,392**	**1,712,575**

b. Individual director and key management personnel disclosures

Detailed remuneration disclosures are included in the Directors' Report. The relevant information can be found in the Remuneration section of the Directors' Report on page 15 to 17, Tables 8 to 11.

7. CASH AND CASH EQUIVALENTS

	2020 $000	2019 $000
Cash on hand	4	4
Cash at bank	8,059	6,780
	8,063	**6,784**

Notes to the Financial Statements

8. TRADE AND OTHER RECEIVABLES

	2020 $000	2019 $000
Current		
Trade receivables	27,742	26,086
Allowance for expected credit losses	(406)	(10)
Other receivables	2,082	2,448
	29,418	**28,524**

a. Ageing of trade receivables (before allowing for impairment of receivables) at year end is detailed below

	2020 $000	2019 $000
Current	23,586	19,147
Past due 0 – 30 days (not considered impaired)	1,407	4,582
Past due 31 – 60 days (not considered impaired)	582	1,001
Past due 60+ days (not considered impaired)	1,761	1,346
Past due 60+ days (considered impaired (b))	406	10
	27,742	**26,086**

b. The movement in the allowance for expected credit losses in respect of trade receivables is detailed below

	2020 $000	2019 $000
Balance at beginning of year	10	555
CCL Group	361	-
Increase/(decrease) in allowance recognised in profit or loss	52	(92)
Amounts written-off	(17)	(453)
Balance at end of year	**406**	**10**

9. CONTRACT ASSETS

	2020 $000	2019 $000
Current		
Contract assets	154	571
	154	**571**

10. OTHER ASSETS

	2020 $000	2019 $000
Current		
Prepayments	1,240	939
Bank guarantee[1]	505	505
	1,745	**1,444**

Note:

1. As at balance date the Group had bank guarantees of $315,610 relating to property leases. The $504,635 represents a restricted bank account to cover the Group's total available guarantee facility of $504,635.

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

	2020 $000	2019 $000
Motor vehicles		
Cost	576	148
Accumulated depreciation	(387)	(116)
	189	**32**
Office equipment		
Cost	4,649	4,725
Accumulated depreciation	(4,006)	(3,784)
	643	**941**
Leasehold improvements		
Cost	1,782	1,968
Accumulated depreciation	(1,712)	(1,818)
	70	**150**
Capital works in progress		
Cost	158	17
	158	**17**
Total property, plant and equipment	**1,060**	**1,140**

a. Movement in carrying amounts of property, plant and equipment

2020	Motor vehicles $000	Office equipment $000	Leasehold improvements $000	Capital work in progress $000	Total $000
Balance at 1 July 2019	32	941	150	17	1,140
CCL Group at 1 July 2019	228	37	5	-	270
Additions/(transfers)	85	199	60	158	502
Disposals	(99)	(31)	(1)	(17)	(148)
Depreciation expense – continuing operations	(57)	(503)	(144)	-	(704)
Balance at 5 July 2020	**189**	**643**	**70**	**158**	**1,060**

2019	Motor vehicles $000	Office equipment $000	Leasehold improvements $000	Capital work in progress $000	Total $000
Balance at 2 July 2018	-	1,032	240	75	1,347
Additions/(transfers)	34	466	157	-	657
Disposals	-	(46)	-	(58)	(104)
Depreciation expense – continuing operations	(2)	(511)	(247)	-	(760)
Balance at 30 June 2019	**32**	**941**	**150**	**17**	**1,140**

The Group's property, plant and equipment are encumbered by a fixed and floating charge as security for the group's working capital facility (Refer Note 17).

Notes to the Financial Statements

12. INTANGIBLE ASSETS

	2020 $000	2019 $000
Goodwill		
Cost	65,256	65,256
Acquisition CCL Group	6,302	-
Impairment (note 13)	(62,474)	(62,474)
Net carrying value	**9,084**	**2,782**
Customer relationships/Licences		
Cost	2,062	2,062
Impairment (note 13)	(918)	(918)
Accumulated amortisation	(1,036)	(907)
Net carrying value	**108**	**237**
Brand names		
Cost	4,640	4,640
Impairment (note 13)	(4,640)	(4,640)
Net carrying value	**-**	**-**
Intellectual property		
Cost	8,330	8,132
Impairment (note 13)	(3,896)	(3,896)
Accumulated amortisation	(4,304)	(4,055)
Net carrying value	**130**	**181**
Total intangible assets	**9,322**	**3,200**

a. Intangible assets – detailed reconciliation

2020	Goodwill $000	Customer Relationships and Licences $000	Brand Names $000	Intellectual Property $000	Total $000
Balance at 1 July 2019	2,782	237	-	181	3,200
Acquisition CCL Group	6,302	-	-	-	6,302
Additions	-	-	-	198	198
Amortisation – continuing operations	-	(129)	-	(249)	(378)
Balance at 5 July 2020	**9,084**	**108**	**-**	**130**	**9,322**

2019	Goodwill $000	Customer Relationships and Licences $000	Brand Names $000	Intellectual Property $000	Total $000
Balance at 2 July 2018	2,782	366	-	-	3,148
Capitalised course materials	-	-	-	299	299
Amortisation – continuing operations	-	(129)	-	(118)	(247)
Balance at 30 June 2019	**2,782**	**237**	**-**	**181**	**3,200**

Notes to the Financial Statements

13. IMPAIRMENT

a. Impairment

The consolidated entity tests whether goodwill and other intangible assets have suffered any impairment on an annual basis, or more frequently, if required.

All remaining goodwill and other intangibles are confined to the Labour Hire division, with all earlier amounts previously attributed to the Training division being fully impaired across both the FY16 and FY17 financial years.

There were no indicators of impairment in relation to the Labour Hire division at 5 July 2020.

Labour Hire division

The recoverable amount of the Labour Hire division has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial forecasts approved by management for FY21 and a pre-tax discount rate of 18.7 per cent. Cash flows beyond that period have been held constant, reflecting the competitive nature of the industry.

Management's key assumption is that revenues for the Labour Hire division will increase by 9% in FY21. EBITDA margin is forecast at 3.8% (before corporate overhead allocations).

The recoverable amounts of the CGUs were determined based on value-in-use calculations, covering detailed forecasts for five years, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

Long term growth rates after the forecast period and discount rates used were as follows:

	Terminal Growth rates		Pre-tax discount rates	
	5 July 2020	30 June 2019	5 July 2020	30 June 2019
Labour Hire	0%	0%	18.7%	18.7%

The growth rate reflects management's view of longer-term average growth rates for the respective sectors. The discount rate reflects appropriate adjustments relating to market risk and specific risk factors of each unit.

b. Impairment charges

As a result of the analysis, there is no need for any impairment charges in the FY20 results. The same analysis in the prior year resulted in no impairment charge being recorded in the FY19 results.

Movements in the net carrying amount of goodwill and other intangibles are presented in note 12a.

The amount of goodwill, brand names and other intangibles remaining by CGU and subject to future impairment testing is as follows:

2020	Goodwill $'000	Customer Relationships/ Licences $'000	Brand Names $'000	Intellectual Property $'000	Total $'000
Training	-	-	-	130	**130**
Labour Hire	9,084	108	-	-	**9,192**
Total	**9,084**	**108**	**-**	**130**	**9,322**

Notes to the Financial Statements

2019	Goodwill $'000	Customer Relationships/ Licences $'000	Brand Names $'000	Intellectual Property $'000	Total $'000
Training	-	-	-	181	**181**
Labour Hire	2,782	237	-	-	**3,019**
Total	**2,782**	**237**	**-**	**181**	**3,200**

c. Sensitivity analysis

Management has also run various sensitivity scenarios, primarily reviewing sensitivity of outcomes to FY21 EBITDA forecasts, long term growth rates and discount rates. In respect of reasonably possible changes in the key assumptions, major sensitivities are summarised as follows:

Change in VIU	Labour hire CGU $'M
Sustainable EBITDA margin; +/- $0.5 million each CGU	+/-3.0
1% increase or decrease in long term growth rate	+/-1.0
1% increase or decrease in pre-tax discount rate	+/-2.0

14. TAX BALANCES

	2020 $000	2019 $000
Current assets		
Income tax receivable	-	-
Non-current assets		
Deferred tax assets (a)	4,694	3,602
Current tax liabilities		
Income tax payable	1,634	307
Non-current liabilities		
Deferred tax liabilities (a)	764	964

Notes to the Financial Statements

a. Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

2020	Balance at Beginning of the Year $000	Recognised in Other Comprehensive Income $000	Recognised in Business Combination $000	Recognised in Profit & Loss $000	Balance at End of the Year $000
Current assets					
Trade, other receivables and other assets	(720)	-	-	210	(510)
Contract assets	(171)	-	-	125	(46)
Non-current assets					
Intangible assets	(71)	-	-	39	(32)
Property, plant and equipment	319	-	-	(23)	296
Right-of-use assets[1]	-	-	-	28	28
Current liabilities					
Trade and other payables	2,037	-	-	1,161	3,198
Provisions	1,244	-	-	(301)	943
2019 Tax loss carried forward					
Deferred tax asset	-	-	-	52	52
Total	**2,638**	**-**	**-**	**1,291**	**3,929**

Note:
1. This amount is net of lease liabilities.

2019	Balance at Beginning of the Year $000	Recognised in Other Comprehensive Income $000	Recognised in Business Combination $000	Recognised in Profit & Loss $000	Balance at End of the Year $000
Current assets					
Trade, other receivables and other assets	(1,505)	-	-	785	(720)
Contract assets	-	-	-	(171)	(171)
Non-current assets					
Intangible assets	26	-	-	(97)	(71)
Property, plant and equipment	315	-	-	4	319
Current liabilities					
Trade and other payables	2,842	-	-	(805)	2,037
Provisions	1,398	-	-	(154)	1,244
2018 Tax loss carried forward					
Deferred tax asset	540	-	-	(540)	-
Total	**3,616**	**-**	**-**	**(978)**	**2,638**

Notes to the Financial Statements

15. TRADE AND OTHER PAYABLES

	2020 $000	2019 $000
Current		
Trade payables	1,442	833
Accrued expenses	5,354	4,359
GST payable	4,281	2,641
Sundry creditors	7,440	6,067
	18,517	**13,900**

Average credit period on purchases of products and services is 30 days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure payables are paid within credit time frame.

16. OTHER LIABILITIES

	2020 $000	2019 $000
Current		
CCL Contingent Consideration - Retention	600	-
CCL Contingent Consideration – Earn Out Year 1	789	-
Other	23	-
Other liabilities (Current)	**1,412**	**-**
Non-current		
CCL Contingent Consideration – Earn Out Year 2	789	-
Redemption Liability	1,973	-
Other liabilities (Non-current)	**2,762**	**-**

Redemption Liability

The Put Option represents a contractual obligation to purchase a non-controlling interest, which gives rise to a financial liability. This liability referred to as 'redemption liability' has been measured at the present value of the redemption amount or the put option consideration amount in accordance with the underlying Share Sale and Purchase Agreement.

The Put Option can be exercised by any of the Remaining Shareholders (acting independently of the others):

- at any time upon the occurrence of a Control Event in respect of Ashley Services Group Limited;
- if the Extended EBAs in respect of both CTS and CCL are entered into on or before 20 June 2022 – at any time after 20 December 2022;
- if either or both of the Extended EBAs in respect of CTS and CCL is entered into after 20 June 2022 – six months after they have both been entered into;
- at any time after 20 December 2025, regardless of whether the Extended EBAs in respect of both CTS and CCL have been entered into.

The Put Option expires 20 years after Completion but the Purchaser has the right to reduce this to 10 years.

Notes to the Financial Statements

17. BORROWINGS

2020	Available facility $000	Facility used $000	Remaining facility $000
Invoice Financing	13,000	-	13,000
Bank Bill Business Loan	6,125	-	6,125
Balance at 5 July 2020	**19,125**	**-**	**19,125**

2019	Available facility $000	Facility used $000	Remaining facility $000
Shrimpton Holdings Facility	5,000	-	5,000
Balance at 30 June 2019	**5,000**	**-**	**5,000**

Working capital facility

During the financial year ended 5 July 2020, Ashley Services Group Limited entered into a new banking partnership facility with the Westpac Banking Corporation which included all transactional banking requirements as well as a $20 million financing facility, comprised of a $13 million Invoice Financing facility and a $7 million Bank Bill Business Loan (Reduces progressively over a term of 3 years).

The Westpac facility is subject to a Security which includes, but is not limited to the following:

- 1st ranking General Security Agreement over the assets and undertakings of the Borrower and its Guarantors;
- Contractual Subordination of Shrimpton Holdings Pty Ltd facility of $5 million; and
- Flawed Asset Arrangement – Deposit of Action Workforce Pty Ltd and Concept Engineering (AUST) Pty Ltd for Invoice Finance Facility collections.

As at 5 July 2020, both the current $6.125 million Bank Bill Business Loan and the $13 million Invoice Financing facility and the $5 million Shrimpton Holdings Facility were undrawn (30 June 2019, nil).

The $5 million working capital facility through Shrimpton Holdings Pty Limited, a company associated with Ross Shrimpton, Managing Director, major shareholder of the Group, was re-evaluated by the Board in line with its expiry date. The facility was determined to be in excess of the Group's funding requirements following the establishment of the new Westpac facilities. Accordingly, this facility was not been renewed and expired on 31 January 2020.

Notes to the Financial Statements

18. PROVISIONS

	2020 $000	2019 $000
Current		
Employee benefits (a)	2,404	1,993
Provision for discontinued operation (b)	49	302
Total	**2,453**	**2,295**
Non-current		
Employee benefits (a)	365	491
Provision for discontinued operation (b)	317	684
Total	**682**	**1,175**

a. Reconciliation of employee provisions

	2020 $000	2019 $000
Opening balance	2,484	2,891
CCL Group at 1 July 2019	245	-
Less: leave taken during the year	(1,615)	(1,657)
Add: leave provided for during the year	1,655	1,250
Closing balance	**2,769**	**2,484**

b. Provision for discontinued operation

During the second half of financial year ended 30 June 2017, the Board approved an orderly exit from the international and domestic hospitality student business originally acquired through the SILK acquisition in April 2015. The Group has fulfilled its obligations for the remaining students and the Registered Training Organisation ("RTO") has been deregistered through the Australian Skills Quality Authority ("ASQA").

The $0.37 million provision at 5 July 2020 (FY19: $0.99 million) represents the discounted cost of future surplus lease obligations.

19. SHARE CAPITAL

The Company does not have any share options on issue as at the date of this report. Details of share capital of the group are as follows:

	2020 $000	2019 $000
143,975,904 (FY19: 143,975,904) fully paid ordinary shares	154,234	154,234
Share issue costs	(5,419)	(5,419)
Share capital	**148,815**	**148,815**

a. Ordinary shares

The reduction in Share Capital from 150,000,000 shares ($149.9m) at 30 Jun 16 to 143,975,904 shares ($148.8m) net of share issue costs at 5 July 2020 was the result of the cancellation of 6,024,096 shares issued by way of consideration to fund the purchase of Integracom as approved by shareholders at the AGM of 9 November 2016.

Ordinary shares confer on their holders the right to participate in dividends declared by the Board. Ordinary shares confer on their holders an entitlement to vote at any general meeting of the Company.

Notes to the Financial Statements

20. COMMON CONTROL RESERVE

The common control reserve has arisen following the adoption of the pooling of interests method used to account for the acquisition of the following entities since 1 July 2014:

- ADV Services Pty Limited;
- Ashley Institute Holdings Pty Limited;
- TBRC Holdings Pty Limited;
- Tracmin Pty Limited; and
- Australian Institute of Vocational Development Pty Limited; and
- CCL Group (Construction Contract Labour (VIC) Pty Ltd, Complete Traffic Services (VIC) Pty Ltd and VIC Traffic and Labour Solutions Pty Ltd)

21. EARNINGS PER SHARE

	2020 $000	2019 $000
Net profit after tax	4,667	5,424
Weighted number of ordinary shares outstanding during the year used in calculating basic earnings per share (EPS)	143,975,904	143,975,904
Weighted number of ordinary shares outstanding during the year used in calculating diluted earnings per share (EPS)	143,975,904	143,975,904
Basic earnings per share (cents) from continuing operations	3.24	3.77
Diluted earnings per share (cents) from continuing operations	3.24	3.77
Basic earnings per share (cents) from discontinued operations	-	-
Diluted earnings per share (cents) from discontinued operations	-	-
Basic earnings per share (cents) Total	**3.24**	**3.77**
Diluted earnings per share (cents) Total	**3.24**	**3.77**

Notes to the Financial Statements

22. SEGMENT INFORMATION

The Group's management identifies two operating segments, Labour Hire and Training, representing the main products and services provided by the Group. During the financial year ended 5 July 2020, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss. The revenues and profit generated by each of the Group's operating segments are summarised as follows:

2020	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	329,517	7,324	336,841
Segment revenue	**329,517**	**7,324**	**336,841**
Other income	1,510	502	2,012
Employment costs	(313,646)	(5,933)	(319,579)
Depreciation and amortisation expense	(803)	(643)	(1,446)
Finance costs	(170)	(9)	(179)
Other expenses	(4,851)	(1,071)	(5,922)
Segment Profit	**11,557**	**170**	**11,727**
Unallocated items			(4,682)
Profit before income tax			**7,045**
Income tax expense			(1,976)
Profit after income tax			**5,069**
Other comprehensive income			-
Total comprehensive income for the year from continuing operations			**5,069**

2019	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	279,556	8,014	287,570
Segment revenue	**279,556**	**8,014**	**287,570**
Other income	995	123	1,118
Employment costs	(266,157)	(5,778)	(271,935)
Depreciation and amortisation expense	(460)	(222)	(682)
Finance costs	(134)	(3)	(137)
Other expenses	(2,926)	(1,314)	(4,240)
Segment Profit	**10,874**	**820**	**11,694**
Unallocated items			(4,159)
Profit before income tax			**7,535**
Income tax expense			(2,111)
Profit after income tax			**5,424**
Other comprehensive income			-
Total comprehensive income for the year from continuing operations			**5,424**

No segments assets or liabilities are disclosed because there is no measure of segments assets or liabilities regularly reported to Management and to the Board.

Notes to the Financial Statements

a. Information about major customers

Included in revenues from external customers are revenues of $94.5 million (2019: $90.5 million) which arose from sales to 2 (2019: 2) of the Group's customers whose individual revenue exceeds 10% of total revenue in the Labour Hire segment. Sales to these 2 customers were $60.2 million and $34.3 million respectively (2019: $59.7 million and $30.8 million respectively).

There are no customers whose individual revenue exceeded 10% of total revenue in the Training segment in either financial year.

23. CASH FLOW INFORMATION

Reconciliation of cash flow from operations to profit after income tax

	2020 $000	2019 $000
Profit for the year	5,069	5,424
Cash flows excluded from profit attributable to operating activities		
Adjustments for non-cash items:		
- Depreciation and amortisation expense	2,068	1,007
- Bad and doubtful debts	52	(92)
- Profit on disposal of fixed assets	11	16
- Lease liability non-cash expense	75	-
- **Changes in assets and liabilities**		
- Decrease/(increase) in trade and other receivables	(894)	1,200
- Decrease/(increase) in contract assets	417	(571)
- Decrease/(increase) in other assets	(393)	(517)
- Decrease/(increase) in deferred tax assets	(1,092)	1,796
- (Decrease)/increase in trade and other payables	3,447	(1,813)
- (Decrease)/increase in dividends payable	400	-
- (Decrease)/increase in provisions	(335)	(1,187)
- (Decrease)/increase in other liabilities	4,173	-
- (Decrease)/increase in current tax liabilities	1,327	307
- (Decrease)/increase in deferred tax liabilities	(200)	(818)
Net cash from operating activities	**14,125**	**4,752**

Notes to the Financial Statements

24. BUSINESS COMBINATION

During the year ended 5 July 2020, Ashley Services Group Limited acquired a major shareholding in the CCL Group. The acquisition was completed on 20 December 2019 with an effective date for the transaction of 1 July 2019. The estimated acquisition price for the 80% purchase of the CCL Group was $7.89 million but will be adjusted for subsequent earn-outs for FY20 and FY21 (currently estimated at FY20 EBITDA levels). The initial payment comprises 80% of the total purchase price based on the audited FY19 results (being for 80% (of the 80%)), with subsequent earn-outs based on FY20 (10%) and FY21 (10%) audited results.

The CCL Group is one of the primary suppliers of contract labour in Victoria with a focus on the infrastructure, building and civil construction sectors. The CCL Group is also a key supplier of traffic management services for a range of construction based organisations.

The CCL Group is comprised of the following companies:
- Construction Contract Labour (VIC) Pty Ltd
- Complete Traffic Services (VIC) Pty Ltd
- VIC Traffic and Labour Solutions Pty Ltd (formerly CCL Filcon Pty Ltd– change of name date 22 May 2020)

In addition, the Share Sale and Purchase Agreement provides for both Call and Put Options relating to the remaining 20% shareholding which was retained by both the founder and key management. As at the effective date of the transaction Ashley Services Group Limited did not have a present ownership interest in the remaining 20% shareholding.

The Call Option can be exercised by the Purchaser at any time within 20 years after 20 December 2019 but the Purchaser has the right to reduce this period to 10 years.

The Put Option can be exercised by any of the Remaining Shareholders (acting independently of the others):
- at any time upon the occurrence of a Control Event in respect of Ashley Services Group Limited;
- if the Extended EBAs in respect of both CTS and CCL are entered into on or before 20 June 2022 – at any time after 20 December 2022;
- if either or both of the Extended EBAs in respect of CTS and CCL is entered into after 20 June 2022 – six months after they have both been entered into;
- at any time after 20 December 2025, regardless of whether the Extended EBAs in respect of both CTS and CCL have been entered into.

The Put Option expires 20 years after Completion but the Purchaser has the right to reduce this period to 10 years.

The business combination has been accounted for on the basis that the underlying shares subject to the Put Option have not been acquired. The Put Option has been recognised as a financial liability per Note 16.

Notes to the Financial Statements

	Note		1 July 2019[1] $000
Purchase consideration			
Cash consideration			5,712
Contingent consideration	16		2,178
Total consideration			**7,890**
Assets and liabilities acquired:			
Cash and cash equivalents			900
Trade and other receivables			9,081
Property, plant and equipment			270
Deferred tax assets			405
Trade and other payables			(5,050)
Dividends payable			(2,620)
Current tax payable			(614)
Non-current liabilities			(387)
Fair value of assets acquired			**1,985**[2]
Less: Assets and liabilities attributable to non-controlling interest			
Non-controlling interest at 20%			(397)[3]
Fair value of assets acquired attributed to controlling interest of parent entity			**1,588**
Goodwill on acquisition			**6,302**
Cashflows on acquisition			
Cash consideration			5,712
Cash acquired			(900)
Total cashflow outflows on acquisition to 5 July 2020			**4,812**

Note:

1. Effective date of CCL Group acquisition.
2. As at the date of this report the provisional accounting for the business combination had been completed. The fair value of assets acquired and goodwill on acquisition has not changed from what has been previously reported.

As at balance date 5 July 2020 the non-controlling interest has been derecognised as if it was acquired at that date, allowing for recognition of the redemption liability as detailed in Note 16.

Notes to the Financial Statements

25. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Consolidated – 5 July 2020	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets				
Total assets	-	-	-	-
Liabilities				
CCL Contingent Consideration – Retention	-	600	-	600
CCL Contingent Consideration – Earn Out Year 1	-	-	789	789
CCL Contingent Consideration – Earn Out Year 2	-	-	789	789
Redemption liability	-	-	1,973	1,973
Total liabilities	**-**	**600**	**3,551**	**4,151**

Consolidated - 30 Jun 2019	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets				
Total assets	-	-	-	-
Liabilities				
Total liabilities	-	-	-	-

There were no transfers between levels during the year.

The Fair values of the Group's remaining assets and liabilities are approximately equal to their carrying values.

Notes to the Financial Statements

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The contingent consideration – retention has arisen as a result of the business combination detailed in Note 24. The liability is contingent on the CCL Group continuing to operate specific enterprise bargaining terms and conditions over a three-year period from completion date of the acquisition. In accordance with the CCL Group Share Sale and Purchase Agreement, the agreed retention amount is $600,000.

The contingent consideration – earn out year 1 and year 2 have arisen as a result of the business combination detailed in Note 24. The liabilities will be adjusted for subsequent earn-outs for FY20 and FY21 and have currently been valued using estimated FY19 EBITDA levels.

The redemption liability has arisen as a result of the business combination detailed in Note 24. The liability has been valued at the present value of the redemption amount or the put option consideration amount in accordance with the underlying CCL Group Share Sale and Purchase Agreement.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current year are set out below:

	CCL Contingent Consideration – Earn Out Year 1	CCL Contingent Consideration – Earn Out Year 2	Redemption Liability	**Total**
Consolidated	$000	$000	$000	**$000**
Balance at 1 July 2019	-	-	-	**-**
Gains / (losses) recognised in other comprehensive income	-	-	-	**-**
Additions	789	789	1,973	**3,551**
Settlements during the year	-	-	-	**-**
Balance at 5 July 2020	**789**	**789**	**1,973**	**3,551**

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Notes to the Financial Statements

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
CCL Contingent Consideration – Earn Out 1	EBITDA FY20	2,887,786	10% change would increase/decrease fair value by $88,914.
CCL Contingent Consideration – Earn Out 2	EBITDA FY21	2,887,786	10% change would increase/decrease fair value by $88,914.
Redemption liability	EBITDA FY during which Put Option exercised & EBITDA FY immediately following FY during which Put Option exercised	2,887,786	10% change would increase/decrease fair value by $175,030.

Notes to the Financial Statements

26. CONTROLLED ENTITIES

Set out below are the controlled entities of Ashley Services Group Limited:

	Country of incorporation	2020 percentage owned %	2019 percentage owned %
Action Arndell Park Pty Limited	Australia	100	100
Action Botany Pty Limited	Australia	100	100
Action James (Qld) Pty Limited	Australia	100	100
Action James NSW Pty Limited	Australia	100	100
Action James Parramatta Pty Limited	Australia	100	100
Action James WA Pty Limited (formerly Action Workforce AC Pty Limited)	Australia	100	100
Action James WCF Pty Limited	Australia	100	100
Action James Western Suburbs Pty Limited	Australia	100	100
Action Job Support Pty Limited	Australia	100	100
Action Merchandising Pty Ltd	Australia	100	100
Action MMX Pty Limited	Australia	100	100
Action Workforce ACT Pty Limited	Australia	100	100
Action Workforce CAT Pty Limited	Australia	100	100
Action Workforce COL1 Pty Limited	Australia	100	100
Action Workforce COS1 Pty Limited	Australia	100	100
Action Workforce COT Pty Limited	Australia	100	100
Action Workforce IMT Pty Limited	Australia	100	100
Action Workforce NSW Pty Limited	Australia	100	100
Action Workforce OS Pty Limited	Australia	100	100
Action Workforce OST Pty Limited	Australia	100	100
Action Workforce Pty Limited	Australia	100	100
Action Workforce T1 Pty Limited	Australia	100	100
Action Workforce T2 Pty Limited	Australia	100	100
Action Workforce VER1 Pty Limited	Australia	100	100
Action Workforce Victoria Pty Limited	Australia	100	100
Action Workforce VM Pty Limited	Australia	100	100
Action Workforce VPS Pty Limited	Australia	100	100
ADV Services Pty Limited	Australia	100	100
ADV1 Pty Limited	Australia	100	100
ADV2 Pty Limited	Australia	100	100
ADV3 Pty Limited	Australia	100	100
ADV6 Pty Limited	Australia	100	100
Advance Exchange Pty Limited	Australia	100	100
Advance GW Pty Limited	Australia	100	100
Advance MIX Pty Limited	Australia	100	100
Advance Recruitments Pty Limited	Australia	100	100
AIVD Holdings Pty Limited	Australia	100	100
ASG Electrical Contracting Pty Ltd (formerly ADV7 Pty Limited)	Australia	100	100
Ash Pty Limited	Australia	100	100

Notes to the Financial Statements

	Country of incorporation	2020 percentage owned %	2019 percentage owned %
Ashley Institute Holdings Pty Limited	Australia	100	100
Australian Institute of Vocational Development Pty Limited	Australia	100	100
AWF Training 3 Pty Limited	Australia	100	100
AWF Training 4 Pty Limited	Australia	100	100
Cantillon Holdings Pty Limited	Australia	100	100
CCL Group Holdings Pty Ltd (formerly Advance GX Pty Ltd)	Australia	100	100
College of Innovation and Industry Skills Pty Limited	Australia	100	100
Complete Traffic Services (VIC) Pty Ltd	Australia	80	-
Concept AWF Pty Limited	Australia	100	100
Concept Electrical Resources Pty Ltd (formerly Action James Mascot Pty Limited)	Australia	100	100
Concept Employment (Aust) Pty Limited	Australia	100	100
Concept Engineering (Aust) Pty Limited	Australia	100	100
Concept Engineering Contracting Holdings Pty Ltd (ASG Integracom (Aust) Holdings Pty Ltd	Australia	100	100
Concept Engineering Contracting Pty Ltd (formerly ASG Integracom (Aust) Pty Ltd)	Australia	100	100
Concept Project Resources Pty Limited	Australia	100	100
Concept Recruitment Specialists Pty Ltd	Australia	100	100
Construction Contract Labour (VIC) Pty Ltd	Australia	80	-
CP Action Workforce Pty Limited	Australia	100	100
Executive Careers Australia Pty Limited	Australia	100	100
Global Education and Training Group Pty Limited	Australia	100	100
Integracom Holdings Pty Limited	Australia	100	100
Integracom Unit Trust[1]	Australia	100	100
James Personnel Pty Limited	Australia	100	100
James Warehousing Pty Limited	Australia	100	100
Logistics People Pty Limited	Australia	100	100
Qualitas Education Pty Limited	Australia	100	100
Silk Group Holdings Pty Limited	Australia	100	100
TBRC Holdings Pty Limited	Australia	100	100
The Blackadder Recruitment Company Pty Limited	Australia	100	100
The Instruction Company Holdings Pty Ltd (formerly AWF Training 2 Pty Ltd)	Australia	100	100
Track Safety Australia Pty Ltd (formerly AWF Training 1 Pty Ltd)	Australia	100	100
Tracmin Holdings Pty Limited	Australia	100	100
Tracmin Pty Limited	Australia	100	100
VIC Traffic and Labour Solutions Pty Ltd	Australia	80	-
Vocational Training Australia Pty Limited	Australia	100	100

During the financial year ended 5 July 2020 the Group undertook a Corporate structure simplification review and rationalised its structure by deregistering a number of companies which were considered additional to the Group's requirements.

Notes to the Financial Statements

27. PARENT ENTITY DISCLOSURES

a. Financial position

	2020 $000	2019 $000
Assets		
Current assets	92	92
Non-current assets	19,605	17,028
Total assets	**19,697**	**17,120**
Liabilities		
Current liabilities	(1,389)	-
Non-current liabilities	(10,248)	(3,599)
Total liabilities	**(11,637)**	**(3,599)**
Net assets	**8,060**	**13,521**
Equity		
Share capital	148,815	148,815
Common control reserve	(59,261)	(57,687)
Accumulated losses	(81,494)	(77,607)
Total equity	**8,060**	**13,521**

Note:

1. Accumulated losses includes dividends paid of $3.9 million.

b. Statement of profit or loss and other comprehensive income

	2020 $000	2019 $000
Profit/(Loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income/(loss)	**-**	**-**

c. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

d. Contingent liabilities of the Parent Entity

The Parent entity had no other known material contingent liabilities as at 5 July 2020.

e. Commitments for expenditure for the Parent entity

The Parent entity had Nil committed expenditure as at 5 July 2020 (30 June 2019: Nil).

Notes to the Financial Statements

28. DEED OF CROSS GUARANTEE

The following entities have entered into a deed of cross guarantee dated 22 February 2018 under which each company guarantees the debts of the others:

- Ashley Services Group Limited
- Action Workforce Pty Limited
- ADV6 Pty Limited
- Ashley Institute Holdings Pty Ltd
- Concept Engineering (Aust) Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Ashley Services Group Limited, they also represent the 'Extended Closed Group'.

a. Statement of profit or loss and other comprehensive income

Extended Closed Group	2020 $000	2019 $000
Revenue	261,371	268,294
Other Income	913	995
Employment costs	(250,347)	(255,750)
Depreciation and amortisation expense	(509)	(413)
Finance costs	(151)	(134)
Other expenses	(2,903)	(2,737)
Profit before income tax	**8,374**	**10,255**
Income tax expense	(2,512)	(3,076)
Profit after income tax	**5,862**	**7,179**
Other comprehensive Income	-	-
Total comprehensive income for the year	**5,862**	**7,179**

Notes to the Financial Statements

b. Statement of Financial position

Extended Closed Group	2020 $000	2019 $000
Assets		
Current assets		
Cash and cash equivalents	2,302	2,297
Trade and other receivables	19,952	27,681
Other assets	677	883
Total current assets	**22,931**	**30,861**
Non-current assets		
Trade and other receivables	100,820	83,616
Property, plant and equipment	459	550
Deferred tax assets	3,485	3,485
Right-of-use assets	783	-
Other	19,605	17,028
Total non-current assets	**125,152**	**104,679**
Total assets	**148,083**	**135,540**
Liabilities		
Current liabilities		
Trade and other payables	28,149	27,151
Dividends payable	7,487	3,599
Current tax payable	11,603	9,575
Lease liabilities	241	-
Other liabilities	1,389	-
Provisions	1,634	1,480
Total current liabilities	**50,503**	**41,805**
Non-current liabilities		
Deferred tax liabilities	(114)	(114)
Lease liabilities	566	-
Other liabilities	2,761	-
Provisions	208	372
Total non-current liabilities	**3,421**	**258**
Total liabilities	**53,924**	**42,063**
Net assets	**94,159**	**93,477**
Equity		
Share capital	148,815	148,815
Common control reserve	(59,261)	(57,687)
Retained earnings	4,605	2,349
Total Equity	**94,159**	**93,477**

ASHLEY SERVICES GROUP
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Notes to the Financial Statements

c. Equity – retained profits

Extended Closed Group	2020 $000	2019 $000
Retained profits at the beginning of the financial year	2,349	(1,038)
Adjustment to opening retained profits	281	(193)
Profit after income tax expense	5,862	7,179
Dividends paid	(3,887)	(3,599)
Retained profits at the end of the financial year	**4,605**	**2,349**

d. Contingent liabilities of the Extended Closed Group

The Extended Closed Group had no other known material contingent liabilities as at 5 July 2020.

e. Commitments for expenditure for the Extended Closed Group

The Extended Closed Group had Nil committed expenditure as at 5 July 2020 (30 June 2019: Nil).

f. Going Concern and Financial Support

The financial statements of the Extended Closed Group have been prepared on a going concern basis. The directors have provided a letter of financial support confirming that each of the below listed companies within the Ashley Services group Limited and controlled entities agrees to provide whatever financial support is necessary to ensure each entity will be able to continue as a going concern and pays its debts as and when they fall due and payable.

The financial support covers the following entities:

- Ashley Services Group Limited;
- Action Workforce Pty Limited;
- Concept Engineering (Aust.) Pty Ltd;
- ASH Pty Ltd;
- Vocational Training Australia Pty Ltd;
- Australian Institute of Vocational Development Pty Ltd; and
- Tracmin Pty Ltd.

The financial support includes but is not limited to the actions as noted below:

- not calling on related party loans;
- agreeing to any cost re-allocations or management fee re-charges; and
- agreeing to debt forgiveness with any related entity.

The undertaking remains current until the date on which the directors approve the financial statements of the Group for the financial year ending 5 July 2020. The directors are satisfied that collectively the Group has the financial ability to provide this support.

g. Security Offered

The Westpac facility (see Note 17) is subject to a Security which includes, but is not limited to the following:

- 1st ranking General Security Agreement over the assets and undertakings of the Borrower and its Guarantors;
- Contractual Subordination of Shrimpton Holdings Pty Ltd facility of $5 million; and
- Flawed Asset Arrangement – Deposit of Action Workforce Pty Ltd and Concept Engineering (AUST) Pty Ltd for Invoice Finance Facility collections.

Notes to the Financial Statements

29. RELATED PARTY TRANSACTIONS

a. Parent company

There is no ultimate parent company for Ashley Services Group Limited.

b. Transactions with related entities

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

Transactions with related parties are as follows:

	2020[1] $	2019[1] $
Rent and outgoings paid or payable to Shrimpton Holdings Pty Limited as trustee for the Shrimpton Family Trust, an entity which is controlled by Mr Ross Shrimpton for the head office at Arndell Park, New South Wales[1]	130,967	116,454
Loan balances from entities associated with Mr Ross Shrimpton.	-	-
Interest and line fee paid to Shrimpton Holdings Pty Limited, an entity which is controlled by Mr Ross Shrimpton	46,267	175,169
Fees payable to Trood Pratt & Co (of which Ian Pratt is a Partner) for taxation services	46,176	37,484

Note:
2. All amounts as shown are exclusive of GST.

30. SECURED AND CONTINGENT LIABILITIES

For assets pledged as security for borrowing facilities see Note 17.

The Group had no other known contingent liabilities at 5 July 2020.

31. FINANCIAL INSTRUMENTS

a. Significant accounting policies

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

b. Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial management framework. The Board has an established Audit and Risk Management Committee which is responsible for developing and monitoring the Group's financial management policies. The Committee provides regular reports to the Board of Directors on its activities.

The Audit and Risk Management Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

The main risks arising from the Group's financial instruments are market risk (including fair value interest rate risk), credit risk and liquidity risk. The Board reviews and approves policies for managing each of these risks.

The Audit and Risk Management Committee oversees how management monitors compliance with risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

Notes to the Financial Statements

c. Market risk

Interest rate risk

The Group is exposed to interest rate risk associated with borrowed funds at floating interest rates. During the financial year, risks associated with interest rate movements were monitored by the Board; however, no hedging instruments were considered necessary to manage the risk.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the effect on the Group would be as follows:

	2020 $000	2019 $000
Change in profit		
Increase in interest rates of 1%	142	91
Decrease in interest rates of 1%	(142)	(91)
Change in equity		
Increase in interest rates of 1%	142	91
Decrease in interest rates of 1%	(142)	(91)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The carrying value of trade receivables recorded in the financial statements, net of any impairment allowances, represents the Group's maximum exposure to credit risks.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counter parties are a reputable bank with high quality external credit ratings.

The maximum credit risk exposure of financial assets is their carrying amount in the financial statements.

d. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Managing Director and Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously comparing actual cash flows with forecasts and matching the maturity profiles of

Notes to the Financial Statements

financial assets and liabilities. Included in Note 17 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been presented based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows.

Financial assets

2020	Weighted average effective interest rate %	Within 1 year $000	1 to 5 years $000	Over 5 years $000	Total $000
Cash and cash equivalents	n/a	8,063	-	-	8,063
Trade and other receivables	n/a	29,418	-	-	29,418
Contract assets	n/a	154	-	-	154
Total		**37,635**	**-**	**-**	**37,635**

2019	Weighted average effective interest rate %	Within 1 year $000	1 to 5 years $000	Over 5 years $000	Total $000
Cash and cash equivalents	n/a	6,784	-	-	6,784
Trade and other receivables	n/a	28,524	-	-	28,524
Contract assets	n/a	571	-	-	571
Total		**35,879**	**-**	**-**	**35,879**

Financial liabilities

2020	Weighted average effective interest rate %	Within 1 year $000	1 to 5 years $000	Over 5 years $000	Total $000
Trade and other payables	n/a	18,517	-	-	18,517
Borrowings	4.35%	-	-	-	-
Lease liabilities	3.00%	723	1,716	-	2,439
Other liabilities	n/a	1,389	789	1,973	4,151
Total		**20,629**	**2,505**	**1,973**	**25,107**

2019	Weighted average effective interest rate %	Within 1 year $000	1 to 5 years $000	Over 5 years $000	Total $000
Trade and other payables	n/a	13,900	-	-	13,900
Borrowings	5.85%	-	-	-	-
Total		**13,900**	**-**	**-**	**13,900**

Fair value of financial instruments

Refer to Note 25 for details on the fair value of financial instruments.

Notes to the Financial Statements

32. OPERATING LEASE COMMITMENTS

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2020 $000	2019[1] $000
Leases as lessee		
Less than one year	-	1,384
Between one and five years	-	1,756
Total	**-**	**3,140**

Note:
1. All amounts as shown are exclusive of GST.

The Group has adopted AASB 16 Leases from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. Refer to note 1(e) for further details on the adoption of AASB 16.

33. EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except for the following:

On 27 July 2020 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 5 July 2020, with a payment date of 11 September 2020.

34. DIVIDENDS

a. Ordinary shares

On 9 August 2019 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 30 June 2019, with a payment date of 6 September 2019 (FY19: 2.5 cents).

b. Franking credits

	2020 $000	2019 $000
Franking credits available for subsequent financial years based on a tax rate of 30% (2019: 30%)	1,670	332

The balance of the franking accounts includes:

- franking credits that arose from the payment of the amount of the provision for income tax;
- franking debits that arise from the refund of the amount of the provision for income tax;
- franking debits that arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that arise from the receipt of dividends recognised as receivables at the reporting date.

ASX Additional Information

Set out below is additional information as required by the ASX Limited Listing Rules and not disclosed elsewhere in this report. This information is effective as at 17 August 2020.

Number of security holders and securities on issue

Quoted equity securities

Ashley Services has on issue 143,975,904 fully paid ordinary shares which are held by 690 shareholders.

Voting rights

Quoted equity securities

The voting rights attached to fully paid ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

Distribution of security holders

Quoted equity securities

Ordinary fully paid ordinary shares

Holding	Number of shareholders	Number of shares	%
1 – 1,000	166	120,800	0.09
1,001 – 5,000	179	421,139	0.29
5,001 – 10,000	71	578,859	0.40
10,001 – 100,000	212	7,646,981	5.31
100,001 and over	62	135,208,125	93.91
Total	**690**	**143,975,904**	**100.00**

Unmarketable parcel of shares

The number of shareholders holding less than a marketable parcel of Fully Paid Ordinary shares is 224 with a total number of shares held is 186,685.

Substantial Shareholders

The number of securities held by substantial shareholders and their associates are set out below:

Fully Paid Ordinary Shares

Name	Number	%
Ross Shrimpton	80,279,030	55.76%
JP Morgan Nominees Australia Limited ATF Viburnum Funds Pty Ltd	13,928,460	9.67%

Unquoted equity securities

There are no unquoted shares.

On-market buy-back

There is no current on-market buy-back.

ASX Additional Information

Twenty largest shareholders

Fully paid ordinary shares

Details of the 20 largest shareholders of quoted securities (grouped) by registered shareholding are:

Name	Number of shares	%
Mr Ross Shrimpton	80,279,030	55.76%
JP Morgan Nominees Australia Limited	18,526,728	12.87%
HSBC Custody Nominees (Australia) Limited	5,481,443	3.81%
Hishenk Pty Ltd	3,725,000	2.59%
BNP Paribas Nominees Pty Ltd	2,229,371	1.55%
Aust Executor Trustees Ltd	1,582,009	1.10%
Mr Marc Shrimpton	1,500,000	1.04%
Action James Holdings Pty Limited	1,486,615	1.03%
Moat Investments Pty Ltd	1,424,000	0.99%
Mr Andrew Douglas Shrimpton	1,275,000	0.89%
Super Wide Pty Ltd	1,140,326	0.79%
Gailforce Marketing & PR Pty Limited	900,000	0.63%
Shann Superannuation Nominees Pty Ltd	700,000	0.49%
Mrs Kerry Elizabeth Draffin	649,445	0.45%
Mr Dean Michael Shrimpton	632,388	0.44%
Mr Christopher John McFadden & Mrs Toula McFadden	630,630	0.44%
Velkov Funds Management Pty Ltd	600,000	0.42%
Mr Mark Christopher Garrick	596,618	0.41%
Aust Executor Trustees Ltd	589,575	0.41%
Mr Brenton Fletcher	500,391	0.35%
Total	**124,448,569**	**86.46%**

Annual General Meeting

The annual general meeting of the Company will be held at the company's offices at Level 10, 92 Pitt Street Sydney NSW 2000 at 10.00am on Thursday 22 October 2020. Shareholders who are unable to attend the meeting are encouraged to complete and return their proxy form that will accompany the notice of meeting.

Corporate Directory

Non-Executive Directors

Mr Ian Pratt (Chairman)

Executive Directors

Mr Ross Shrimpton – Managing Director
Mr Chris McFadden

Company Secretary

Mr Ron Hollands

Registered Office

Level 10
92 Pitt Street
Sydney NSW 2000

Australian Company Number

094 747 510

Australian Business Number

92 094 747 510

Auditors

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Telephone: + 61 2 9020 4000
Facsimile: + 61 2 9020 4190

Legal Adviser

Addisons Lawyers
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Bankers

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Facsimile: + 61 2 8253 4128
Website: www.westpac.com.au

Share Registry

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Website

www.ashleyservicesgroup.com.au

ASX Code

ASH