SciDev Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	SciDev Limited
ABN:	25 001 150 849
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

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2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	30.7%	to	55,597
Loss from ordinary activities after tax attributable to the owners of SciDev Limited	down	117.8%	to	(616)
Loss for the year attributable to the owners of SciDev Limited	down	117.8%	to	(616)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $616,000 (30 June 2021: profit of $3,453,000).

Reference is made to the *Review of operations* in the Directors' Report contained in the attached Annual Financial Report for SciDev Limited for the year ended 30 June 2022.

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	12.22	4.73

The net tangible assets per ordinary security includes the right of use assets and associated lease liabilities.

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4. Other

Not applicable.

SciDev Limited

ABN 25 001 150 849

Annual Financial Report - 30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of SciDev Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of SciDev Limited during the whole of the financial year, except where noted below, and up to the date of this report:

Vaughan Busby (appointed a Director and Non-executive Chairman on 9 August 2021)
Simone Watt
Jon Gourlay
Dan O'Toole (appointed a Director on 3 February 2021 and Acting Chairman from 30 June 2021 to 9 August 2021)
Lewis E Utting (resigned 29 April 2022)

Principal activities

The principal activity of the consolidated entity is delivery of process control, professional services, equipment design and construction (including build, own operate services) and chemistry in the Mining and Mineral Processing, Infrastructure and Construction, Water Treatment and Oil & Gas markets.

Dividends

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

Review of financial performance

Revenue from clients in 2022 is $55,597,000 (30 June 2021: $42,525,000) and the loss for the consolidated entity after providing for income tax amounted to $616,000 (30 June 2021: profit of $3,453,000).

Reconciliation of profit before income tax to EBITDA and Adjusted EBITDA (unaudited):

	2022 $'000	2021 $'000
Profit/(loss) before income tax	(1,441)	806
Depreciation and amortisation	2,082	930
Finance costs	708	148
EBITDA	1,349	1,884
Professional fees in connection with business combinations	-	206
Acquisition expense - Haldon contingent consideration	504	-
Non-recurring Haldon integration costs	245	-
Adjusted EBITDA	2,098	2,090

EBITDA and adjusted EBITDA are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. These measures, which are unaudited, are important to management as an additional way to evaluate the consolidated entity's performance. Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

Review of operations

SciDev's innovative chemistries and water treatment technologies, utilised across various end industries, continue to improve production efficiencies, reduce waste, and minimise the environmental footprints of our clients.

Key developments in FY22 included:

- Awarded a contract for the design, construct, and operation of a permanent per- and poly-fluoroalkyl (PFAS) treatment plant for a major mining client in Western Australia with a total contract value of over A$2.0m
- An A$1.1m purchase order by a Tier 1 mining company in Western Australia for the design, fabrication and installation of 27 custom water quality monitoring units
- PFAS treatment plants were mobilised to clients across New South Wales and Queensland to treat PFAS contaminated surface water
- Awarded supply of SciDev's proprietary suspension polymer technology, Xslik 620, for a series of wells for a major exploration and production (E&P) company. Supply will continue through to December 2022
- Sales of CatChek™ technology, which improves well efficiency, continued to attract new clients across the US shale industry
- SciDev has secured a field trial with an existing CatChek™ client to trial our High-VIS friction reducer which can reduce water usage required for well completion by up to 50%. The trial will commence in Q1FY23
- SciDev developed a new cationic emulsion friction reducer for application in a recycled water completion fluid system. The product was successfully field trailed with a Tier 1 E&P company, and an initial purchase order for the product is expected to generate up to US$1.4m in Q1 FY23
- Trial order to the value of US$1.4m received from major Nickel producer in Australia
- SciDev continues to receive significant client interest in our suspension chemistry in Australia with field trials beginning in Q1FY23

Our services are utilised in a range of industries, including Mining & Mineral processing, Energy Services, Construction & Infrastructure, and Water Treatment.

Mining and Mineral Processing
The easing of travel restrictions throughout FY22 allowed the Company to reconnect with our client base, successfully renew existing contracts and deliver technical trials of our speciality chemistry for blue chip clients across the industry. Although international and interstate border closures caused the Company to miss out on some key contracts, SciDev is now in a strong position to capitalise on these opportunities as these contracts come up for renewal. The commercialisation of our suspension technology is also an exciting, market-disrupting development for the mining industry. We look forward to taking it to full-scale production and distribution in FY23.

Construction & Infrastructure
International travel restrictions impacted SciDev's ability to effectively develop our pipeline within the construction and infrastructure vertical. However, as these travel restrictions eased in the second half of FY22 we were able to resume these efforts and re-engage both locally and internationally. We are excited to see growth in this vertical return.

Energy Services
FY22 saw a return to profitability for our Energy Services business as it benefited from a steady increase in activity in the US Oil & Gas market driven by elevated oil prices and renewed operational activity. The growth in revenue and profitability was achieved through the continued commercialisation of proprietary technology, such as our CatChek™ and SmartVIS chemistry, that increase well lifecycles, reduce waste water production and minimise reliance on our natural water resources. With continued elevated oil prices, we continue to see strong demand in the vertical.

Water Treatment
The 2022 year marked the first full year of operations for our Water Treatment business following the Haldon acquisition in FY21. Our water services team increased market share within the Australian domestic market, delivering projects for new and existing clients and further developing SciDev's presence within Western Australia and Queensland. We continued our establishment as the market leader in per- and poly-fluoroalkyl (PFAS) treatment, with our water services team delivering 12 PFAS treatment projects throughout the year. The year also saw further development of our design and construct (D&C) capabilities and numerous new project wins across a wide range of industries and applications. With growing PFAS regulation and an increasing array of clients, the water treatment business is set for another year of growth in FY23.

Outlook
SciDev's focus for FY23 will include:
- Ongoing focus on the health and safety of all our employees
- Leveraging the extensive business development pipeline in the water treatment sector and converting opportunities into contracts
- Establish a presence across Europe and North America with an aim to deliver full scale PFAS treatment technology within FY23
- Continue to increase sales of our speciality chemistry in the US oil and gas industry increasing not only the number of sites we are present on but also the number of solutions per site
- Target key mining clients within the existing SciDev client base to further develop our water treatment presence and deliver an end-to-end service within the industry
- Optimise the inventory position to ensure reliability of supply to clients whilst maintaining focus on effective working capital management
- Drive a positive culture across the organisation and increase the level of integration within our business to take advantage of the strong cross sell opportunities across our client base.

Significant changes in the state of affairs
On 15 September 2021, SciDev Limited issued 513,000 new ordinary shares at $0.60 to the vendors of ProSol Australia Pty Ltd (refer note 22). This met the contingent consideration to be settled by the issue of SciDev Limited shares.

On 9 November 2021, SciDev Limited announced the placement and issued 27,692,308 new ordinary shares with institutional investors at an issue price of $0.65 per share (refer note 22).

On 29 November 2021, SciDev Limited issued 527,671 new ordinary shares at $0.65 per share pursuant to a Share Purchase Plan (SPP) (refer note 22).

During the year, the consolidated entity paid contingent consideration of $2,922,000 (refer note 21) to the vendors of Haldon Industries. The consolidated entity also paid contingent consideration of $313,000 to the vendor of ProSol Australia Pty Ltd (refer note 21).

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation
The consolidated entity is subject to a range of environmental regulations and licences under Australian Commonwealth or State laws. The Company is responsible for monitoring its compliance with these laws and is not aware of any breaches during the year.

A key area of regulation are specific process licences: Group companies are holders of NSW Environmental Protection Agency (EPA) mobile waste processing PFAS licences 20878 and 21114.

Information on directors

Name:	**Vaughan Busby (appointed 9 August 2021)**
Title:	Non-executive Chairman
Qualifications:	B.Pharm, MBA (IMD Business School Switzerland)
Experience and expertise:	Mr Busby trained as a chemist and has extensive experience as a company director, having sat on a number of private and ASX listed boards over the last 15 years. He currently serves as a non-executive director for Energy Queensland Limited, a government-owned corporation and the largest energy company in Australia. He is also a non-executive director for EnergyOne (ASX:EOL), a company providing specialist software to the energy industry and Netlogix Group Holdings Limited, a New Zealand based company specialising in supply chain logistics.
Other current directorships:	Non-executive Director of Energy One Limited (from listing on ASX on 12 January 2007 to present)
Former directorships (last 3 years):	None
Special responsibilities:	Company Chairman and Chairman of the Nomination and Remuneration Committee
Interests in shares:	Nil
Interests in options:	Nil

Name:	**Lewis Utting (resigned 29 April 2022)**
Title:	Managing Director and Chief Executive Officer
Qualifications:	BASc
Experience and expertise:	Mr Utting joined SciDev in March 2018 then the Board in October 2018 as Executive Director and was later appointed Managing Director and Chief Executive Officer in early 2019. In this time he has driven the transformation of SciDev, growing revenues and profits with a focus on common industry challenges across several sectors and leveraging adjacent supply chain synergies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director and Chief Executive Officer
Interests in shares:	5,968,892*
Interests in options:	800,000*
Interests in rights:	nil*

Name:	**Simone Watt**
Title:	Non-executive Director
Qualifications:	BASc
Experience and expertise:	Ms Watt is the Managing Director of Sinoz Chemical and Commodities (Sinoz), which is a global company supplying reagents and technology-based improvements to the mining and agribusiness industries. Ms Watt is also a Director of Kemtec Mineral Processing and Kanins International, both parts of the Sinoz Group of companies. She has extensive experience in strategic sourcing and supplier management, business development and sales and marketing.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and the Nomination and Remuneration Committee
Interests in shares:	5,063,280
Interests in options:	250,000

Name:	**Jon Gourlay**
Title:	Non-executive Director
Qualifications:	BCom, C.A
Experience and expertise:	Mr Gourlay is a chartered accountant with extensive experience in finance and project management, risk management, business improvement and investor relationships, with a focus on the resources and technology sectors. Mr Gourlay has held senior management roles including most recently, Commercialisation Manager, Technology and Innovation for Newcrest Mining, with prior roles in investor relations, analysis and improvement of Newcrest's operations at the Lihir Island Gold Mine in Papua New Guinea.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee
Interests in shares:	1,046,934
Interests in options:	Nil

Name:	**Dan O'Toole**
Title:	Non-executive Director
Qualifications:	BEng(Hons), EngExec, FIEAust, MAusIMM, MAICD
Experience and expertise:	Mr O'Toole brings over 35 years of experience across the engineering and consulting sectors including over 18 years in executive leadership roles within Coffey International Limited and Pitt&Sherry. Mr O'Toole is currently the Chairman of Viotel Limited, a private company focused on empowering mining, transport and infrastructure businesses to better mitigate risks using world-class monitoring technology. Prior to his current position, Mr O’Toole was the Chief Executive Officer of Pitt&Sherry, one of Australia's most dynamic consulting engineering companies with a team of high-calibre professional consultants servicing the Transport Infrastructure, Mining, Energy, Industrial, and Tourism & Recreation market sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and the Nomination and Remuneration Committee and Acting Chairman from 30 June 2021 to 9 August 2021
Interests in shares:	Nil
Interests in options:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last three (3) years for listed entities only and exclude directorships of all other types of entities unless otherwise stated.

* Interests in the shares and options of the company as at the date of resignation as a director.

Company secretary

Mr Heath L Roberts (Dip Law (S.A.B.) and Grad Dip Legal Practice (UTS)) is a commercial solicitor with over 20 years of listed company experience. He has acted for SciDev in various capacities over the years and brings strong transactional, compliance and capital raising experience to the role.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Vaughan Busby*	9	9	2	2	1	1
Lewis E Utting**	9	10	-	-	-	-
Simone Watt	10	11	2	2	2	2
Jon Gourlay	11	11	2	2	2	2
Dan O'Toole	11	11	2	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Vaughan Busby was appointed as Chair on 9 August 2021.
** Lewis Utting resigned on 29 April 2022.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. This includes key leaders of the Company’s operating subsidiaries in Australia and overseas.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives of the consolidated entity and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive compensation to business success;
- transparency; and
- alignment with proper capital management.

The Group has structured an executive remuneration framework that is market competitive. The framework provides a mix of fixed base pay and variable pay that includes both short- and long-term incentives, with an appropriate balance of at-risk remuneration.

The Company applies remuneration strata grades, with allocations for fixed remuneration, short-term incentive (STI) and long–term incentive (LTI) applicable to each strata grade. The percentage allocations between fixed remuneration, STI and LTI vary between the strata grades, with an emphasis on higher at-risk STI and LTI elements for more senior executives. A relationship between Company performance and remuneration has been developed and implemented, with the STI or LTI component of remuneration delivered on a performance-linked basis, as either:

- Equity issues to executives, with performance conditions based on financial performance, share price performance and duration of employment milestones, and
- In some cases cash bonuses, which are also financial performance linked

The Board has a Nomination and Remuneration Committee which provides advice on remuneration and incentive policies and practices and makes specific recommendations on remuneration packages and other terms of employment for the Managing Director and Chief Executive Officer, the Non-Executive Directors and other senior executives.

Several changes to the Board structure, including the appointment of Chairman Vaughan Busby in August 2021 followed by a review conducted in Financial Year 2021. An independent, external governance advisory group Guerdon and Associates, conducted a comprehensive review of the company's Board and Committee structures and memberships and performance of the Chairman and Directors. The FY21 review resulted in the company undertaking a Board rejuvenation program, recognising the need to ensure that the Board's skillset and governance structure remained fit for purpose and reflective of SciDev's growth aspirations.

Non-executive directors remuneration
Fees and payments to the Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Non–executive Directors. The Board undertakes a review of Non-executive Directors' fees and payments annually.

Separate from the Board rejuvenation process outlined above, during H1 FY21 the Board commissioned an independent, external review of Non-executive Directors remuneration levels by Guerdon Associates. The outcomes of the review process have validated that the fees paid to Non-executive Directors are below the median for peer companies. The company did not utilise remuneration consultants in the year ended 30 June 2022.

Non-executive Directors' fees are determined within an aggregate Non-executive Directors' cash remuneration limit, which is periodically recommended for approval by shareholders. The current limit of $400,000 was approved by shareholders at the Company's 2007 Annual General Meeting. The amount paid to Non-executive Directors of the parent entity (SciDev Limited) during the year to 30 June 2022 was $295,750 (2021: $231,032). In addition, Non-executive Directors are entitled to participate in issues of securities pursuant to the SciDev Employee Share Scheme (the SciDev ESS). The value of any securities granted to Non-executive Directors is not included in the aggregate cash remuneration limit as they are not cash-based payments. In the case where Directors seek equity-based remuneration over cash-based remuneration, consideration will be given to such request and, in any case, shareholder approval would be required for any such equity-based remuneration for Directors. During the 2022 financial year the Company granted no securities to Non-executive Directors, however an STI/LTI payment to the Managing Director & CEO Lewis Utting was settled through the issue of shares in December 2021, after requisite shareholder approval was obtained.

Executive remuneration
SciDev's executive pay and reward framework has three primary components, which together comprise the executive's total remuneration:
- base pay, superannuation and 'standard' non-monetary benefits such as sick leave, annual leave etc;
- short-term incentives through individually negotiated, performance milestoned cash payments; and
- long-term incentives through participation in the SciDev ESS.

The combination of these comprises the executive's total remuneration. The three elements described above are tailored to reflect fair reward for the individual executives' contribution and whilst some executives receive a component of all three elements, other executives do not.

(i) Base pay
Base pay is generally structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits as negotiated between the Company and the executive. Executives are offered a competitive base pay that comprises a fixed component of cash salary, superannuation and standard non-monetary benefits as described above.

(ii) Short-term incentives
Former Managing Director & Chief Executive Officer
The former Managing Director was eligible for a short-term incentive (STI) cash bonus payment of up to $200,000 in relation to the Financial Year 2021, and was based on the achievement of key performance indicators (KPIs) determined by the Nomination and Remuneration Committee for the calendar year ended 31 December 2020. $116,250 of this STI was paid during Financial Year 2021 and the balance of this STI was settled through an issue of shares in December 2021, after requisite shareholder approval was obtained. No STI bonus or LTI bonus has been paid or is payable to the key management personnel (KMP) in relation to Financial Year 2022 performance.

Senior Executives
STIs paid to senior executives are made on a discretionary basis as determined by the Managing Director & Chief Executive Officer in consultation with the Nomination and Remuneration Committee. These incentives, while not guaranteed, are directly linked to the achievement of KPIs established around various performance targets including safety, finance, culture and client satisfaction. Cash bonuses were paid to a number of executives in respect of the 30 June 2022 financial year.

On 2 July 2021, the company undertook an issue of performance rights, that had been granted during Financial Year 2021 to the executives and staff of the recently acquired Haldon Industries business. On 5 April 2022, a A$1,000 tax-effective issue of shares was made to eligible staff.

(iii) Long-term incentives
Long-term performance incentives (LTI) are delivered through the grant of securities to executive directors and selected senior executives from time to time as part of their remuneration. Performance rights with performance hurdles applicable to any performance period (including how they will be measured) are set out in any such invitation to the eligible executives. During the 2021 financial year, the Company granted performance rights to senior executives and staff under the terms of the SciDev ESS. However, no performance rights were granted to any of the Board members or the Managing Director and Chief Executive Officer.

Remuneration voting and comments at the company's 25 November 2021 Annual General Meeting
At the 2021 AGM, 98.95% of the votes received supported adopting the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the 2021 AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity during the financial year ended 30 June 2022 consisted of the following directors of SciDev Limited:
- Vaughan Busby - Non-executive Chairman (appointed on 9 August 2021)
- Lewis E Utting - Managing Director & Chief Executive Officer (resigned 29 April 2022)
- Simone Watt - Non-executive Director
- Jon Gourlay - Non-executive Director
- Dan O'Toole - Non-executive Director (acting Chairman from 1 July 2021 to 9 August 2021)

And the following persons:
- Seán Halpin - Interim Chief Executive Officer (appointed 29 April 2022)
- Anna Hooper - Chief Financial Officer (appointed 6 December 2021)
- Heath Roberts - Company Secretary and General Counsel
- John Fehon - Chief Financial Officer (resigned 16 September 2021)

	Short-term benefits		Post employment benefits		Long-term benefits	Share-based payments		
2022	Cash salary and fees $	Annual leave $	Super-annuation $	Termination Benefits $	Long service leave $	Options and performance rights[e] $	Share rights $	Total $
Non-Executive Directors:								
Vaughan Busby[a]	85,284	-	8,528	-	-	-	-	93,812
Simone Watt	60,000	-	6,000	-	-	-	-	66,000
Jon Gourlay	60,000	-	6,000	-	-	-	-	66,000
Dan O'Toole[a]	63,580	-	6,358	-	-	-	-	69,938
Executive Directors:								
Lewis E Utting[b]	349,888	30,769	40,000	264,000	-	-	146,514	831,171
Other Key Management Personnel:								
Seán Halpin[c]	258,333	19,872	24,000	-	-	48,274	-	350,479
John Fehon[d]	54,167	4,167	5,000	86,500	-	-	-	149,834
Heath Roberts	166,000	-	-	-	-	-	-	166,000
Anna Hooper[d]	175,216	15,379	11,784	-	-	-	-	202,379
	1,272,468	70,187	107,670	350,500	-	48,274	146,514	1,995,613

(a) Vaughan Busby was appointed as director and Non-executive Chairman on 9th August 2021. Dan O'Toole was acting Chair from 1 July 2021 until 9 August 2021.
(b) Lewis Utting resigned on 29 April 2022.
(c) Seán Halpin was appointed Interim Chief Executive Officer on 29 April 2022. Before his appointment, he was the Commercial Director of the Water Services Division. The amounts shown above include all of Seán Halpin's remuneration during the reporting period, whether as Interim Chief Executive Officer or as Commercial Director of Water Services. Amounts received in his position as Interim Chief Executive Officer amounted to $62,333, made up of a cash salary of $58,333, superannuation of $4,000, annual and long service leave of $4,635 and performance rights of $8,332.
(d) John Fehon resigned as Chief Financial Officer on 16 September 2021 and Anna Hooper was appointed Chief Financial Officer on 6 December 2021.
(e) The amounts included in the options and performance rights represent the grant date fair value of options, amortised on a straight-line basis over the expected vesting period. Expenses are reversed where rights are forfeited due to a failure to satisfy the non-market hurdles only. No amounts will be received as remuneration as the market-based hurdle has not been met upon expiry.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2021	Cash salary and fees $	Bonus $	Annual leave $	Super-annuation $	Long service leave $	Options and performance and rights[b] $	Share rights $	Total $
Non-Executive Directors:								
Trevor A Jones (Chairman)	82,236	-	-	6,976	-	-	-	89,212
Simone Watt	52,500	-	-	4,458	-	-	-	56,958
Jon Gourlay	52,500	-	-	4,987	-	-	-	57,487
Dan O'Toole[a]	25,000	-	-	2,375	-	-	-	27,375
Executive Directors:								
Lewis E Utting	446,250	200,000	13,072	54,189	369	70,113	-	783,993
Other Key Management Personnel:								
John Fehon[c]	255,666	-	8,676	24,699	22	33,618	-	322,681
Heath Roberts[c]	228,000	-	-	-	-	3,763	-	231,763
	1,142,152	200,000	21,748	97,684	391	107,494	-	1,569,469

(a) Dan O'Toole was appointed a Non-executive Director on 3 February 2021. The above reported remuneration relates to the period from 3 February 2021 to 30 June 2021.
(b) The amounts included in the share-based remuneration represent the grant date fair value of options, amortised on a straight-line basis over the expected vesting period. Expenses are reversed where rights are forfeited due to a failure to satisfy the service conditions or there is a revision of share rights expected to vest.
(c) Performance rights were granted to John Fehon and Heath Roberts on 15 December 2020. The rights had a fair value of $0.49774 per right. An expense has not been recorded as the non-market conditions are not expected to be met.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2022	2021	2022	2021	2022	2021
Non-Executive Directors:						
Vaughan Busby	100%	-	-	-	-	-
Simone Watt	100%	100%	-	-	-	-
Jon Gourlay	100%	100%	-	-	-	-
Dan O'Toole	100%	100%	-	-	-	-
Trevor A Jones	-	100%	-	-	-	-
Executive Directors:						
Lewis E Utting	82%	66%	-	25%	18%	9%
Other Key Management Personnel:						
Seán Halpin	87%	-	-	-	13%	-
Anna Hooper	100%	-	-	-	-	-
Heath Roberts	100%	98%	-	-	-	2%
John Fehon	100%	90%	-	-	-	10%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements at the date of this report are as follows:

Name:	Lewis E Utting
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	30 April 2019, revised various dates
Term of agreement:	Resigned 29 April 2022
Details:	Base salary including car allowance of $480,000 plus superannuation. Mr Utting was also entitled to an STI bonus of $200,000 per 12-month period subject to meeting certain performance-based milestones and an LTI of $250,000 in performance-based equity (options or shares) under the terms of the Company's ESS. Mr Utting's salary, allowances and performance bonus was reviewed annually by the Nomination and Remuneration Committee. The contract could be terminated by six (6) months' notice from either party.

Name:	Seán Halpin
Title:	Interim Chief Executive Officer
Agreement commenced:	29 April 2022
Term of agreement:	On going
Details:	Base salary of $350,000 plus superannuation and performance-based $60,000 bonus. Mr Halpin is entitled to participate in the Company's ESS. The contract may be terminated by three (3) months' notice from either party.

Name:	Heath Roberts
Title:	Company Secretary & General Counsel
Agreement commenced:	1 March 2017
Term of agreement:	On-going
Details:	Consulting per diem rate equal to that of $240,000 for full-time employment and services. The agreement may be terminated by one (1) month's notice from either party.

Name:	Anna Hooper
Title:	Chief Financial Officer
Agreement commenced:	6 December 2021
Term of agreement:	On-going
Details:	Base salary of $350,000 including superannuation and STI performance-based bonus of $70,000 and an LTI of $162,690 in performance-based equity under the terms of the Company's ESS. The contract may be terminated by three (3) months' notice from either party.

Name:	John Fehon
Title:	Chief Financial Officer
Agreement commenced:	3 February 2020
Term of agreement:	Resigned 16 September 2021
Details:	Base salary of $260,000 plus superannuation and performance-based $60,000 bonus. The contract could be terminated by three (3) months' notice from either party.

Key management personnel (KMP) have no entitlement to termination payments in the event of removal for misconduct.

With the exception of LTI related to 2021 performance paid in shares to Lewis Utting, no STI bonus or LTI bonus has been paid or is payable to the KMP in relation to Financial Year 2022 performance.

Share-based compensation

Issue of shares

Lewis Utting elected to receive shares as compensation for his LTI bonus and the unpaid portion of the 2021 STI bonus. He received 328,457 shares approved at the AGM on 25 November 2021. The total expense was $180,652 split between STI accrued in Financial Year 2021 of $34,138 and LTI of $146,514.

There were no other shares issued to directors or other key management personnel as part of compensation during the year ended 30 June 2022.

Options

The terms and conditions of the prior year grants of options over ordinary shares are as follows:

Name	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per option at grant date	Vested %
Lewis Utting	800,000	23/07/2019	23/07/2019	23/07/2022	$0.10	$0.13	100%
Lewis Utting	800,000	23/07/2019	30/06/2021	23/07/2022	$0.10	$0.17	100%
Simone Watt	250,000	23/07/2019	23/07/2019	23/07/2022	$0.12	$0.11	100%
Jon Gourlay	650,000	23/07/2019	23/07/2019	23/07/2022	$0.12	$0.11	100%
John Fehon	75,000	03/02/2020	03/02/2020	23/07/2022	$0.12	$0.61	100%
John Fehon	75,000	03/02/2020	30/06/2021	23/07/2022	$0.12	$0.63	100%
Heath Roberts	200,000	16/05/2019	16/05/2019	23/07/2022	$0.10	$0.00	100%
Heath Roberts	200,000	16/05/2019	30/06/2021	23/07/2022	$0.10	$0.04	100%

With the exception of the options granted to Lewis Utting (Managing Director and Chief Executive Officer), which had performance conditions required to be met to earn the grant, all the other options granted had no performance conditions.

The options issued to the Directors were premium-priced options and reported as remuneration over the vesting period.

These options were issued under the Company's ESS. The options expire on the earlier of their expiry date or termination of the employee's employment. The Board has discretion under the ESS to apply good leaver provisions in certain cases. Options issued to Directors of the company were first approved by the company's shareholders, as required by ASX Listing Rules. The options do not entitle the holders to participate in any share issue, bonus or distribution by the Company unless first exercised in accordance with the option terms.

Options granted carry no dividend or voting rights. There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

	Value of options granted during the year 2022 $	Value of options exercised during the year 2022 $	Value of options granted during the year 2021 $	Value of options exercised during the year 2021 $
Trevor Jones	-	-	-	-
Lewis Utting	-	-	-	104,000
Simone Watt	-	-	-	-
Jon Gourlay	-	-	-	-
John Fehon*	-	63,750	-	-
Heath Roberts	-	-	-	-

* The value exercised represents the intrinsic value at exercise date.

There were no options for directors and other key management personnel that lapsed during the year ended 30 June 2022.

Performance rights

During the year ended 30 June 2021, the Company issued 2,133,399 performance rights, in two tranches of 1,408,399 and 725,000 respectively, under the terms of the Company's ESS. In order for the performance rights to vest (convert to fully paid ordinary shares) the holder must meet:

- A test related to SciDev share price performance ($2.00), and
- A test related to relevant segment cashflow performance ≥ break-even, and
- A continued employment or 'good leaver' test

The terms and conditions of each grant of performance rights over ordinary shares affecting the remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
John Fehon	130,000	15/12/2020	31/10/2022	31/10/2022	$2.000	$0.49740
Heath Roberts	120,000	15/12/2020	31/10/2022	31/10/2022	$2.000	$0.49740
Seán Halpin	312,500	26/05/2021	30/06/2022	30/06/2022	$2.000	$0.24190

The Performance Rights carry none of the rights of ordinary shares and, in particular, no right to vote, receive dividends or participate in bonus or rights issues. No Directors of the company participated in the grant of performance rights. The non-market vesting conditions of these performance rights are forecast not to be met, and therefore no expense has been recognised in remuneration in respect of these rights in the period. The non-market vesting conditions include the achievement of positive operating group cash flow over the year subsequent to the grant date.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Sales revenue	55,597	42,525	17,907	2,656	2,029
Profit/(loss) after income tax	(616)	3,453	(875)	(2,033)	1,002

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end ($)	0.18	0.85	0.58	0.09	0.07
Basic earnings per share (cents per share)*	(0.35)	2.26	(0.69)	(2.69)	2.02

* The earnings per share for 2018 have been adjusted for the effect of the share consolidation completed in December 2018.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received during the year on the exercise of options	Additions/ other*	Disposals/ other**	Balance at the end of the year
Ordinary shares					
Vaughan Busby	-	-	-	-	-
Lewis E Utting	5,448,129	-	520,763	(5,968,892)	-
Simone Watt	5,063,280	-	-	-	5,063,280
Jon Gourlay	954,628	-	92,306	-	1,046,934
Dan O'Toole	-	-	-	-	-
Seán Halpin(1)	-	-	5,100,000	-	5,100,000
John Fehon	309,659	75,000	-	(384,659)	-
Heath Roberts	106,093	-	-	-	106,093
Anna Hooper	-	-	-	-	-
	11,881,789	75,000	5,713,069	(6,353,551)	11,316,307

* Included in additions are the shareholdings held by Directors at the date of their appointment.

** Included in disposals/other is the removal from the table of the shareholdings for key management personnel who have resigned during the period or are no longer considered to be a key management person.

(1) Mr Halpin is a director and part-owner of Haldon Industries Pty Ltd, which is the holder of 5,100,000 shares. These shares are subject to a 24-month escrow as described in the company's ASX announcement of 29 March 2021.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
Options over ordinary shares					
Lewis E Utting	800,000	-	-	(800,000)	-
Simone Watt	250,000	-	-	-	250,000
John Fehon	75,000	-	(75,000)	-	-
Heath Roberts	400,000	-	-	-	400,000
	1,525,000	-	(75,000)	(800,000)	650,000

* Included in expired/forfeited/other is the removal from the table of the option holdings for key management personnel who have resigned during the period or are no longer considered to be a key management person.

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other*	Balance at the end of the year
Performance rights over ordinary shares					
John Fehon	130,000	-	-	(130,000)	-
Heath Roberts	120,000	-	-	-	120,000
Seán Halpin	312,500	-	-	(312,500)	-
	562,500	-	-	(442,500)	120,000

* Included in expired/forfeited/other is the removal from the table of the performance right holdings for key management personnel who have resigned during the period or are no longer considered to be a key management person.

Loans to key management personnel and their related parties
There were no loans owing by key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2022.

Other transactions with key management personnel and their related parties
A director, Simone Watt, is a director of Sinoz Chemicals and Commodities Pty Ltd (Sinoz) and has the capacity to significantly influence the decision-making of the company. The consolidated entity has leased premises from Sinoz during July 2021 only. Amounts paid for rent in 2022: $502 (2021: $6,030).

Seán Halpin, Interim CEO is also a director of Haldon Industries Pty Limited (HIPL). On 12 May 2021, SciDev Limited acquired the assets and business of Haldon Industries Limited. In relation to that transaction, during the financial year 2022, SciDev Limited paid a contingent consideration of $2,922,039, lease payments of $2,308,000 and cash on settlement of $879,685 to HIPL. In addition, a number of clients have continued to remit payments via HIPL. SciDev received cash from clients via HIPL of $3,882,745 and incurred costs in the year via HIPL of $540,838. Amounts reimbursed to HIPL for suppliers for the period from 15 May 2021 to 30 June 2021 was $281,911. Amounts exclude GST. As at 30 June 2022 SciDev recognised a contingent consideration of $7,240,000 to HIPL and a liability for the asset lease from HIPL of $2,307,000. There is a trading balance owing by SciDev to HIPL of $319,599 at 30 June 2022.

There were no other transactions with key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2022.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of SciDev Limited under option outstanding at the date of this report.

No options were granted to the directors or any of the five highest remunerated officers of the company since the end of the financial year.

Shares under performance rights
Unissued ordinary shares of SciDev Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
15 December 2020	31 October 2022	$0.000	1,408,399

Shares issued on the exercise of options
There were 425,000 ordinary shares of SciDev Limited issued on the exercise of options during the year ended 30 June 2022 and a further 1,725,000 up to the date of this report. At the date of the report, there were no shares under option.

Shares issued on the exercise of performance rights
There were no ordinary shares of SciDev Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

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

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

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

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Officers of the company who are former partners of Ernst & Young
There are no officers of the company who are former partners of Ernst & Young.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Vaughan Busby
Chairman

31 August 2022
Sydney

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Auditor's independence declaration to the directors of SciDev Limited

As lead auditor for the audit of the financial report of SciDev Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SciDev Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
31 August 2022

SciDev Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Revenue	5	55,597	42,525
Other income	6	631	1,712
Expenses			
Changes in inventories, and raw materials and consumables used		(38,182)	(32,366)
Contractors and consultants		(1,758)	(1,609)
Depreciation and amortisation expense		(2,082)	(930)
Employee benefits expense		(9,888)	(6,254)
Insurance		(340)	(275)
Foreign exchange losses		(381)	-
Acquisition expense - Haldon contingent consideration	21	(504)	-
Professional fees		(579)	(382)
Travel and accommodation		(582)	(313)
Other expenses		(2,665)	(1,154)
Finance costs	7	(708)	(148)
Profit/(loss) before income tax benefit		(1,441)	806
Income tax benefit	8	825	2,647
Profit/(loss) after income tax benefit for the year attributable to the owners of SciDev Limited		(616)	3,453
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
(Loss)/Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(808)	810
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		631	(1,081)
Other comprehensive income/(loss) for the year, net of tax		(177)	(271)
Total comprehensive income/(loss) for the year attributable to the owners of SciDev Limited		(793)	3,182
		Cents	**Cents**
Basic earnings/(loss) per share	38	(0.35)	2.26
Diluted earnings/(loss) per share	38	(0.35)	2.23

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

SciDev Limited
Consolidated statement of financial position
As at 30 June 2022

	Note	2022 $'000	2021 $'000 * restated
Assets			
Current assets			
Cash and cash equivalents	9	14,064	7,010
Trade and other receivables	10	10,268	7,683
Contract assets	11	-	442
Inventories	12	7,346	3,793
Income tax refund due		3	3
Other		439	337
Total current assets		32,120	19,268
Non-current assets			
Financial assets at fair value	13	1,730	2,721
Property, plant and equipment	14	7,772	6,384
Intangibles	15	25,874	25,686
Deferred tax	8	3,505	2,047
Other		156	45
Total non-current assets		39,037	36,883
Total assets		71,157	56,151
Liabilities			
Current liabilities			
Trade and other payables	16	11,787	9,529
Contract liabilities	17	242	263
Lease liabilities	19	2,551	2,465
Employee benefits	20	432	400
Provisions	21	3,620	3,539
Total current liabilities		18,632	16,196
Non-current liabilities			
Borrowings	18	-	280
Lease liabilities	19	344	2,385
Provisions	21	3,344	5,675
Total non-current liabilities		3,688	8,340
Total liabilities		22,320	24,536
Net assets		48,837	31,615
Equity			
Issued capital	22	119,237	100,997
Other equity	23	-	308
Reserves	24	(69)	25
Accumulated losses		(70,331)	(69,715)
Total equity		48,837	31,615

* Consolidated Statement of Financial Position as at 30 June 2021 has been restated to reflect the finalisation of the acquisition accounting for Haldon Industries Pty Limited, Refer note 34 for details.

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

SciDev Limited
Consolidated statement of changes in equity
For the year ended 30 June 2022

	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2020	89,875	570	133	(73,168)	17,410
Profit after income tax benefit for the year	-	-	-	3,453	3,453
Other comprehensive income/(loss) for the year, net of tax	-	-	(271)	-	(271)
Total comprehensive income/(loss) for the year	-	-	(271)	3,453	3,182
Transactions with owners in their capacity as owners:					
Contributions of equity (note 22)	10,927	-	-	-	10,927
Transaction costs net of tax (note 22)	(192)	-	-	-	(192)
Share-based payments (note 39)	-	-	163	-	163
Options exercised (note 22)	125	-	-	-	125
Contingent consideration (note 23)	262	(262)	-	-	-
Balance at 30 June 2021	100,997	308	25	(69,715)	31,615

	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2021	100,997	308	25	(69,715)	31,615
Loss after income tax benefit for the year	-	-	-	(616)	(616)
Other comprehensive income/(loss) for the year, net of tax	-	-	(177)	-	(177)
Total comprehensive income/(loss) for the year	-	-	(177)	(616)	(793)
Transactions with owners in their capacity as owners:					
Share-based payments (note 39)	-	-	83	-	83
Contributions of equity (note 22)	18,550	-	-	-	18,550
Transaction costs net of tax (note 22)	(669)	-	-	-	(669)
Options exercised (note 22)	51	-	-	-	51
Contingent consideration (note 23)	308	(308)	-	-	-
Balance at 30 June 2022	119,237	-	(69)	(70,331)	48,837

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

SciDev Limited
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from clients (inclusive of GST)		54,972	41,853
Payments to suppliers and employees (inclusive of GST)		(57,214)	(43,539)
		(2,242)	(1,686)
Government grants and subsidies		119	106
Interest received		-	1
R&D tax incentive received		1,044	380
Interest and other finance costs paid		(227)	(148)
Income taxes refunded		-	30
Net cash used in operating activities	37	(1,306)	(1,317)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(1,700)
Payments for deferred consideration		(880)	-
Payments for property, plant and equipment		(2,382)	(414)
Payments for intangibles	15	(141)	(187)
Payments for security deposits		(110)	-
Payments for contingent considerations		(3,235)	(267)
Proceeds from disposal of property, plant and equipment		98	65
Proceeds from release of security deposits		-	17
Net cash used in investing activities		(6,650)	(2,486)
Cash flows from financing activities			
Proceeds from issue of shares		18,369	7,000
Proceeds from borrowings		-	1,093
Repayment of leases		(2,476)	(871)
Proceeds from exercise of share options		51	125
Share issue transaction costs		(955)	(192)
Repayment of borrowings		-	(817)
Net cash from financing activities		14,989	6,338
Net increase in cash and cash equivalents		7,033	2,535
Cash and cash equivalents at the beginning of the financial year		7,010	4,482
Effects of exchange rate changes on cash and cash equivalents		21	(7)
Cash and cash equivalents at the end of the financial year	9	14,064	7,010

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

Note 1. General information

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

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

Registered office	**Principal place of business**
C/- Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000	Unit 1 8 Turbo Road Kings Park NSW 2148

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through other comprehensive income.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparative information
The Group has finalised the accounting for the acquisition of Haldon Industries Pty Limited. Accordingly, the Consolidated Statement of Financial Position at 30 June 2021 has been restated.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 33.

Note 2. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SciDev Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. SciDev Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets, including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is SciDev Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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

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

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

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

Note 2. Significant accounting policies (continued)

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income
Upon initial recognition, the consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through Other Comprehensive Income (OCI) when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The consolidated entity elected to classify irrevocably its non-listed equity investments under this category.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

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

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

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

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
The following Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet completed a detailed review of these, however does not expect any of them to have a material impact on the financial results upon adoption.

Amendment to AASB 1, Subsidiary as a First-time Adopter of AAS
Amendments to AASB 3, Reference to the Conceptual Framework
Amendment to AASB 9, Fees in the ‘10 per cent' Test for Derecognition of Financial Liabilities
Amendments to AASB 108 Definition of Accounting Estimates
Amendments to AASB 112, Deferred Tax related to Assets and Liabilities from a Single Transaction
Amendments to AASB 116, Property, Plant and Equipment: Proceeds before Intended Use
Amendments to AASB 137, Onerous Contracts - Cost of Fulfilling a Contract
Amendment to AASB 141, Taxation in Fair Value Measurements
Amendment to AAS Classification of Liabilities as Current or Non-Current

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Carrying value of goodwill and non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the consolidated entity is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the consolidated entity. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 15.

Fair value of contingent consideration
The consolidated entity has estimated the fair value of contingent consideration payable in connection with business combinations by determining the present value of expected future payments, discounted using a risk-adjusted discount rate. The estimate of future payments is based on forecast EBITDA of the acquired business until the end of FY23.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future profits and the availability of past losses for use.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity operates in primarily two geographical segments: Australia and the United States. The primary business segment is the treatment of industrial waste.

Operating and business segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

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

Major clients
During the year ended 30 June 2022, revenue from 1 client amounted to $4,378,215 arising from sales in the Australia segment, and revenue from 1 client amounted to $6,778,882 arising from sales in the United States segment.

During the year ended 30 June 2021, revenue from 1 client amounted to $6,936,531 arising from sales in the Australia segment, and revenue from 1 client amounted to $4,760,454 arising from sales in the United States segment.

No other client contributed 10% or more to the consolidated entity's revenue for both 2022 and 2021.

Note 4. Operating segments (continued)

Operating segment information

2022	Australia $'000	United States $'000	Eliminations and adjustments $'000	Total $'000
Revenue				
Sales to external clients	27,816	27,781	-	55,597
Intersegment sales	25	66	(91)	-
Total revenue	27,841	27,847	(91)	55,597
EBITDA*	(823)	1,886	286	1,349
Depreciation and amortisation				(2,082)
Finance costs				(708)
Loss before income tax benefit				(1,441)
Income tax benefit				825
Loss after income tax benefit				(616)
Assets				
Segment assets	51,319	19,838	-	71,157
Total assets				71,157
Liabilities				
Segment liabilities	15,287	7,033	-	22,320
Total liabilities				22,320

* this is a non-IFRS measure.

2021	Australia $'000	United States $'000	Eliminations and adjustments $'000	Total $'000
Revenue				
Sales to external clients	25,593	16,932	-	42,525
Intersegment sales	-	100	(100)	-
Total revenue	25,593	17,032	(100)	42,525
EBITDA*	2,758	(671)	(203)	1,884
Depreciation and amortisation				(930)
Finance costs				(148)
Profit before income tax benefit				806
Income tax benefit				2,647
Profit after income tax benefit				3,453
Assets				
Segment assets	43,926	12,225	-	56,151
Total assets				56,151
Liabilities				
Segment liabilities	21,449	3,087	-	24,536
Total liabilities				24,536

* this is a non-IFRS measure.

Note 4. Operating segments (continued)

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue

	2022 $'000	2021 $'000
Treatment fees and product sales	55,597	42,525

Disaggregation of revenue
The disaggregation of revenue from contracts with clients is based on the location of the clients as follows:

	2022 $'000	2021 $'000
Geographical regions		
Australia	26,202	21,068
United States	25,286	18,034
Europe	59	-
Asia	4,050	3,423
	55,597	42,525
Timing of revenue recognition		
Goods transferred at a point in time	41,828	40,569
Services transferred over time	13,769	1,956
	55,597	42,525

Accounting policy for revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with clients
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a client. For each contract with a client, the consolidated entity: identifies the contract with a client; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the client of the goods or services promised. Generally, sale of goods is recognised at the point in time where the client takes control of the goods, usually at the time of delivery. Treatment fees are recognised when the service is rendered and are normally either fees per specified volume treated or per treatment time.

Variable consideration within the transaction price, if any, reflects concessions provided to the client such as discounts, rebates and refunds, any potential bonuses receivable from the client and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Any warranties associated with contracts, that give rise to financial obligation, are recorded as provisions.

Note 5. Revenue (continued)

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

Note 6. Other income

	2022 $'000	2021 $'000
Net foreign exchange gain	-	200
Net fair value gain on other financial assets	164	-
Net gain on disposal of property, plant and equipment	40	28
Subsidies and grants	405	1,462
Sundry	22	22
Other income	631	1,712

Other income includes research and development tax incentive and government grants. Research and development tax incentive is recognised in the period in which the grant submission is completed. Government grants are recognised when there is reasonable assurance that the consolidated entity will comply with the conditions attached to it and that the grant will be received.

Note 7. Expenses

	2022 $'000	2021 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable on borrowings	4	100
Interest and finance charges paid/payable on lease liabilities	223	48
Unwinding of the discount on provisions	481	-
Finance costs expensed	708	148
Superannuation expense		
Defined contribution superannuation expense	580	289

Note 8. Income tax

	2022 $'000	2021 $'000
Income tax benefit		
Deferred tax - origination and reversal of temporary differences	(825)	(2,647)
Aggregate income tax benefit	(825)	(2,647)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	(825)	(2,647)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit/(loss) before income tax benefit	(1,441)	806
Tax at the statutory tax rate of 30%	(432)	242
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	385	10
	(47)	252
Recognition of additional carry forward losses	-	(2,580)
Tax losses relating to overseas subsidiaries not recognised	54	227
Impact of change in tax rates on opening deferred tax balance	-	(124)
Research and development tax credit	-	(422)
Tax losses relating to overseas subsidiaries recognised	(966)	-
Difference in overseas tax rates	134	-
Income tax benefit	(825)	(2,647)

	2022 $'000	2021 $'000
Amounts (credited)/charged directly to equity		
Deferred tax (credit)/expense	(633)	408
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	53,200	56,240
Potential tax benefit @ 30%	15,960	16,872

Management has recognised prior year tax losses in the amounts included above and are in the process of assessing the availability of other historical tax losses.

Tax losses will only be recognised and obtained if it is probable:
(i) the consolidated entity will derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses and temporary difference to be realised;
(ii) the consolidated entity complies with the conditions for deductibility imposed by the tax legislation such as continuity of ownership and same business test; and
(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from deductions for the losses and temporary differences.

Note 8. Income tax (continued)

	2022 $'000	2021 $'000 *restated
Deferred tax asset		
The net deferred tax asset comprises temporary differences attributable to:		
Breakdown of closing deferred tax balances:		
Tax losses	4,439	3,888
Employee benefits	130	120
Accrued expenses	250	53
Share issue costs	229	-
Equity instruments at fair value through other comprehensive income	(61)	(408)
Prepayments	(84)	(49)
Client contracts	(666)	(780)
Trademark and intellectual property	(732)	(777)
Deferred tax asset	3,505	2,047
Movements:		
Opening balance	2,047	1,365
Credited to profit or loss	825	2,647
Credited to equity	286	-
Credited/(charged) to other comprehensive income	347	(408)
Additions through business combinations (note 34)	-	(1,557)
Closing balance	3,505	2,047

* Upon finalisation of the acquisition accounting for Haldon Industries Pty Limited, the deferred tax asset at 2021 has been restated. For further details see note 34.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Note 8. Income tax (continued)

SciDev Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 9. Cash and cash equivalents

	2022 $'000	2021 $'000
Current assets		
Cash at bank	14,014	6,960
Cash on deposit	50	50
	14,064	7,010

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

Note 10. Trade and other receivables

	2022 $'000	2021 $'000
Current assets		
Trade receivables	10,105	6,522
Other receivables	163	1,161
	10,268	7,683

Allowance for expected credit losses
The consolidated entity calculates its expected credit losses (ECL) based on the consolidated entity's historical credit loss experience, adjusted for forward-looking factors specific to its receivables and the economic environment.

The consolidated entity does not have any history of impairment of its trade receivables. The consolidated entity transacts with a limited number of established clients and operates under strict credit policies approved by the Board of Directors.

No impairment loss has been recognised for trade receivables.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 10. Trade and other receivables (continued)

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Contract assets

	2022 $'000	2021 $'000
Current assets		
Contract assets	-	442

Accounting policy for contract assets
Contract assets are recognised when the consolidated entity has transferred goods or services to the client but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 12. Inventories

	2022 $'000	2021 $'000
Current assets		
Stock in transit - at cost	-	227
Stock on hand - at cost	7,346	3,566
	7,346	3,793

Accounting policy for inventories
Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. No inventory on hand at 30 June 2022 is being recorded at net realisable value.

Note 13. Financial assets at fair value

	2022 $'000	2021 $'000
Non-current assets		
Unlisted equity securities at fair value through profit or loss	167	-
Unlisted equity securities at fair value through other comprehensive income	-	2,721
Listed equity securities at fair value through other comprehensive income	1,563	-
	1,730	2,721

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2022 $'000	2021 $'000
Opening fair value	2,721	1,503
Revaluation increments recognised in profit or loss	164	-
Revaluation increments recognised in other comprehensive income	-	1,218
Revaluation decrements recognised in other comprehensive income	(1,155)	-
Closing fair value	1,730	2,721

Investment in listed equity securities
Included in the total value of unlisted securities at 30 June 2021 is an investment of $2,718,000 in Tartana Resources Ltd (Tartana).

On 4 February 2021, R3D Resources Limited (ASX:R3D) announced an off-market all scrip takeover bid for 100% of the fully paid ordinary shares and 100% of the options in Tartana. The offer closed on 31 July 2021 and at that date R3D had a relevant interest in 99.89% of Tartana shares. SciDev received 13,589,935 R3D shares and 2,717,987 attaching options for the shares it held in Tartana. As a consequence of the takeover, the investment was reclassified from unlisted to listed. The options are valued at $164,000 and are disclosed as unlisted equity securities at fair value through profit or loss. The share in R3D are disclosed as listed equity securities at fair value through other comprehensive income.

Refer to note 27 for further information on fair value measurement.

Note 14. Property, plant and equipment

	2022 $'000	2021 $'000
Non-current assets		
Office buildings and warehouses - at cost	410	568
Less: Accumulated depreciation	(286)	(297)
	124	271
Plant and equipment - at cost	9,714	7,077
Less: Accumulated depreciation	(2,748)	(1,534)
	6,966	5,543
Motor vehicles - at cost	849	668
Less: Accumulated depreciation	(173)	(117)
	676	551
Office equipment - at cost	33	39
Less: Accumulated depreciation	(27)	(20)
	6	19
	7,772	6,384

Note 14. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office buildings and warehouses $'000	Plant and equipment $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Balance at 1 July 2020	100	957	120	20	1,197
Additions	-	402	10	2	414
Additions through business combinations (note 34)	-	4,883	356	7	5,246
Disposals	-	(28)	(9)	-	(37)
Adjustments	-	2	-	-	2
Exchange differences	2	(26)	(7)	-	(31)
Recognition of right-of-use asset	381	-	112	-	493
Depreciation expense	(212)	(647)	(31)	(10)	(900)
Balance at 30 June 2021	271	5,543	551	19	6,384
Additions	-	2,131	184	1	2,316
Disposals	-	-	(58)	-	(58)
Adjustments	-	-	-	(7)	(7)
Exchange differences	13	64	9	-	86
Transfer	11	-	(11)	-	-
Write off of assets	-	-	(6)	-	(6)
Recognition of right-of-use assets	-	402	168	-	570
Depreciation expense	(171)	(1,174)	(161)	(7)	(1,513)
Balance at 30 June 2022	124	6,966	676	6	7,772

Included in the above line items are right-of-use assets over the following:

	Office buildings and warehouses $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2020	100	-	79	179
Recognition of right-of-use asset	381	-	112	493
Additions through business combinations	-	4,724	-	4,724
Exchange differences	2	-	(6)	(4)
Depreciation expense	(212)	(363)	(23)	(598)
Balance at 30 June 2021	271	4,361	162	4,794
Exchange differences	13	(4)	8	17
Recognition of right-of-use asset	-	402	168	570
Disposals	-	-	(40)	(40)
Transfers	11	-	(11)	-
Depreciation expense	(171)	(692)	(54)	(917)
Balance at 30 June 2022	124	4,067	233	4,424

Note 14. Property, plant and equipment (continued)

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

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of $484,000 on short-term leases were expensed to profit or loss as incurred (2021: $168,000).

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

Plant and equipment	4-7.5 years
Office buildings and warehouses (leasehold improvements)	Lease term of 3-5 years
Motor vehicles	4-5 years
Office equipment	2-5 years

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Intangibles

	2022 $'000	2021 $'000 *restated
Non-current assets		
Goodwill - at cost	20,576	19,972
Trademarks and intellectual property - at cost	3,544	3,389
Less: Accumulated amortisation	(467)	(275)
	3,077	3,114
Client contracts - at cost	2,600	2,600
Less: Accumulated amortisation	(379)	-
	2,221	2,600
	25,874	25,686

* Upon finalisation of the acquisition accounting for Haldon Industries Pty Limited, intangible assets at 2021 have been restated. For further details see note 34.

Note 15. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill $'000	Trademarks and intellectual property $'000	Client contracts $'000	Total $'000
Balance at 1 July 2020	10,987	415	-	11,402
Additions	-	187	-	187
Additions through business combinations (note 34)	10,054	2,591	2,600	15,245
Exchange differences	(1,069)	(8)	-	(1,077)
Write off of assets	-	(41)	-	(41)
Amortisation expense	-	(30)	-	(30)
Balance at 30 June 2021	19,972	3,114	2,600	25,686
Additions	-	141	-	141
Exchange differences	604	12	-	616
Amortisation expense	-	(190)	(379)	(569)
Balance at 30 June 2022	20,576	3,077	2,221	25,874

Impairment testing for goodwill
The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year projection period approved by the Directors and extrapolated for a further 4 years (within the company's 5-year plan) using variable rates, together with a terminal value.

Goodwill is monitored by management at the following level:

	2022 $'000	**2021 $'000**
Australian Group of CGUs		
- Mining and Construction	3,002	3,002
- Water Services	10,054	10,054
United States CGU	7,520	6,916
	20,576	19,972

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Key assumptions in the discounted cashflow model for the Mining and Construction CGU (measured by value-in-use) include:
(a) Post-tax discount rate of 12% (2021: 6.5%) per annum;
(b) Average revenue growth over the five-year period of 17% (2021: 47.9%);
(c) Average growth in gross margin over the five-year period of 6% (2021: -1.3%); and
(d) Average per annum increase in operating expenses of 1.4% (2021: 31.4%).

Key assumptions in the discounted cashflow model for the Water Services CGU (measured by value-in-use) include:
(a) Post-tax discount rate of 12%
(b) Average revenue growth over the five-year period of 32%
(c) Average growth in gross margin over the five-year period of 20%; and
(d) Average per annum increase in operating expenses of 24.6%.

Note 15. Intangibles (continued)

Key assumptions in the discounted cashflow model for the United States CGU include:
(a) Post-tax discount rate of 12% (2021: 14%) per annum;
(b) Average revenue growth over the five-year period of 7% (2021: 47.8%);
(c) Average growth in gross margin over the five-year period of 1.2% (2021: 14.8%); and
(d) Average per annum increase in operating expenses of 9.4% (2021: 30.4%).

The discount rate reflects management's estimate of the time value of money and the weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rate is prudent and justified, based on management's expectations of the business development pipeline for each CGU.

The budgeted gross margin is based on past performance and management's expectations for the future.

Management has budgeted for operating costs based on the current structure of each CGU, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures.

Sensitivity to change of assumptions:
Increases in discount rates or changes in other key assumptions, may cause the recoverable amount to fall below carrying values. Based on current economic conditions and CGU performances, there are no reasonably possible changes to key assumptions used in the determination of CGU recoverable amounts that would result in a material impairment to the consolidated entity.

Accounting policy for intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Trademarks and intellectual property
Significant costs associated with trademarks and intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 10 and 20 years.

Client contracts
Client contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8 years.

Note 16. Trade and other payables

	2022 $'000	2021 $'000
Current liabilities		
Trade payables	10,787	7,618
Payable to the vendors of Haldon Industries	-	880
Other payables	1,000	1,031
	11,787	9,529

Note 16. Trade and other payables (continued)

Refer to note 26 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 17. Contract liabilities

	2022 $'000	2021 $'000
Current liabilities		
Contract liabilities	-	263
Unearned revenue	242	-
	242	263

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $242,000 as at 30 June 2022 ($263,000 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	2022 $'000	2021 $'000
Within 6 months	242	263

Accounting policy for contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a client and are recognised when a client pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the client.

Note 18. Borrowings

	2022 $'000	2021 $'000
Non-current liabilities		
Loan - Paycheck Protection Program (USA)	-	280

Paycheck Protection Program loan
The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses (located in the USA) to keep their workers on the payroll. The loan was to be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. On 26 August 2021, the company received confirmation that the loan owing by its subsidiary Highland Fluid Technology Inc, had been forgiven. There was no balance outstanding on the loan at 30 June 2022.

The following were the key terms and conditions of the loan:
- The loan had an interest rate of 1%.
- Loans issued prior to 5 June 2020 had a maturity of 2 years. Loans issued after 5 June 2020 had a maturity of 5 years.
- Loan payments had been deferred for six months.
- The loan was unsecured.

Note 18. Borrowings (continued)

Movements in Paycheck Protection Program loan:

	2022 $'000	2021 $'000
Opening balance	280	285
Debt converted into subsidy	(280)	(266)
Receipts	-	276
Exchange differences	-	(15)
Closing balance	-	280

Refer to note 26 for further information on financial instruments.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2022 $'000	2021 $'000
Total facilities		
Loan - Kanins International Pty Ltd	-	490
Loan - Paycheck Protection Program (USA)	-	280
Leases	2,895	4,850
Invoice purchase facility	6,000	6,000
	8,895	11,620
Used at the reporting date		
Loan - Kanins International Pty Ltd	-	-
Loan - Paycheck Protection Program (USA)	-	280
Leases	2,895	4,850
Invoice purchase facility	-	-
	2,895	5,130
Unused at the reporting date		
Loan - Kanins International Pty Ltd	-	490
Loan - Paycheck Protection Program (USA)	-	-
Leases	-	-
Invoice purchase facility	6,000	6,000
	6,000	6,490

The above facilities have the following maturity dates:
- Invoice purchase facility - $2,000,000 - 10 September 2022
- Invoice purchase facility - $4,000,000 - 30 September 2022

Accounting policy for 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.

Note 19. Lease liabilities

	2022 $'000	**2021 $'000**
Current liabilities		
Lease liability - land and buildings	246	277
Lease liability - motor vehicles	60	73
Lease liability - equipment	2,245	2,115
	2,551	2,465
Non-current liabilities		
Lease liability - land and buildings	1	17
Lease liability - motor vehicles	171	123
Lease liability - equipment	172	2,245
	344	2,385
	2,895	4,850

Refer to note 26 for further information on financial instruments.

Land and buildings:
The consolidated entity has leases for warehouses and offices. Rental contracts are typically made for a fixed period of 3 - 5 years with options to extend. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position. The consolidated entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Most extension options have been included in the lease liability.

Motor vehicles:
The consolidated entity leases motor vehicles under finance lease and hire purchase. The leases are secured over the individual motor vehicles that the lease relates to.

Equipment:
The consolidated entity leases water treatment equipment under a lease from Haldon Industries Pty Limited that expires on 30 June 2023. On that date, upon payment of $1 consideration, the legal and beneficial title of the asset will transfer to SciDev Limited. The lease is secured over the individual asset the lease relates to. See Related Party Transactions note 32 for further details.

In addition, there are other leases for vehicles and equipment that extend beyond 30 June 2023.

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are subsequently remeasured by increasing the carrying value to reflect interest on the lease liabilities, reducing the carrying value to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 20. Employee benefits

	2022 $'000	2021 $'000
Current liabilities		
Annual leave	431	399
Long service leave	1	1
	432	400

Accounting policy for employee benefits

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

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 21. Provisions

	2022 $'000	2021 $'000
Current liabilities		
Contingent consideration	3,620	3,539
Non-current liabilities		
Contingent consideration	3,344	5,675
	6,964	9,214

Contingent consideration
The contingent consideration relates to the acquisition of Haldon Industries and ProSol Pty Ltd and represents the cash component of the contingent consideration. It is measured at the present value of the estimated liability.

2022	Contingent consideration - Haldon $'000	Contingent consideration - ProSol $'000	Total $'000
Carrying amount at the start of the year	8,901	313	9,214
Payments	(2,922)	(313)	(3,235)
Additional provisions recognised	504	-	504
Unwinding of discount	481	-	481
Carrying amount at the end of the year	6,964	-	6,964

Note 21. Provisions (continued)

2021	Contingent consideration - Haldon $'000	Contingent consideration - ProSol $'000	Warranties $'000	Total $'000
Carrying amount at the start of the year	-	580	18	598
Additions through business combinations	8,901	-	-	8,901
Payments	-	(267)	-	(267)
Unused amounts reversed	-	-	(18)	(18)
Carrying amount at the end of the year	8,901	313	-	9,214

Accounting policy for provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 22. Issued capital

	2022 Shares	**2021 Shares**	**2022 $'000**	**2021 $'000**
Ordinary shares - fully paid	187,906,234	158,370,242	119,237	100,997

Note 22. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2020	140,889,052		89,875
Share placement (a)	24 July 2020	7,692,308	$0.650	5,000
Options exercised	29 July 2020	125,000	$0.120	15
Shares issued to the vendor of ProSol Australia Pty Ltd (c)	29 July 2020	436,959	$0.600	262
Share purchase plan (b)	21 August 2020	3,076,923	$0.650	2,000
Options exercised	17 November 2020	800,000	$0.100	80
Options exercised	26 November 2020	125,000	$0.120	15
Options exercised	15 January 2021	75,000	$0.120	9
Options exercised	3 May 2021	50,000	$0.120	6
Shares issued to vendor of the Haldon Industries business (e)	12 May 2021	5,100,000	$0.770	3,927
Share issue expenses (net of tax)				(192)
Balance	30 June 2021	158,370,242		100,997
Options exercised	5 July 2021	125,000	$0.120	15
Options exercised	19 July 2021	25,000	$0.120	3
Options exercised	18 August 2021	100,000	$0.120	12
Shares issued to the vendor of ProSol Australia Pty Ltd (c)	15 September 2021	513,000	$0.600	308
Options exercised	25 October 2021	125,000	$0.120	15
Share placement (a)	9 November 2021	27,692,308	$0.650	18,000
Share purchase plan (b)	29 November 2021	527,671	$0.650	343
Shares issued to settle outstanding employee incentive entitlements (d)	23 December 2021	328,457	$0.550	181
Shares issued to employees	3 February 2022	49,556	$0.525	26
Options exercised	3 March 2022	50,000	$0.120	6
Share issue expenses (net of tax)				(669)
Balance	30 June 2022	187,906,234		119,237

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

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

(a) Share placement
- 30 June 2021
On 24 July 2020 SciDev Limited announced the placement of 7,692,308 new ordinary shares with two leading Australian Fund Managers at an issue price of $0.65 per share.

- 30 June 2022
On 9 November 2021, SciDev Limited announced the placement of 27,692,308 new ordinary shares with institutional investors at an issue price of $0.65 per share.

(b) Share purchase plan
- 30 June 2021
On 21 August 2020 SciDev Limited issued 3,076,923 new ordinary shares at $0.65 per share pursuant to a Share Purchase Plan (SPP).

Note 22. Issued capital (continued)

- 30 June 2022
On 29 November 2021, SciDev Limited issued 527,671 new ordinary shares at $0.65 per share pursuant to a Share Purchase Plan (SPP).

(c) Shares issued to the vendor of ProSol Australia Pty Ltd
- 30 June 2021
On 29 July 2020 SciDev Limited issued 436,959 ordinary shares at $0.60 per share to the vendor of ProSol Australia Pty Ltd (ProSol) being part of the first tranche of milestoned consideration under the terms of acquisition of ProSol Australia Pty Ltd (see note 23).

- 30 June 2022
On 15 September 2021, SciDev Limited issued 513,000 new ordinary shares at $0.60 to the vendors of ProSol Australia Pty Ltd. The shares issued represented the fair value of the contingent consideration to be settled by the issue of SciDev Limited shares (refer note 23).

(d) Shares issued to settle outstanding employee incentive entitlements
- 30 June 2022
On 23 December 2021, SciDev Limited issued 328,457 fully paid ordinary shares to the Managing Director (Lewis Utting). The shares were issued in settlement of the balance of his Short Term Incentive payment for the 30 June 2021 financial year and the payment of his Long Term Incentive for the 30 June 2021 financial year. The issue of the shares was approved by the company's shareholders at the annual general meeting held on 25 November 2021.

(e) Shares issued to the vendor of Haldon Industries
- 30 June 2021
On 12 May 2021 SciDev Limited issued 5,100,000 ordinary shares at $0.77 per share to acquire the Haldon Industries business (refer note 34).

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings and lease liabilities (current and non-current) less cash and cash equivalents.

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2021 Annual Report.

The consolidated entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital (current assets less current liabilities) of the consolidated entity at 30 June 2022 was $13,488,000 (2021: $3,072,000).

Accounting policy for issued capital
Ordinary shares are classified as equity.

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

Note 23. Other equity

	2022 $'000	2021 $'000
Contingent consideration	-	308

The contingent consideration at 30 June 2021, is related to the acquisition of ProSol Pty Ltd and represented the fair value of the consideration to be settled by the issue of SciDev Ltd shares. The shares were issued during the 2022 financial year.

	2022 $'000	2021 $'000
Opening balance	308	570
Issue of shares	(308)	(262)
Closing balance	-	308

Note 24. Reserves

	2022 $'000	2021 $'000
Financial assets at fair value through other comprehensive income reserve	2	810
Foreign currency reserve	(486)	(1,117)
Share-based payments reserve	415	332
	(69)	25

Financial assets at fair value through other comprehensive income (FVOCI) reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 24. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Financial assets at FVOCI reserve $'000	Foreign currency reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 July 2020	-	(36)	169	133
Revaluation - gross	1,218	-	-	1,218
Deferred tax	(408)	-	-	(408)
Foreign currency translation	-	(1,081)	-	(1,081)
Share-based payments	-	-	163	163
Balance at 30 June 2021	810	(1,117)	332	25
Revaluation - gross	(1,155)	-	-	(1,155)
Deferred tax	347	-	-	347
Foreign currency translation	-	631	-	631
Share-based payments	-	-	83	83
Balance at 30 June 2022	2	(486)	415	(69)

Note 25. Dividends

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

Note 26. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

Risk management is carried out by company management and the Board of Directors. Financial risks are identified and evaluated and where considered necessary strategies are put in place to investigate and/or minimise such risks.

Market risk

Foreign currency risk
Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity’s functional currency. The consolidated entity has a trade finance facility utilised for the purchase of US$ denominated invoices. Purchases through the facility are transacted at the prevailing spot A$/US$ exchange rate and the outstanding amount under the facility is always denominated in A$. The consolidated entity has not entered into any foreign currency hedging contracts during the year.

Note 26. Financial instruments (continued)

The carrying amount in AUD of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	2022 $'000	2021 $'000
Assets - cash - US dollars	233	1,732
Assets - receivables - US dollars	211	1,220
Liabilities - US dollars	(2,666)	(3,092)
Net liabilities denominated in foreign currencies	(2,222)	(140)

The following table shows how profit or loss and equity would have been affected by changes in USD that were reasonably possible at the reporting date. The percentage change is the expected overall volatility of the USD, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

	AUD strengthened			AUD weakened		
2022	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
US Dollar	10%	222	222	10%	(222)	(222)

	AUD strengthened			AUD weakened		
2021	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
US Dollar	10%	14	14	10%	(14)	(14)

The actual foreign exchange loss for the year ended 30 June 2022 was $381,000 (2021 gain: $200,000).

Price risk
SciDev Limited is exposed to equity price risk arising from its investment in R3D Resources Limited (R3D) (refer note 13). A 1c change in the share price results in a $135,890 change in the value of the investment in R3D.

Interest rate risk
The consolidated entity was exposed to variable interest rate risks on cash deposits. A reasonably possible increase of 175 basis points (2021: 100 basis points) in interest rates at the reporting date would have increased the profit before tax by $246,120 (2021: $70,100). The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

As at the reporting date, the consolidated entity had the following deposits:

	2022		2021	
	Weighted average interest rate %	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Cash at bank and on deposit	-	14,064	-	7,010
Net exposure to cash flow interest rate risk		14,064		7,010

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

Note 26. Financial instruments (continued)

Credit risk
The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all clients of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. There was no expected credit loss provision at 30 June 2022 and 30 June 2021 and there were no movements in the provision during the 2022 financial year as there were no changes in the credit risk of clients. There were no debts written off during the 2022 financial year (2021: nil).

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. There is no significant concentration of credit risk to any single entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. There is no trade debtor or other receivable amount where collateral has been received as security or pledged.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2022	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-interest bearing					
Trade payables and other payables	11,787	-	-	-	11,787
Contingent consideration	3,620	3,620	-	-	7,240
Interest-bearing - fixed rate					
Lease liability	2,630	216	129	20	2,995
Total non-derivatives	18,037	3,836	129	20	22,022

2021	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-interest bearing					
Trade payables and other payables	9,529	-	-	-	9,529
Contingent consideration	3,569	2,814	3,620	-	10,003
Interest-bearing - fixed rate					
Other loans	-	280	-	-	280
Lease liability	2,552	2,501	83	-	5,136
Total non-derivatives	15,650	5,595	3,703	-	24,948

Note 26. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 27. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity'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.

Other than the assets and liabilities included in the table below, other financial assets and liabilities are short term in nature and as such the carrying value approximates fair value.

2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Equity securities	1,563	-	-	1,563
Equity securities - other	-	167	-	167
Total assets	1,563	167	-	1,730
Liabilities				
Contingent consideration	-	-	6,964	6,964
Total liabilities	-	-	6,964	6,964

2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Equity securities	-	2,718	-	2,718
Equity securities - other	-	3	-	3
Total assets	-	2,721	-	2,721
Liabilities				
Contingent consideration	-	-	9,214	9,214
Total liabilities	-	-	9,214	9,214

Transfers between levels 1 and 2
During the year, the company's investment in Tartana Resources Limited (Tartana) was acquired by an ASX listed entity, R3D Resources Limited, in a scrip for scrip takeover. SciDev Limited received 13,589,935 R3D shares and 2,717,987 attaching options for the shares it held in Tartana. Consequently, the investment in shares in R3D was transferred from level 2 to level 1 following the takeover.

Note 27. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3
Level 2: Equity securities
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Contingent consideration
If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The valuation model for the contingent consideration upon acquisition considered the present value of expected future payments. The contingent consideration liability is discounted using a risk-adjusted discount rate. The significant input to the consideration calculation is the entity's forecast EBITDA. The probability of achieving the maximum payout under the contract was initially estimated at 88% however the target maximum EBITDA was achieved in Financial Year 2022 and hence an additional provision has been recognised.

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

	Contingent consideration $'000
Balance at 1 July 2020	580
Additions	8,901
Payments	(267)
Balance at 30 June 2021	9,214
Additional provisions recognised	504
Payments	(3,235)
Unwinding of discount recognised through net finance costs	481
Balance at 30 June 2022	6,964
Total losses for the current year included in profit or loss that relate to level 3 assets held at the end of the current year	(985)

There were no gains or losses relating to level 3 liabilities held at 30 June 2021.

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 27. Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2022 $	2021 $
Short-term employment benefits	1,342,655	1,363,900
Post-employment benefits	107,670	97,684
Long-term benefits	-	391
Termination benefits	350,500	-
Share-based payments	194,788	107,494
	1,995,613	1,569,469

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company, and its network firms:

	2022 $	2021 $
Audit services - Ernst & Young		
Audit or review of the financial statements	227,550	90,000
*Other services - Ernst & Young**		
Tax compliance services	-	6,300
Transaction services	-	119,620
Immigration services	6,643	-
Share scheme advice	13,350	-
	19,993	125,920
	247,543	215,920
Audit services - Rothsay Chartered Accountants		
Audit or review of the financial statements	-	12,000
Other services - Rothsay Chartered Accountants		
Tax compliance services	-	5,000
	-	17,000

* All non-audit services provided by Ernst & Young in the year ended 30 June 2021 were performed and paid prior to Ernst & Young's appointment as auditor.

Note 30. Contingent liabilities

The consolidated entity did not have any contingent liabilities other than those disclosed in note 21 and note 33 as at 30 June 2022 (2021: none other than those disclosed in note 21 and note 33).

Note 31. Commitments

There were no capital commitments as at 30 June 2022 for the consolidated entity (2021: nil).

Note 32. Related party transactions

Parent entity
SciDev Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties
Details of transactions between the consolidated entity and related parties are disclosed below:

	2022 **$**	**2021** **$**
Payment for other expenses:		
Rent paid to other related party	502	6,030
Other transactions:		
Contingent consideration paid to entity associated with key management personnel	2,922,039	-
Lease payment to entity associated with key management personnel	2,308,000	-

A director, Simone Watt, is a director of Sinoz Chemicals and Commodities Pty Ltd (Sinoz) and has the capacity to significantly influence the decision-making of the company. The consolidated entity has leased premises from Sinoz during July 2021 only.

Seán Halpin, Interim CEO is also a director of Haldon Industries Pty Limited (HIPL). On 12 May 2021, SciDev Limited acquired the assets and business of Haldon Industries Limited. In relation to that transaction, during the financial year 2022, SciDev Limited paid a contingent consideration of $2,922,039, lease payments of $2,308,000 and cash on settlement of $879,685 to HIPL. In addition, a number of clients have continued to remit payments via HIPL. SciDev received cash from clients via HIPL of $3,882,745 and incurred costs in the year via HIPL of $540,838. Amounts reimbursed to HIPL for suppliers for the period from 15 May 2021 to 30 June 2021 was $281,911. Amounts exclude GST.

Receivable from and payable to related parties
As at 30 June 2022 SciDev recognised a contingent consideration of $7,240,000 to HIPL and a liability for the asset lease from HIPL of $2,307,000. There is a trading balance owing by SciDev to HIPL of $319,599 at 30 June 2022.

Loans to/from related parties
A director, Simone Watt, is a director of Kanins International Pty Ltd and has the capacity to significantly influence decision making of that company. Kanins International Pty Ltd provided SciDev Limited with a US$350,000 working capital facility that matured on 1 October 2021. The facility was secured against the consolidated entity's inventory and incurred interest at 15% per annum. $nil (2021: $nil) was drawn down on this facility and $nil (2021: $nil) repaid during the 2022 financial year. The loan balance at 30 June 2021 was $nil.

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

Note 33. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022 **$'000**	**2021** **$'000**
Profit/(loss) after income tax	(3,516)	1,127
Other comprehensive income/(loss) for the year, net of tax	-	810
Total comprehensive income/(loss)	(3,516)	1,937

Statement of financial position

	Parent	
	2022 **$'000**	**2021** **$'000**
Total current assets	6,562	1,400
Total non-current assets	39,716	31,553
Total assets	46,278	32,953
Total current liabilities	370	830
Total non-current liabilities	-	-
Total liabilities	370	830
Net assets	45,908	32,123
Equity		
Issued capital	119,544	101,303
Other equity	-	308
Financial assets at fair value through other comprehensive income reserve	2	810
Share-based payments reserve	415	240
Accumulated losses	(74,053)	(70,538)
Total equity	45,908	32,123

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021, other than under the terms of the acquisition of the Haldon business by SciDev Water Services Pty Limited (SWSPL). The parent entity irrevocably and unconditionally guarantees the due and punctual performance of SWSPL's present and future obligations and the payment of all present and future liabilities of SWSPL under that acquisition agreement.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Note 33. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 34. Business combinations

Prior year business combinations
On 12 May 2021, SciDev Water Services Pty Ltd Limited acquired the business operations and assets of Haldon Industries Pty Ltd (Haldon). Haldon is an Australian-based environmental solutions company focused on the water treatment sectors. The acquisition of Haldon provides the consolidated entity with presence and scale in the infrastructure and water verticals via Haldon's key services of water treatment, remediation, groundwater dewatering and onsite liquid waste treatment.

The total consideration for the acquisition was $15,407,191 consisting of a cash payment of $2,579,685, 5,100,000 SciDev Limited shares valued at $3,927,000, and contingent consideration of $8,900,506. The contingent consideration is based on the achievement of EBITDA targets for the 2021, 2022, and 2023 financial years with EBITDA subject to a minimum of 20% of revenue. The fair value of the contingent consideration arrangement was estimated using a discounted cash flow (DCF) method. The key assumption was the assumed probability-adjusted EBITDA.

The goodwill of $10,053,801 is attributable to the expected future benefits of the acquired business increasing SciDev’s presence and scale in the infrastructure, water, and wastewater verticals via Haldon's key services of water treatment, remediation, groundwater dewatering and onsite liquid waste treatment.

	Provisional fair value $	Movement $	Final fair value $
Trade receivables	1,987,329	-	1,987,329
Plant and equipment	159,432	-	159,432
Office equipment	6,709	-	6,709
Motor vehicles	356,048	-	356,048
Equipment - right-of-use assets	4,723,664	-	4,723,664
Client contacts	-	2,600,000	2,600,000
Trademark and intellectual property	-	2,591,000	2,591,000
Trade and other payables	(385,626)	-	(385,626)
Employee benefits	(147,018)	-	(147,018)
Lease liability - equipment	(4,723,664)	-	(4,723,664)
Lease liability - other	(257,184)	-	(257,184)
Deferred tax liability	-	(1,557,300)	(1,557,300)
Net assets acquired	1,719,690	3,633,700	5,353,390
Goodwill	13,687,501	(3,633,700)	10,053,801
Net assets acquired	15,407,191	-	15,407,191

Note 34. Business combinations (continued)

The acquisition accounting was performed on a provisional basis at 30 June 2021 with final determination of the fair value of intangible assets acquired determined during the 2022 financial year and noted above.

In accordance with AASB 3 *Business Combinations*, the provisional fair values of assets and liabilities acquired are retrospectively adjusted to reflect information obtained during the measurement period that existed at acquisition date. Therefore, the Consolidated Statement of Financial Position at 30 June 2021 has been restated. There are no changes to the Consolidated Statement of Profit and Loss and Other Comprehensive Income or the Consolidated Statement of Cash Flows from the amounts noted for the 2021 Financial year as the impact is not material.

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

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

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

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

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

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

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	2021 %
Highland Fluid Technology Inc	United States	100%	100%
Intec Copper Pty Ltd	Australia	100%	100%
Intec Envirometals Pty Ltd	Australia	100%	100%
ProSol Australia Pty Ltd	Australia	100%	100%
Science Developments Pty Ltd	Australia	100%	100%
SciDev International Holdings Pty Ltd	Australia	100%	100%
SciDev (US) LCC*	United States	100%	100%
SciDev Water Services Pty Ltd	Australia	100%	100%

* SciDev (US) LCC is a wholly-owned subsidiary of SciDev International Holdings Pty Ltd.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 37. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	2022 $'000	2021 $'000
Profit/(loss) after income tax benefit for the year	(616)	3,453
Adjustments for:		
Depreciation and amortisation	2,082	930
Share-based payments	255	163
Write off of assets	13	40
Net gain on disposal of non-current assets	(40)	(28)
Net fair value gain on other financial assets	(164)	-
Paycheck Protection Program (USA) subsidy	(280)	(266)
R&D tax incentive	-	(423)
Finance costs - non-cash	481	-
Foreign currency differences	(76)	13
Change in operating assets and liabilities:		
Increase in trade and other receivables	(2,585)	(3,102)
Decrease/(increase) in contract assets	442	(442)
Decrease/(increase) in inventories	(3,553)	1,012
Decrease in income tax refund due	-	29
Increase in deferred tax assets	(825)	(2,647)
Increase in prepayments	(102)	(183)
Increase in trade and other payables	3,460	910
Increase/(decrease) in contract liabilities	(21)	262
Increase in employee benefits	32	127
Increase/(decrease) in other provisions	191	(1,165)
Net cash used in operating activities	(1,306)	(1,317)

Note 37. Cash flow information (continued)

Non-cash investing and financing activities

	2022 $'000	2021 $'000
Shares issued to acquire ProSol Australia Pty Ltd	308	262
Shares issued to the Haldon Industries business	-	3,927
Additions to right-of-use assets	570	493
Paycheck Protection Program (USA) loan converted into a subsidy	280	266

Changes in liabilities arising from financing activities

	Borrowings $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2020	285	253	538
Net cash from/(used in) financing activities	276	(871)	(595)
Paycheck Protection Program (USA) loan converted into a subsidy	(266)	-	(266)
Acquisition of leases	-	493	493
Changes through business combinations (note 34)	-	4,981	4,981
Exchange differences	(15)	(6)	(21)
Balance at 30 June 2021	280	4,850	5,130
Net cash used in financing activities	-	(2,476)	(2,476)
Debt converted into subsidy	(280)	-	(280)
Acquisition of leases	-	505	505
Exchange differences	-	16	16
Balance at 30 June 2022	-	2,895	2,895

Note 38. Earnings per share

	2022 $'000	2021 $'000
Profit/(loss) after income tax attributable to the owners of SciDev Limited	(616)	3,453

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	177,366,254	152,573,170
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	2,178,466
Weighted average number of ordinary shares used in calculating diluted earnings per share	177,366,254	154,751,636

	Cents	Cents
Basic earnings/(loss) per share	(0.35)	2.26
Diluted earnings/(loss) per share	(0.35)	2.23

Options are considered to be potential ordinary shares but were anti-dilutive in nature and therefore the diluted loss per share is the same as the basic loss per share. These options could potentially dilute basic earnings per share in the future.

Note 38. Earnings per share (continued)

Accounting policy for earnings per share

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

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

Note 39. Share-based payments

(a) Options

Employee Share Scheme
Share-based compensation benefits are provided to employees via the SciDev Employee Share Scheme.

At the 2014 Annual General Meeting, shareholders approved the SciDev Employee Share Scheme (the Scheme). All Directors, employees and consultants are eligible to participate in the Scheme. Options granted under the Scheme to eligible participants are for no additional consideration. Options granted under the Scheme carry no dividend or voting rights. The granting of options is at the Board’s discretion and no individual has a contractual right to receive options.

On 16 May 2019 and approved by shareholders on 23 July 2019, the Nomination & Remuneration Committee recommended, and the Board approved that the Company granted 5,200,000 unquoted options, 2,000,000 options have an exercise price of $0.10 and 3,200,000 options have an exercise price of $0.12. All options have an expiry date of 23 July 2022. As noted below, the Managing Director & Chief Executive Officer was ultimately issued 1,600,000 options at an exercise price of $0.10, being less than his contracted entitlement (2,500,000), and less than approved by Shareholders approval (2,000,000), as a result of his voluntary allocation to other executives and new staff.

On 16 May 2019, the company granted 2,150,000 unquoted options to executives and staff (not Directors). 1,750,000 have an exercise price of $0.12 and 400,000 have an exercise price of $0.10. All options have an expiry date of 23 July 2022. The first tranche of 1,075,000 options were not subject to any vesting conditions and vested on grant date and the second tranche of 1,075,000 options are subject to a service vesting condition. The value of the options granted was $46,500.

On 23 July 2019, following the 16 May 2019 Board approval, the company held a General Meeting which approved the grant of 2,750,000 unquoted options to Directors. All options have an expiry date of 23 July 2022. The Managing Director was granted 1,600,000 options. The options granted to the Managing Director have an exercise price of $0.10. The Non-executive Directors were granted 1,150,000 options which have an exercise price of $0.12 and which vested on grant date. The value of the options granted to the Directors was $366,500.

On 3 February 2020, the company granted 150,000 unquoted options to the Chief Financial Officer. The options have an exercise price of $0.12 and an expiry date of 23 July 2022. The first tranche of 75,000 options were not subject to any vesting conditions and vested on grant date and the second tranche of 75,000 options are subject to a service vesting condition. The value of the options granted was $93,000.

On 11 November 2019, the company granted 150,000 unquoted options to an employee. The options have an exercise price of $0.12 and an expiry date of 23 July 2022. The first tranche of 75,000 options were not subject to any vesting conditions and vested on grant date and the second tranche of 75,000 options are subject to a service vesting condition. The value of the options granted was $84,000.

Note 39. Share-based payments (continued)

Set out below are summaries of options granted:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/05/2019	23/07/2022	$0.100	400,000	-	-	-	400,000
16/05/2019	23/07/2022	$0.120	950,000	-	(350,000)	-	600,000
23/07/2019	23/07/2022	$0.100	800,000	-	-	-	800,000
23/07/2019	23/07/2022	$0.120	250,000	-	-	-	250,000
11/11/2019	23/07/2022	$0.120	75,000	-	-	-	75,000
03/02/2020	23/07/2022	$0.120	75,000	-	(75,000)	-	-
			2,550,000	-	(425,000)	-	2,125,000
Weighted average exercise price			$0.111	$0.000	$0.120	$0.000	$0.000

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2022 was $0.80.

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/05/2019	23/07/2022	$0.100	400,000	-	-	-	400,000
16/05/2019	23/07/2022	$0.120	1,325,000	-	(375,000)	-	950,000
23/07/2019	23/07/2022	$0.100	1,600,000	-	(800,000)	-	800,000
23/07/2019	23/07/2022	$0.120	250,000	-	-	-	250,000
11/11/2019	23/07/2022	$0.120	75,000	-	-	-	75,000
03/02/2020	23/07/2022	$0.120	75,000	-	-	-	75,000
			3,725,000	-	(1,175,000)	-	2,550,000
Weighted average exercise price			$0.109	$0.000	$0.106	$0.000	$0.111

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2021 was $0.88.

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2022 Number	2021 Number
16/05/2019	23/07/2022	1,000,000	1,350,000
23/07/2019	23/07/2022	1,050,000	1,050,000
11/11/2019	23/07/2022	75,000	75,000
03/02/2020	23/07/2022	-	75,000
		2,125,000	2,550,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.06 years (2021: 1.06 years).

(b) Performance rights

The company granted performance rights to nominated employees on 15 December 2020 and 26 May 2021. The vesting of any performance rights have non-market conditions assigned to each individual based on their business unit, an employment condition and a single market condition of the company share price of $2.00 per share for 10 consecutive days. The performance rights granted on 15 December 2020 and 26 May 2021 vest on 30 June 2022 and 31 October 2022 respectively.

Note 39. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
15/12/2020	31/10/2022	$0.000	1,408,399	-	-	-	1,408,399
26/05/2021	30/06/2022	$0.000	725,000	-	-	(725,000)	-
			2,133,399	-	-	(725,000)	1,408,399

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
15/12/2020	31/10/2022	$0.000	-	1,408,399	-	-	1,408,399
26/05/2021	30/06/2022	$0.000	-	725,000	-	-	725,000
			-	2,133,399	-	-	2,133,399

Set out below are the performance rights exercisable at the end of the financial year:

Grant date	Expiry date	**2022** Number	**2021** Number
15/12/2020	31/10/2022	1,408,399	1,408,399
26/05/2021	30/06/2022	-	725,000
		1,408,399	2,133,399

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.22 years (2021 1.22 years).

(c) Expenses arising from share-based payment transactions
The total expense arising from share-based payment transactions recognised during the period as part of employee benefits expense was $255,231 (2021: $163,000).

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Black-Scholes or the Monte Carlo models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 39. Share-based payments (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other non-market conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

SciDev Limited
Directors' declaration
30 June 2022

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Vaughan Busby
Chairman

31 August 2022
Sydney

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Independent auditor's report to the members of SciDev Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of SciDev Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Carrying Value of Goodwill

Why significant	How our audit addressed the key audit matter
In accordance with the requirements of the Australian Accounting Standards, the Group is required to test all cash generating units (CGUs) annually for impairment where goodwill is present. The Group assesses the recoverable amount of each CGU using a discounted cash flow forecast to determine value in use (VIU). As disclosed in Note 15 to the financial statements, no impairment was identified as at 30 June 2022. Assumptions used in the forecast of cash flows are highly judgmental and inherently subjective. Specifically, judgement is required to assess the reasonability of forecast growth rates, margins, operating costs, discount rates and terminal growth rates. As a result of the above, and the extent of audit effort and judgement required, we considered the goodwill carrying value assessment to be a key audit matter.	With the assistance of our valuation specialists, our audit procedures included the following: ▸ We considered the Group's identification of CGUs for completeness and consistency with Australian Accounting Standards. ▸ We assessed whether the impairment testing methodology used met the requirements of Australian Accounting Standards. ▸ We tested the mathematical accuracy of the discounted cash flow models. ▸ We assessed the basis of preparing the cash flow forecasts and considered the Group's current performance and accuracy of the previous forecasts and budgets. ▸ We assessed the appropriateness of the cash flow forecasts, including forecast revenue growth and margins, with reference to current trading performance, historical growth rates achieved, contracts and purchase orders in place, and industry data and forecasts (where available). ▸ We assessed the appropriateness of the discount rates and growth rates with reference to publicly available information for comparable companies in the industry and markets in which the Group operates. ▸ We performed sensitivity analyses to evaluate whether reasonably possible changes in assumptions could cause the carrying amount of each CGU to exceed its recoverable amount. ▸ We cross-checked the EBITDA multiples represented by the recoverable amount derived from the discounted cashflow models against a range of comparable companies and transactions. ▸ We considered the carrying value of the Group's net assets against its market capitalisation. ▸ We evaluated the adequacy of the disclosures relating to the goodwill carrying values in the financial report, including those made with respect to judgements and estimates.

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 Company's 2022 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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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 on the other information obtained prior to the date of this auditor's report, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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

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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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of SciDev Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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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.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
Sydney
31 August 2022

SciDev Limited
Corporate directory
30 June 2022

Directors	Vaughan Busby - Non-executive Chairman Simone Watt - Non-executive Director Jon Gourlay - Non-executive Director Dan O'Toole - Non-executive Director
Company secretary	Heath L Roberts
Registered office	C/-Boardroom Pty Limited Level 12, Grosvenor Place 225 George Street, Sydney NSW 2000 Phone: 1300 737 760
Principal place of business	Unit 1 8 Turbo Road Kings Park NSW 2148 Phone: (02) 9622 5185
Share register	Boardroom Pty Limited Level 12 225 George Street, Sydney NSW 2000 Phone: 1300 737 760
Auditor	Ernst & Young 200 George Street Sydney NSW 2000
Stock exchange listing	SciDev Limited shares are listed on the Australian Securities Exchange (ASX code: SDV)
Website	www.scidev.com.au
Corporate governance statement	www.scidev.com.au/about-us/governance/