ANNUAL FINANCIAL REPORT

ABN 22 088 588 425

30 JUNE 2023

TASMEA LIMITED

General information

The financial statements cover Tasmea Limited (formerly E&A Limited) as a Group consisting of Tasmea Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Tasmea Limited's functional and presentation currency.

Tasmea Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal places of business
75 Verde Drive Jandakot WA	Regional Western Australia, South Australia and Queensland

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 5 September 2023. The directors have the power to amend and reissue the financial statements.

On behalf of the Board of Tasmea Limited ("Tasmea" or "the Group"), we are pleased to present the Tasmea Annual Report for the year ended 30 June 2023.

Results

Operating revenue for the year was $320.0 million, up 30.7% from the prior year due to increased activity from mining and industrial customers, and revenue contribution from new acquisitions.

Earnings before interest and tax were $30.3 million, up 38.4% on prior year results.

The Group reported net profit after tax of $19.5 million, 42.8% higher than the previous year's profit after tax of $13.6 million.

Cash generated from operations was $22.7 million, 100% of net profit after tax.

The Group's improved trading results reflect the ongoing strategic focus on recurring revenue generated from providing maintenance, shutdown and skilled labour services to "Essential Industry" asset owners.

Financial Position

The Group's financial position has significantly improved during the year, on the back of the strong financial performance, cash collection and debt repayments.

At 30 June 2023, net debt excluding property leases was $34.5 million and gearing was 31.9% (as measured by the ratio of net debt to net debt plus shareholder equity).

At 30 June 2023, Tasmea's net debt to EBITDA ratio is 0.87x. The Group has invested heavily in plant and equipment to support the growing operations which has been enabled by strong operating cash flows.

Business Acquisitions

The Group acquired Tasman Asset Management Services, A. Noble & Son Limited, Corfield's Electrical Service, and Sigma Power Systems Pty Ltd during the year. These acquisitions increased the Group's service offerings in the Electrical and Mechanical service streams.

Change of name and rebranding

On 1 March 2023, E&A Limited changed its name to Tasmea Limited following shareholder and ASIC approval, and launched a new branding strategy and capability statement.

People

The Group's subsidiaries have managed their direct and indirect employment levels in line with project demands. Recruitment efforts have enabled headcount to increase by 57.8% when compared to prior year, primarily due to increased demand from existing and new customers. Tasmea's skilled workforce now totals in excess of 1,300 employees.

The Group has invested in developing our leadership team and service delivery teams, to ensure they have the skills required to deliver on our growth strategy.

Safety and care

Safety remains a key focus for the Group.

Tasmea management and employees share a mutual responsibility to deliver work in a manner which does not harm either the employee or those who work alongside them. The Group's subsidiary employees maintained their attention to this essential obligation last financial year and once again we are proud to announce another year's lost time injury free performance with the Group extending its overall LTI free record to now more than ten years or 3,800+ days.

Tasmea subsidiaries maintained their workers' compensation self-insurance status for its South Australian operations.

Exceptional skill and service

Tasmea subsidiaries continue to foster essential skills and harness innovation and experience within their niche service lines.

Acquisition opportunities are strategic with a strong bias towards remote maintenance and recurring services to essential asset owners.

Tasmea continues to achieve high levels of customer satisfaction and maintains a strong pipeline of recurring work delivered via Master Service Agreements and Facility Agreements.

Systems and processes

A continuous improvement focus has been applied to the back office and the Group has invested in system upgrades, system rollouts and integration of business acquisitions.

Significant improvement has been made in the current year, which will continue into FY24.

Dividends

The Tasmea Board has declared a final fully franked dividend of 2.0 cents per share taking the full year dividend to 3.5 cents per share fully franked (2022: 2.5 cents).

The dividend will be paid on 20 December 2023, with the date for determining entitlements being 30 September 2023.

Outlook for FY24

The market conditions for the resources, energy and infrastructure sectors are expected to provide Tasmea subsidiaries with consistent demand for their specialised trade skills services.

Tasmea continues to assess a number of acquisition opportunities.

On behalf of the Board, we thank our customers, suppliers and employees, who have contributed to the continued success of the Group.

Stephen Young

Managing Director

30.7%
On prior year
FY23 revenue growth

38.4%
On prior year
FY23 EBIT growth

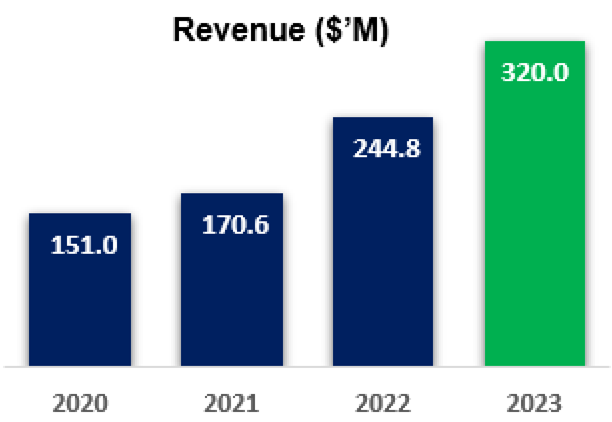
100.0%
OCF / NPAT
FY23 cash conversion

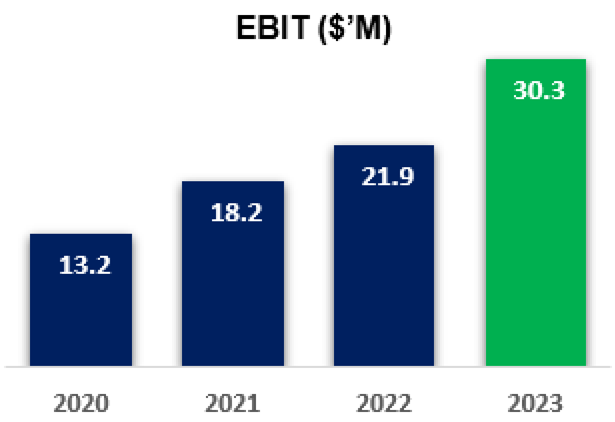
3.5 cents
Fully franked
FY23 dividend

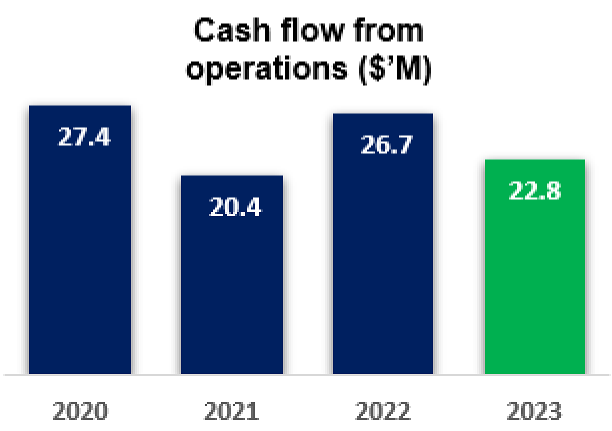
1,300+
Employees
People

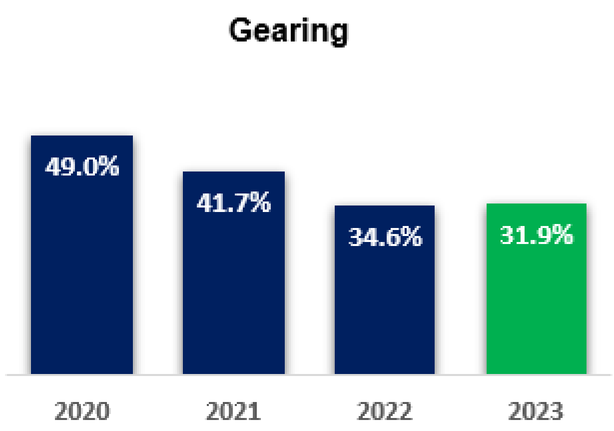
3,800+
LTI free days
Safety

Tasmea Limited Results Summary	FY23 $'000	FY22 $'000	% Change
Revenue from continuing operations	319,982	244,808	30.7%
Earnings before interest, tax and depreciation (EBITDA)	39,458	28,400	38.9%
Earnings before interest and tax (EBIT)	30,288	21,892	38.4%
Interest expense	(3,507)	(3,389)	3.5%
Profit before tax	26,781	18,503	44.7%
Income tax expense	(7,311)	(4,871)	50.1%
Net profit after tax	19,470	13,632	42.8%
Cash generated from operations	**22,776**	**26,734**	**(14.8%)**









Tasmea operating locations

Tasmea Limited's 16 subsidiaries provide essential services to key Australian industries, offering specialised maintenance services to ensure smooth operation and longevity of critical assets, and comprehensive engineering solutions that cater to the unique needs of each industry.

Tasmea is headquartered in Perth, Western Australia and has offices in South Australia, New South Wales and Queensland. Tasmea also operates site offices in Victoria and the Northern Territory and numerous regional centres throughout Australia.

Tasmea's strategy is to provide specialist maintenance services targeting remote locations across Australia. Tasmea has a flexible approach to managing its workforce with core teams of employees engaged in each of the remote locations which are supplemented by the Company's ability to mobilise its skilled employees to deliver projects across Australia, in both metropolitan and remote locations.

Industries we service

- Mining & Resources
- Oil & Gas
- Defence, Infrastructure & Facilities
- Power & Renewable Energy
- Telecommunications and Retail
- Waste & Water

TASMEA LIMITED

Tasmea subsidiaries

Our subsidiaries provide a wide range of services across four operating segments:

Electrical

TASMAN POWER – A TASMEA COMPANY
ICE ENGINEERING & CONSTRUCTION – A TASMEA COMPANY
YURA YARTA – A TASMEA COMPANY
TASMAN ASSET MANAGEMENT SERVICES – A TASMEA COMPANY
CORFIELD'S ELECTRICAL – A TASMEA COMPANY
SIGMA POWER SERVICES – A TASMEA COMPANY

Segment revenue FY23:
$120m

Mechanical

TASMAN ROPE ACCESS – A TASMEA COMPANY
HEAVYMECH – A TASMEA COMPANY
NOBLES – A TASMEA COMPANY
QMM – A TASMEA COMPANY

Segment revenue FY23:
$90m

Civil

NWMC – A TASMEA COMPANY
M&B CIVIL – A TASMEA COMPANY

Segment revenue FY23:
$42m

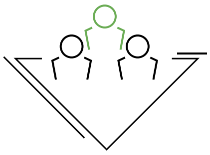
Water & Fluid

FABTECH – A TASMEA COMPANY
LAPTEK SYSTEMS – A TASMEA COMPANY
AUSPRESS – A TASMEA COMPANY
TECHNICAL LUBRICATION SERVICES – A TASMEA COMPANY

Segment revenue FY23:
$68m

Core Values

Driven by the principle of “Delivering Value. Always!” our core values serve as the foundation for the company culture and guide decision-making, and interactions with customers, employees, and partners across the entire group.

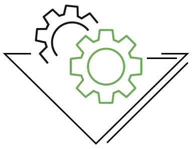


PEOPLE

People are our greatest asset. We employ a diversly expert workforce and advocate for learning through development. We foster a teamwork culture to empower and encourage accountability & respect.

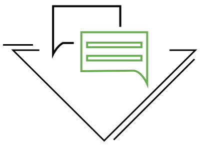
SAFETY

Safety first in everything we do. As an organisation we are committed to disciplined implementation of highest safety protocols. As individuals, we are accountable for our own safety and those around us.



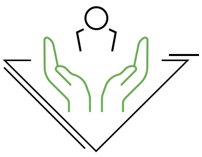
EXCEPTIONAL SKILL

Our teams are skilled and experienced, forward thinking solution providers utilising niche sector knowledge to expertly fulfill client needs.



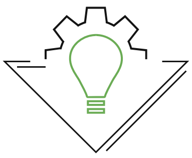
EXEMPLARY SERVICE

We listen to understand and commit to deliver a wholesome customer experience by assigning actionable urgency.



CARE

Imperative to our outcome focused operations is maintaining a human perspective. We build strong working relationships by demonstrating care in every interaction.



COMMON SYSTEMS & PROCESS

Imperative to our outcome focused operations is maintaining a human perspective. We build strong working relationships by demonstrating care in every interaction.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'Tasmea' or 'the Group') consisting of Tasmea 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 2023.

Directors

The following persons were directors of Tasmea Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	**Particulars**
Michael Terlet	Non-executive Director & Chairman
Stephen Young	Managing Director
Mark Vartuli	Executive Director
Jason Pryde	Executive Director

Information on directors

Name:	**Mr Michael John Terlet** *AO, MBA FAIML, FAICD, JP(ret)*
Title:	**Non-executive Director and Independent Chair**
Experience and expertise:	Michael Terlet is the Independent Chair of Tasmea. He has undertaken a number of directorships in both private and public companies, and is the current Chair of Tidswell Financial Services Ltd, Diversa Trustees Limited, Responsible Entity Partners and CCSL Limited. Michael was responsible for the formation and growth of Australia's largest private sector defence and aerospace company, AWA Defence Industries, from 1978 to 1992. In 1991, he was recognised and made an officer of the General Order of Australia for contributions to industry and export. Michael has also served as Chair of Australia's largest privately owned water company, United Water International Pty Ltd, Workcover, SA Centre for Manufacturing, Defence Manufacturing Council SA (MTIA), South Australian Small Business Advisory Council, SDS Corporation Ltd, and International Centre of Excellence in Water Resources Management. Michael also held the position of President of the South Australian Employers Chamber of Commerce and Industry, the Engineering Employers Association and a director of Statewide Super.
Interests in shares:	911,558 ordinary shares
Interests in options:	None

Name:	**Mr Stephen Elliott Young** *B. Ec, FCA, FAICD*
Title:	**Managing Director**
Experience and expertise:	Stephen Young is the Founder and Managing Director of Tasmea and is the Executive Chair of all its subsidiaries. Stephen has been instrumental in driving Tasmea’s strategy and growth over the past 24 years. Stephen founded Tasmea in 1999 and initiated the initial public offering for E&A Limited (now rebranded as Tasmea) in 2007. E&A Limited was delisted in May 2017 and was restructured at that time. Stephen controls 48% of the shares of Tasmea through related parties. Stephen has a Bachelor of Economics, is a Fellow of the Chartered Accountants Australia and New Zealand and Australian Institute of Company Directors. Stephen has more than 45 years' experience involving large corporate advisory, corporate recovery, business turnaround, listed public and private board and advisory engagements. Stephen was the Managing Partner of Arthur Andersen's Adelaide office following their merger with Allert Heard & Co (where Stephen was an equity partner) from 1989 to 1997. Stephen was a member of the Arthur Andersen Worldwide Advisory Council and held several national and international leadership positions within the firm. Stephen has been retained on a number of listed public company boards often in a "turnaround" capacity together with serving on boards of Government business enterprises, large private companies, sporting and charitable organisations.
Interests in shares:	92,596,773 ordinary shares
Interests in options:	None
Name:	**Mr Mark Gabriel Vartuli** *M. Comm, B.Comm, FCA*
Title:	**Executive Director**
Experience and expertise:	Mark is an Executive Director and a founding employee of Tasmea and sits on the board of all of its subsidiaries. Together with Stephen Young, Mark has been instrumental in driving strategy and growth for Tasmea. Mark controls 21% of the shares of Tasmea through related parties. Mark has over 25 years’ experience in providing commercial advice in relation to mergers and acquisitions, divestments, corporate restructures and scaling up businesses. Prior to joining Tasmea Limited, Mark held a number of roles with Arthur Anderson working in their Assurance and Business Advisory Division and Equity & Advisory, a boutique corporate advisory firm. Mark is a fellow of the Chartered Accountants Australia and New Zealand and holds a Master of Commerce from the University of South Australia and a Bachelor of Commerce from Adelaide University.
Interests in shares:	40,262,507 ordinary shares
Interests in options:	None

Name:	**Mr Jason Frank Pryde**
Title:	**Executive Director**
Experience and expertise:	Jason Pryde was appointed as a Director of Tasmea on 1 September 2021. Jason is the Chief Operating Officer of all Tasmea subsidiaries and the Chief Executive Officer of Tasman Power WA. Jason holds 2% of the shares of Tasmea in his personal capacity and through related parties. A trained electrician, Jason has over 20 years experience providing and leading service delivery to the mining and construction industry. Since establishing Tasman Power in 2007, Jason has undertaken a number of directorships in private companies specialising in operational excellence and business sustainability.
Interests in shares:	3,919,001 ordinary shares
Interests in options:	None

Company Secretary
Simone Thompson is the Chief Financial Officer and Company Secretary of Tasmea Limited. Simone is a Chartered Accountant and holds a Bachelor of Commerce and a Bachelor of Law.

Simone joined the Group in 2020 and is responsible for financial control and reporting across the Group. She leads a team of subsidiary financial controllers and the corporate shared services team. Prior to joining Tasmea, Simone spent 18 years providing assurance and business advisory services for Big 4 accounting firms.

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 2023, and the number of meetings attended by each director were:

	Tasmea Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
Michael Terlet	5	5	1	1	2	2
Stephen Young	5	5	1	1	2	2
Mark Vartuli	5	5	1	1	2	2
Jason Pryde	5	5	1	1	2	2

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

Review of operations
The profit for the Group after providing for income tax was $19,470,000 (30 June 2022: $13,632,000). A full review of operations is included in the Managing Director's Report and Financial Overview section.

Principal activities
During the financial year the principal continuing activities of the Group consisted of the provision of engineering and maintenance services to the:
- Mining and resources industry;
- Oil and gas industry;
- Water industry;
- Defence and infrastructure industry; and
- Power and renewable energy industry.

Significant changes in the state of affairs
During the year, the following changes occurred within the Group:

On 1 July 2022, Tasmea Limited acquired KP Electric (Australia) Pty Ltd for total consideration of $1.3 million. Upon acquisition, the company name was changed to Tasman Asset Management Services Pty Ltd (“**TAMS**”). TAMS is an electrical service provider, offering routine and corrective maintenance services to customers in the retail, warehousing, commercial and industrial sectors. The acquisition of TAMS provides a strategic opportunity to diversify the Group's client base and geographical scope of operations.

On 1 August 2022, Tasmea Limited acquired 95% of the shares in A. Noble & Son Limited (“**Nobles**”) for total consideration of $1.4 million. Nobles is a trusted supplier of lifting and rigging equipment, technical services and engineering design to customers throughout Australia. Nobles supply and service a range of industries from 11 locations across all mainland states of Australia and the Northern Territory.

On 1 October 2022, Tasmea Limited acquired Moxstar Pty Ltd trading as Corfields Electrical Services ("**Corfields**"), a Queensland based electrical contractor providing construction, maintenance and industrial electrical services in the Gladstone area. The cost of the acquisition was $2.5 million and comprised both cash and deferred consideration components.

On 1 March 2023, E&A Limited changed its name to Tasmea Limited following shareholder and ASIC approval, and launched a new branding strategy and capability statement.

On 1 April 2023, Tasmea Limited acquired Sigma Power Services Pty Ltd ("**SPS**"), based in Western Australia. SPS offers high voltage testing, commissioning, maintenance and engineering design services for various sectors including mining, utilities, oil & gas throughout Australia. SPS was acquired expressly to undertake Tasman Power's High Voltage maintenance obligations for existing clients. The purchase consideration was $2.0 million, comprised of cash, issue of Tasmea Limited shares and deferred consideration components.

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

Environmental regulation
The Group’s operations are subject to environmental regulations under Commonwealth and State legislation. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2023 $'000	2022 $'000
FY22 Final dividend of 1.3 cents per ordinary share (2022: FY21 final dividend of 1.0 cents)	2,522	1,939
FY23 Interim dividend of 1.5 cents per ordinary share (2022: FY22 interim dividend of 1.2 cents)	2,909	2,327
	5,431	4,266

Share Options
The Company has no options outstanding for the potential issue of further Ordinary Shares.

Likely developments and expected results of operations
Likely developments in the operations of the Group that were not finalised at the date of this report include the proposed entry of Tasmea Limited to the Australian Securities Exchange. Upon completion, there will be an increase in the number of shares on issue and additional disclosure requirements in future periods.

Matters subsequent to the end of the financial year

On 1 July 2023, Tasmea Limited acquired Groundbreaking Mining Solutions Pty Ltd ("**GMS**"). GMS offers drill and blast rig solutions to clients in Australia and overseas, comprising a range of in-house engineering, maintenance and asset management services as well as equipment hire. The acquisition of GMS provides a strategic opportunity for the Group to diversify its client base and geographical scope of operations.

On 7 August 2023, Tasmea Limited acquired the remaining 5% equity in A Noble & Son Pty Ltd for 666,666 Ordinary Shares in Tasmea Limited with a fair value of $1.0 million. The final acquisition price was determined in accordance with the shareholder agreement entered into at the time of the acquisition in August 2022.

On 10 August 2023, Tasmea Limited called an Extraordinary General Meeting of Shareholders to be held on 4 September 2023. The Notice of Meeting specified five matters for shareholders to consider and vote on at the meeting:
- Special resolution to adopt a new Constitution;
- Ordinary resolution to approve Non-Executive Directors' fees;
- Ordinary resolution to approve the divestment of interest in Equity & Advisory Pty Ltd to related parties;
- Ordinary resolution to approve the transfer of interest in a property to a related party; and
- Ordinary resolution for Section 195 approval in respect of the transfer of interest in the property.

All resolutions were subsequently approved.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 42 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 42 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 undermine 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 advocate for the company or jointly sharing economic risks and rewards.

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.

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.

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

___________________________	___________________________
Stephen E Young	Mark G Vartuli
Managing Director	Executive Director

5 September 2023

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Tasmea Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Tasmea Limited for the year ended 30 June 2023, I declare that, 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; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 5 September 2023

	Note	Consolidated 2023 $'000	2022 $'000
Revenue			
Revenue from Contracts with Customers	5	319,982	244,808
Cost of sales	6	(237,598)	(192,601)
Gross profit		**82,384**	**52,207**
Other income	7	3,094	1,739
Share of profits of associates accounted for using the equity method	36	444	1,629
Expenses			
Administrative expenses	8	(46,464)	(27,175)
Depreciation and amortisation expense	9	(9,170)	(6,508)
Operating profit before finance costs		**30,288**	**21,892**
Finance costs	10	(3,507)	(3,389)
Profit before income tax expense		**26,781**	**18,503**
Income tax expense	12	(7,311)	(4,871)
Profit after income tax expense for the year		**19,470**	**13,632**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**19,470**	**13,632**
Profit for the year is attributable to:			
Non-controlling interest	33	153	-
Owners of Tasmea Limited		19,317	13,632
		19,470	**13,632**
Total comprehensive income for the year is attributable to:			
Non-controlling interest		153	-
Owners of Tasmea Limited		19,363	13,632
		19,470	**13,632**
		Cents	**Cents**
Basic earnings per share	11	9.95	7.03
Diluted earnings per share	11	9.95	7.03

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

	Note	Consolidated 2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	13	17,007	22,668
Trade and other receivables	15	46,077	41,795
Contract assets	16	12,370	8,526
Inventories	17	10,233	7,200
Other assets	18	4,985	5,062
		90,672	85,251
Non-current assets classified as held for sale	19	1,265	-
Total current assets		91,937	85,251
Non-current assets			
Property, plant and equipment	20	29,796	22,088
Right-of-use assets	21	7,729	4,445
Intangible assets	22	61,428	56,471
Deferred tax assets	12	10	6,712
Investments accounted for using the equity method	36	-	167
Other assets	18	871	116
Total non-current assets		99,834	89,999
Total assets		191,771	175,250
Liabilities			
Current liabilities			
Trade and other payables	23	42,257	46,130
Contract liabilities	24	7,337	6,446
Loans and borrowings	25	10,473	7,595
Lease liabilities	26	8,925	6,118
Provision for employee benefits	27	8,375	5,683
Other provisions	28	701	3,050
Income tax	12	87	149
Total current liabilities		78,155	75,171
Non-current liabilities			
Loans and borrowings	25	26,882	29,123
Lease liabilities	26	11,181	10,961
Provision for employee benefits	27	653	384
Other provisions	28	1,040	740
Total non-current liabilities		39,756	41,208
Total liabilities		117,911	116,379
Net assets		73,860	58,871

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

	Note	Consolidated 2023 $'000	2022 $'000
Equity			
Issued capital	29	84,416	83,466
Accumulated losses	30	(10,709)	(24,595)
Equity attributable to the owners of Tasmea Limited		73,707	58,871
Non-controlling interest		153	-
Total equity		73,860	58,871

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

Consolidated	Issued capital $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2021	83,446	(33,961)	-	49,485
Profit after income tax expense for the year	-	13,632	-	13,632
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	13,632	-	13,632
Transactions with owners in their capacity as owners:				
Share-based payments	20	-	-	20
Dividends paid (note 31)	-	(4,266)	-	(4,266)
Balance at 30 June 2022	83,466	(24,595)	-	58,871

Consolidated	Issued capital $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2022	83,466	(24,595)	-	58,871
Profit after income tax expense for the year	-	19,317	153	19,470
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	19,317	153	19,470
Transactions with owners in their capacity as owners:				
Shares issued as purchase consideration in a business combination (note 34)	950	-	-	950
Dividends paid (note 31)	-	(5,431)	-	(5,431)
Balance at 30 June 2023	84,416	(10,709)	153	73,860

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

	Note	Consolidated 2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		350,007	259,485
Payments to suppliers and employees		(327,231)	(232,751)
		22,776	*26,734*
Interest and other finance costs paid		(3,508)	(3,389)
Income taxes paid		(813)	(1,241)
Net cash from operating activities	14	**18,455**	**22,104**
Cash flows from investing activities			
Payments for property, plant and equipment		(11,024)	(3,719)
Proceeds from disposal of property, plant and equipment		2,495	207
Payment for purchase of controlled entity, net of cash acquired	34	(4,126)	(1,553)
Payment of deferred consideration for acquisitions		(2,970)	(2,337)
Net cash used in investing activities		**(15,625)**	**(7,402)**
Cash flows from financing activities			
Proceeds from borrowings		6,651	40,000
Repayment of borrowings		(10,272)	(35,964)
Repayment of property lease liabilities		(2,183)	(3,740)
Dividends paid		(2,687)	(3,730)
Net cash used in financing activities		**(8,491)**	**(3,434)**
Net increase/(decrease) in cash and cash equivalents		**(5,661)**	**11,268**
Cash and cash equivalents at the beginning of the financial year		22,668	11,400
Cash and cash equivalents at the end of the financial year	13	**17,007**	**22,668**

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

Note 1. Reporting entity

The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as "**Tasmea**" or "**the Group**" and individually as "**Group entities**"). The Group is a for-profit consolidated entity and is primarily involved in providing engineering and maintenance services to essential asset owners in the mining and resources, water and defence industries and financial advisory services to the corporate sector.

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 of the years presented, unless otherwise stated.

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AAS) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act* 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Board of Directors on 5 September 2023.

(b) Basis of preparation

These Tier 1 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.

Critical accounting estimates

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

(c) Parent entity information

In accordance with the *Corporations Act* 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 37.

Note 2. Significant accounting policies (continued)

(d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tasmea Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended. Tasmea Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

(e) Foreign currency translation

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

(f) New or amended Accounting Standards and Interpretations adopted

The Group 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.
Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(g) Revenue recognition

The Group recognises revenue as follows:

<u>Revenue from contracts with customers</u>

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Note 2. Significant accounting policies (continued)

Maintenance and Sustainability Services
Services revenue is primarily generated from maintenance and other services supplied to infrastructure assets and facilities across different sectors as well as from contract mining services, mining assets and maintenance services.

The Group performs maintenance and other services for a variety of different industries. Contracts entered can cover servicing of related assets which may involve various processes. These processes and activities tend to be highly inter-related and the Group provides a significant service of integration for these assets under contract. Where this is the case, these are taken to be one performance obligation. The total transaction price is allocated across each performance obligation.

The transaction price is allocated to each performance obligation based on stand alone selling prices and revenue is recognised over time as the performance obligation is satisfied using an input method of actual costs incurred as a proportion of total anticipated contract costs as the most appropriate measure for progress towards satisfaction of the performance obligation. Payment is generally due within 30 – 90 days from providing the service.

Major projects
The Group derives revenue from the construction and engineering of infrastructure projects. Contracts entered may be for the construction of one or several separate inter-linked pieces of infrastructure. The construction of each individual piece of infrastructure is generally taken to be one performance obligation. Where contracts are entered for the building of several projects the total transaction price is allocated across each project based on stand-alone selling prices. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration.

The performance obligation is fulfilled over time and as such revenue is recognised over time using an input method of actual costs incurred as a proportion of total anticipated contract costs as the most appropriate measure for progress towards satisfaction of the performance obligation. As work is performed on the assets being constructed, they are controlled by the customer and generally have no alternative use to the Group, with the Group having a right to payment for performance to date. Generally, contracts identify various inter-linked activities required in the construction process.

Revenue is recognised on the measured output of each process based on appraisals that are agreed with the customer on a regular basis. Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or to match major capital outlay. Invoices are paid on normal commercial terms, which may include the customer withholding a retention amount until finalisation of the construction and payment is generally due within 30 – 90 days of invoicing. Certain construction projects entered into receive payment prior to work being performed in which case revenue is deferred on the balance sheet.

Generally, construction and services contracts include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised accordingly in line with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Loss-making contracts continue to be recognised under AASB 137 as onerous contracts. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

Sale of goods
Revenue is recognised when the customer obtains control of goods which is deemed to satisfy the performance obligation at a point in time at a fixed price and payment is generally due within 30 – 90 days of delivery. Some contracts provide customers with a right of return, which give rise to variable consideration subject to constraint.

Note 2. Significant accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established. Common types of other revenue are outlined below:

Contract modifications - When a modification or variation to an existing contract is made, the Group considers whether the modification shall be accounted for as a separate contract, or as part of the existing unsatisfied performance obligations. This consideration includes whether the variation requires additional goods and services that are distinct and at the stand-alone selling prices.

Contract costs (tender costs) - Costs incurred during the tender / bid process are expensed, unless they are incremental to obtaining the contract or where they are explicitly chargeable to the customer regardless of whether the contract is obtained. The Group applies the practical expedient available under AASB 15 and does not capitalise incremental costs of obtaining contracts if the amortisation period is one year or less.

Variable consideration - Variable consideration that is contingent on the Group's performance, including key performance payments, liquidated damages and abatements that offset revenue under the contract, is included in the transaction price only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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

(h) Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets
Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Note 2. Significant accounting policies (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
1. Financial assets at amortised cost
2. Financial assets at fair value through profit or loss
3. Equity instruments at fair value through other comprehensive income
4. Debt instruments at fair value through other comprehensive income

The Group measures financial assets at amortised cost if both of the following conditions are met: (i) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and other non-current financial assets.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of

Note 2. Significant accounting policies (continued)

directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
- Financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

- Loans and borrowings. This is the category most relevant to the Group. This category generally applies to interest-bearing loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(i) Current and non-current classification

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

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

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

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

Note 2. Significant accounting policies (continued)

(j) Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.
An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.
Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.
Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(k) Associates
Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.
When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.
The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(l) 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.

(m) 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.

Note 2. Significant accounting policies (continued)

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.

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.

(n) 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. Borrowing costs include:
- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of line fees, discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- interest on leases; and
- bank charges.

Borrowing costs are capitalised into the asset cost when they relate specifically to a qualifying asset.

(o) Goods and Services Tax and other similar taxes

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

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

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

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

(p) 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.

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.

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

Revenue from contracts with customers involving construction, services and mining contracting projects
When recognising revenue in relation to construction, services and mining contracting projects judgements, estimates and assumptions are made in respect of determining the stage of completion and project completion date, estimation of the total contract costs, estimation of the total contract revenue, including recognising revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future, and assumed level of project execution and productivity (note 5).

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates (note 15).

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or non-strategic assets that have been abandoned or sold will be written off or written down (note 20).

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 22. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Income tax
The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made (note 12).

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses (note 12).

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances (note 21 and note 26).

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

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported (note 34).

Deferred consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into four operating segments based on differences in products and services provided: electrical, mechanical, civil, water & fluid. These operating segments are based on the internal reports that are reviewed and used by the Executive Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the property, plant and equipment held to benefit multiple segments, and corporate services provided to benefit multiple segments.

The CODM reviews revenue, gross margin, earnings before interest, tax, depreciation and amortisation (EBITDA), earnings before interest and tax (EBIT) and operating cash flows (OCF). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Electrical services	Remote area specialist services in industrial and commercial electrical and instrumentation services, maintenance and compliance of electrical assets, and indigenous trade services.
Mechanical services	Remote area specialist services in industrial and commercial refurbishment & repairs, shutdown and mechanical maintenance.
Civil services	Remote area specialists in commercial earthworks, waste management and civil maintenance.
Water & fluid services	Remote area specialist services in industrial and commercial Geomembrane Solutions, Lubrication Solutions & Maintenance, Drainage Solutions.

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

Note 4. Operating segments (continued)

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 customers

During the year ended 30 June 2023, approximately 28% (2022: 28%) of the consolidated entity's external revenue was derived from sales to a leading global mining group.

Revenue by geographical area

All reported revenue is generated by the consolidated entity within Australia. All non-current assets are held in Australia.

Operating segment information

Consolidated - 2023	Electrical $'000	Mechanical $'000	Civil $'000	Water & Fluid $'000	Corporate $'000	Total $'000
Revenue						
Sales to external customers	120,294	89,964	42,497	67,503	(276)	319,982
Total revenue	120,294	89,964	42,497	67,503	(276)	319,982
Earnings before interest, tax, depreciation and amortisation	12,846	9,112	7,875	6,530	3,095	39,458
Depreciation and amortisation	(2,433)	(2,493)	(1,568)	(1,008)	(1,668)	(9,170)
Finance costs	(1,240)	(978)	(384)	(501)	(404)	(3,507)
Profit before income tax expense	9,173	5,641	5,923	5,021	1,023	26,781
Income tax expense						(7,311)
Profit after income tax expense						19,470
Assets						
Segment assets	51,820	48,737	28,820	36,091	26,303	191,771
Total assets						191,771
Liabilities						
Segment liabilities	38,456	35,816	16,275	21,674	5,690	117,911
Total liabilities						117,911

Note 4. Operating segments (continued)

Consolidated - 2022	Electrical $'000	Mechanical $'000	Civil $'000	Water & Fluid $'000	Corporate $'000	Total $'000
Revenue						
Sales to external customers	99,997	46,342	39,380	58,501	588	244,808
Total revenue	99,997	46,342	39,380	58,501	588	244,808
Earnings before interest, tax, depreciation and amortisation	9,524	3,194	6,578	5,017	4,088	28,401
Depreciation and amortisation	(1,804)	(1,213)	(1,131)	(861)	(1,500)	(6,508)
Finance costs	(1,081)	(528)	(861)	(433)	(486)	(3,389)
Profit before income tax expense	6,639	1,453	4,586	3,723	2,102	18,503
Income tax expense						(4,871)
Profit after income tax expense						13,632
Assets						
Segment assets	54,316	42,779	31,868	45,959	328	175,250
Total assets						175,250
Liabilities						
Segment liabilities	45,077	33,223	21,165	35,057	(18,143)	116,379
Total liabilities						116,379

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 from Contracts with Customers

	Consolidated 2023 $'000	Consolidated 2022 $'000
Sales - Services	294,891	232,548
Sales - Goods	25,091	12,260
	319,982	244,808

For the year ended 30 June 2023

Type of service	Electrical Services $'000	Mechanical Services $'000	Civil Services $'000	Water & Fluid $'000	Corporate $'000	Total $'000
Timing of Revenue Recognition						
Revenue recognised over time	120,284	77,067	42,497	55,319	(276)	**294,891**
Revenue recognised at a point in time	10	12,897	-	12,184	-	**25,091**
Total revenue from contracts with customers	**120,294**	**89,964**	**42,497**	**67,503**	**(276)**	**319,982**

Note 5. Revenue from Contracts with Customers (continued)

For the year ended 30 June 2022

Type of service	Electrical Services $'000	Mechanical Services $'000	Civil Services $'000	Water & Fluid $'000	Corporate $'000	Total $'000
Timing of Revenue Recognition						
Revenue recognised over time	99,997	44,300	39,380	48,283	588	**232,548**
Revenue recognised at a point of time	-	2,042	-	10,218	-	**12,260**
Total revenue from contracts with customers	**99,997**	**46,342**	**39,380**	**58,501**	**588**	**244,808**

	Consolidated 2023 $'000	Consolidated 2022 $'000
Trade Receivables	41,677	38,039
Contract Assets	12,370	8,526
Contract Liabilities	(7,337)	(6,446)
	46,710	40,119

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and' deferred revenue'. Contract assets represent the Group's right to consideration for services provided to customers for which the Group's right remains conditional on something other than the passage of time. Contract liabilities arise where payment is received prior to work being performed.

Trade receivables represent receivables in respect of which the Group's right to consideration is unconditional subject only to the passage of time. Trade receivables are non-derivative financial assets accounted for in accordance with the Group's accounting policy for non-derivative financial assets.

Note 6. Cost of sales

	Consolidated 2023 $'000	Consolidated 2022 $'000
Labour	87,842	73,888
Materials	83,720	72,675
Services and contractors	28,262	11,404
Other employee costs	8,761	7,813
Plant and equipment costs	7,814	6,637
Travel and accommodation costs	2,954	1,544
Freight costs	2,032	1,152
Other costs of sales	16,213	17,488
Total cost of sales	237,598	192,601

Note 7. Other income

	Consolidated 2023 $'000	2022 $'000
Net gain on disposal of property, plant and equipment	1,518	58
Government grants	397	375
Net foreign exchange losses	(16)	(1)
Other	1,195	1,307
Total other income	3,094	1,739

Note 8. Administrative expenses

	Consolidated 2023 $'000	2022 $'000
Employee benefits expense	31,356	16,994
Office and information technology	2,217	1,179
Insurance	3,920	2,571
Consulting and compliance	2,229	1,914
Property expenses	929	855
Travel expenses	841	378
Rent expense - Short term leases	797	702
Motor vehicle expenses	631	423
Advertising, sponsorship and donations	628	485
Other employee expenses	441	414
Other administrative expenses	2,475	1,260
Total administrative expenses	46,464	27,175

Note 9. Depreciation and amortisation expense

	Consolidated 2023 $'000	2022 $'000
Plant and equipment	2,059	1,577
Commercial vehicles and trucks	3,217	2,835
Leasehold improvements	186	108
Office furniture and equipment	545	355
Right of use assets	3,158	1,632
Software	5	1
Total depreciation and amortisation expense	9,170	6,508

Note 10. Finance costs

	Consolidated 2023 $'000	2022 $'000
Interest income	-	3
Interest on borrowings	(2,161)	(2,388)
Interest on plant and equipment leases	(569)	(375)
Interest on property leases	(316)	(301)
Other interest expense	(461)	(328)
Total finance costs	(3,507)	(3,389)

Note 11. Earnings per share

	Consolidated 2023 $'000	2022 $'000
Profit after income tax	19,470	13,632
Non-controlling interest	(153)	-
Profit after income tax attributable to the owners of Tasmea Limited	19,317	13,632
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	194,221,488	193,984,638
Weighted average number of ordinary shares used in calculating diluted earnings per share	194,221,488	193,984,638
	Cents	**Cents**
Basic earnings per share	9.95	7.03
Diluted earnings per share	9.95	7.03

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 Tasmea 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. There are no dilutive securities on issue.

Note 12. Income tax

	Consolidated 2023 $'000	Consolidated 2022 $'000
Income tax expense		
Current tax	417	-
Origination and reversal of temporary differences	192	(609)
Utilisation of deferred tax asset to offset tax payable	6,702	5,480
Aggregate income tax expense	7,311	4,871
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	6,702	5,480
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	26,781	18,503
Tax at the statutory tax rate of 30%	8,034	5,551
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	19	(102)
Depreciation of property, plant and equipment	124	-
Tax on entity profits before joining the tax consolidated group	(918)	(456)
Prior year adjustment	52	(122)
Income tax expense	7,311	4,871

	Consolidated 2023 $'000	Consolidated 2022 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	2,834	1,998
Property, plant and equipment	(3,164)	(438)
Tax losses	-	4,720
Leases	132	115
Accrued expenses	81	193
Other	127	124
Deferred tax asset	10	6,712
Movements:		
Opening balance	6,712	12,192
Charged to profit or loss	(6,702)	(5,480)
Closing balance	10	6,712

Note 12. Income tax (continued)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Provision for income tax		
Provision for income tax	87	149

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.

Tasmea 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 13. Cash and cash equivalents

	Consolidated 2023 $'000	2022 $'000
Current assets		
Cash at bank	13,184	19,609
Cash on deposit	3,823	3,059
Total cash and cash equivalents	17,007	22,668

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 14. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2023 $'000	2022 $'000
Profit after income tax expense for the year	19,470	13,632
Adjustments for:		
Depreciation and amortisation	9,170	6,509
Net loss/(gain) on disposal of property, plant and equipment	(1,723)	29
Other non cash (income)/expenses	(56)	18
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,963)	(15,094)
Decrease/(increase) in contract assets	(2,648)	1,859
Increase in inventories	(1,767)	(1,533)
Decrease in deferred tax assets	6,498	4,215
Increase in prepayments	(658)	(1,472)
Increase/(decrease) in trade and other payables	(8,155)	13,515
Increase in other provisions	287	426
Net cash from operating activities	**18,455**	**22,104**

Note 15. Trade and other receivables

	Consolidated 2023 $'000	2022 $'000
Current assets		
Trade receivables	41,677	38,039
Less: Allowance for expected credit losses	(376)	(371)
	41,301	37,668
Other receivables	4,776	4,127
Total trade and other receivables	46,077	41,795

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.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for amounts covered by credit loss insurance and forward-looking factors specific to the debtors and the economic environment. Refer note 32.

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

Note 16. Contract assets

	Consolidated 2023 $'000	2022 $'000
Current assets		
Contract assets	12,370	8,526

Accounting policy for contract assets

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

Note 17. Inventories

	Consolidated 2023 $'000	2022 $'000
Current assets		
Raw materials	840	626
Finished goods	9,568	6,836
Less: Provision for impairment	(175)	(262)
	9,393	6,574
Total inventories	10,233	7,200

Note 17. Inventories (continued)

Accounting policy for inventories

Raw materials and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting 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.

Note 18. Other assets

	Consolidated	
	2023	2022
	$'000	$'000
Current assets		
Prepayments	3,630	3,050
Other current assets	1,355	2,012
Total other current assets	4,985	5,062
Non-current assets		
Total other non-current assets	871	116

Note 19. Non-current assets classified as held for sale

In June 2023, management committed to a plan to sell the investment in Associate (Equity & Advisory Pty Ltd) and a property in Karratha, WA to Related Parties. The sale of both assets is pending shareholder approval at an Extraordinary General Meeting of shareholders on 4 September 2023. Accordingly, both assets are presented as non-current assets classified as held for sale at 30 June 2023.

	Consolidated	
	2023	2022
	$'000	$'000
Current assets		
Investment in associates	475	-
Land and buildings	790	-
	1,265	-

Note 20. Property, plant and equipment

	Consolidated 2023 $'000	2022 $'000
Non-current assets		
Land - at cost	1,857	750
Land and buildings - at cost	847	38
Less: Accumulated depreciation	(112)	(24)
	735	14
Leasehold improvements - at cost	3,260	1,502
Less: Accumulated depreciation	(1,067)	(881)
	2,193	621
Plant and equipment - at cost	23,365	16,279
Less: Accumulated depreciation	(15,482)	(9,254)
	7,883	7,025
Plant and equipment under lease	4,876	3,177
Less: Accumulated depreciation	(1,734)	(1,224)
	3,142	1,953
Motor vehicles - at cost	6,463	4,619
Less: Accumulated depreciation	(5,138)	(3,700)
	1,325	919
Motor vehicles under lease	20,381	15,708
Less: Accumulated depreciation	(9,000)	(5,835)
	11,381	9,873
Office furniture & equipment - at cost	5,213	3,453
Less: Accumulated depreciation	(3,933)	(2,520)
	1,280	933
Total property, plant and equipment	29,796	22,088

Note 20. 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:

Consolidated	Land & buildings $'000	Leasehold improve-ments $'000	Plant & equipment $'000	Commercial vehicles & trucks $'000	Plant & equipment - Leased $'000	Commercial vehicles & trucks - Leased $'000	Office furniture & equipment $'000	Total $'000
Balance at 1 July 2021	-	503	5,241	851	1,516	8,423	712	17,246
Additions	788	272	2,550	601	28	4,740	608	9,587
Additions through business combinations	-	-	300	-	-	-	-	300
Disposals	-	-	(186)	(88)	-	(38)	-	(312)
Transfers in/(out)	-	22	218	(234)	661	(662)	(5)	-
Depreciation expense	-	(176)	(1,122)	(211)	(252)	(2,590)	(382)	(4,733)
Balance at 30 June 2022	788	621	7,001	919	1,953	9,873	933	22,088
Additions	2,966	1,684	1,867	222	1,572	4,164	640	13,115
Additions through business combinations (note 34)	1,450	78	676	388	-	1,098	210	3,900
Classified as held for sale (note 19)	(790)	-	-	-	-	-	-	(790)
Disposals	(1,683)	(69)	(115)	(20)	(5)	(710)	(13)	(2,615)
Transfers in/(out)	(24)	42	(18)	-	(35)	34	1	-
Depreciation expense	(115)	(163)	(1,528)	(184)	(343)	(3,078)	(491)	(5,902)
Balance at 30 June 2023	2,592	2,193	7,883	1,325	3,142	11,381	1,280	29,796

The consolidated entity leases commercial vehicles, trucks, plant and equipment under hire purchase agreements or chattel mortgages of between 3 to 5 years.

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.

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

Land & buildings	25 years
Leasehold improvements	Lease Term
Plant & equipment	4-20 years
Commercial vehicles & trucks	4-10 years
Plant & equipment - Leased	4-10 years
Commercial vehicles & trucks - Leased	4-10 years
Office furniture and equipment	5-20 years

Note 20. Property, plant and equipment (continued)

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

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

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

Note 21. Right-of-use assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Land and buildings - right-of-use	7,729	4,445

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

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

Consolidated	**Properties** $'000
Balance at 1 July 2021	3,234
Additions	3,418
Disposals	(575)
Depreciation expense	(1,632)
Balance at 30 June 2022	4,445
Additions	6,830
Disposals	(277)
Depreciation expense	(3,269)
Balance at 30 June 2023	7,729

Accounting policy for right-of-use assets
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.

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 Group 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.

Note 21. Right-of-use assets (continued)

The Group 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 22. Intangible assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Goodwill - at cost	61,426	56,469
Patents and trademarks - at cost	2	2
Total intangible assets	61,428	56,471

Reconciliations

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

Consolidated	Goodwill $'000	Patents & trademarks $'000	Total $'000
Balance at 1 July 2021	53,269	2	53,271
Additions through business combinations (note 34)	3,200	-	3,200
Balance at 30 June 2022	56,469	2	56,471
Additions through business combinations (note 34)	4,957	-	4,957
Balance at 30 June 2023	61,426	2	61,428

At 30 June 2023, goodwill and other indefinite life intangibles are allocated for impairment testing purposes to cash generating units (CGUs) as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Electrical services	28,064	24,131
Mechanical services	8,793	7,769
Civil Services	8,548	8,548
Water & fluid services	14,963	14,963
Corporate	1,060	1,060
	61,428	56,471

The Group performs its impairment test at each reporting date. The cash generating units are consistent with those in the prior comparative period.

Note 22. Intangible assets (continued)

The recoverable amount of each CGU has been determined based on a value in use ('VIU') calculation using five-year cash flow projections based on actual and forecast operating results. The FY24 financial forecast is prepared on the basis of the successful integration of acquisitions and no further one-off items. After taking into account the FY24 forecast, these earnings were extrapolated for all CGUs using real annual growth rates of 2.5% (2022: 2.50%), consistent with the growth prospects of each CGU, and a 1.00% terminal value growth rate (2022: 1.00%), which is less than the historical Australian 20 year real growth rate of 3.2% (2022: 3.2%).

A pre-tax discount rate of 10.5% has been applied to each CGU in determining the VIU and is based on the target gearing level for Tasmea Limited (pre-tax real WACC) (2022: post-tax rate of 8.8%).

At 30 June 2023, whilst the modelling shows a range of possible outcomes the recoverable amount of all CGUs exceeds the carrying amount. The calculation of VIU for each CGU is most sensitive to assumptions in relation to forecast earnings and discount rates.

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.

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

Note 23. Trade and other payables

	Consolidated	
	2023	2022
	$'000	$'000
Current liabilities		
Trade payables	21,718	23,128
Other payables and accrued expenses	15,592	21,126
Related party payables	4,947	1,876
Total trade and other payables	42,257	46,130

Refer to note 32 for further information on financial instruments.

Related party payables include dividends payable to Directors as at balance date. Refer note 38.

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

Note 24. Contract liabilities

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Contract liabilities	6,017	4,920
Unearned income	1,320	1,526
Total contract liabilities	7,337	6,446

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

Unearned income relates to government grants received. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions with be complied with. When the grant relates to an expense item, it is recognised as an expense offset over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Note 25. Loans and borrowings

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Term loans	8,577	6,600
Other short term loans	1,896	995
Total current loans and borrowings	10,473	7,595
Non-current liabilities		
Term loans	26,882	29,123

Tasmea Limited’s various finance facilities include both fixed and floating interest rates depending on the nature of the facility. The maturity terms of the various finance facilities are reflected in the Current / Non-current split shown above.

Tasmea Limited’s banking facilities require a number of standard representations, warranties and undertakings (including financial and reporting obligations) from Tasmea Limited and Tasmea Limited Group companies in favour of the respective lenders. The facilities also include a guarantee between the parent and the majority of Group companies with staged security enforcement rights and obligations. Fixed and floating security has been placed over all Group assets.

The Weighted Average Interest Rate (WAIR) for current and non-current borrowings was 6.28% (2022: 6.61%).

Refer to note 32 for further information on financial instruments.

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 26. Lease liabilities

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Lease liability - Properties	2,612	1,889
Lease liability - Motor vehicles, Plant & equipment	6,313	4,229
	8,925	6,118
Non-current liabilities		
Lease liability - Properties	3,319	4,712
Lease liability - Motor vehicles, Plant & equipment	7,862	6,249
	11,181	10,961

Lease liabilities – Properties represents amounts recognised in respect of property leases and equipment leases for which title does not transfer. The Group leases various properties and office equipment under non-cancellable operating leases. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

Lease liabilities – Motor vehicles, Plant & equipment - represents leases where title transfers to the Group on expiry of the lease. The Group leases various plant, equipment and motor vehicles with a carrying amount of $14.26 million (2022: $11.83 million) under financed bank leases expiring within one to five years.

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 Group'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 measured at amortised cost using the effective interest method. 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.

Note 27. Provision for employee benefits

	Consolidated	
	2023 $'000	2022 $'000
Current liabilities		
Annual leave	5,593	3,697
Long service leave	2,573	1,524
Other employee benefits	209	462
Total current provision for employee entitlements	8,375	5,683
Non-current liabilities		
Long service leave	653	384
Total non-current provision for employee entitlements	653	384

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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.

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

Note 28. Other provisions

	Consolidated	
	2023 $'000	2022 $'000
Current liabilities		
Deferred consideration	364	3,050
Other provisions	337	-
Total other current provisions	701	3,050
Non-current liabilities		
Deferred consideration	553	23
Workers compensation self insurance	487	717
Total other non-current provisions	1,040	740

Note 28. Other provisions (continued)

Deferred consideration
The provision represents the obligation to pay deferred purchase consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability. At 30 June 2023 the balance includes amounts payable to the vendors of Corfield's Electrical Services and Sigma Power Services Pty Ltd (30 June 2022: NWMC Mining & Civil Pty Ltd, Laptek Systems Pty Ltd, Technical Lubrication Services (Australasia) Pty Ltd). Refer to note 34 for business combinations disclosures.

Workers' compensation self insurance
Tasmea was awarded workers' compensation self-insurance status in South Australia by Return To Work SA on 1 July 2014. As part of the self-insurance requirements, the Group engaged independent actuary as required by Return to Work SA to estimate the liability for outstanding claims in relation to South Australian workers' compensation claims against the Group. This estimate is updated annually and the liability includes consideration of the Group's claims history and a review of specific case estimates for current individual claims.

Accounting policy for provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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 29. Issued capital

				Consolidated
	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares - fully paid	194,934,638	193,984,638	84,416	83,466

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Opening balance	1 July 2021	193,884,638		83,446
Shares issued to employees	31 January 2022	100,000	$0.20	20
Closing balance	30 June 2022	193,984,638		83,466
Shares issued as purchase consideration for business acquisitions (note 34)	1 April 2023	950,000	$1.00	950
Closing balance	30 June 2023	194,934,638		84,416

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.

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

Note 29. Issued capital (continued)

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

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

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

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 30. Accumulated losses

	Consolidated	
	2023 $'000	2022 $'000
Accumulated losses at the beginning of the financial year	(24,595)	(33,961)
Profit after income tax expense for the year	19,317	13,632
Dividends paid (note 31)	(5,431)	(4,266)
Accumulated losses at the end of the financial year	(10,709)	(24,595)

Note 31. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2023 $'000	2022 $'000
FY22 Final dividend of 1.3 cents per ordinary share (*2022: FY21 final dividend of 1.0 cents*)	2,522	1,939
FY23 Interim dividend of 1.5 cents per ordinary share (*2022: FY22 interim dividend of 1.2 cents*)	2,909	2,327
	5,431	4,266

Franking credits

	Consolidated	
	2023 $'000	2022 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	18,502	5,126

Note 31. Dividends (continued)

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 32. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

The Board reviews and agrees policies for managing each of these risks and the Audit and Risk Management Committee is responsible for monitoring compliance with risk management strategies throughout the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk. The Group uses basic financial instruments to manage financial risk.

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

	Consolidated	
	2023 $'000	2022 $'000
Financial assets at amortised cost		
Trade receivables (note 15)	41,301	41,090
Other receivables (note 15)	4,776	18
Total financial assets	46,077	41,108
Current	46,077	41,090
Non-current	-	18
	46,077	41,108
Financial liabilities at fair value		
Trade and other payables (note 23)	37,310	42,915
Loans and borrowings (note 25)	37,355	47,571
Other liabilities	4,947	1,899
Total financial liabilities	79,612	92,385
Current	52,730	56,990
Non-current	26,882	35,395
	79,612	92,385

Note 32. Financial instruments (continued)

Market risk

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	2023		2022	
Consolidated	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Term loans	6.28%	35,459	6.61%	35,723
Net exposure to cash flow interest rate risk		35,459		35,723

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

For the Group the bank loans outstanding, totalling $35.4 million are principal and interest payment loans. Monthly cash outlays of approximately $0.25 million are required to service the interest payments. An official increase/ decrease in interest rates of 100 basis points would have a positive/adverse effect on profit before tax of $0.35 million per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of $8.6 million are due during the year ending 30 June 2024.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The credit policy under which each new and existing customer is assessed for creditworthiness is determined separately by each operating subsidiary of the Group and accordingly reflects the different nature of each business's industry, customers and associated risks. Generally, however, customer credit reviews include external ratings, when available, and in some cases bank references. Customers that fail to meet the relevant benchmark creditworthiness may transact with the Group only on a prepayment basis. Credit quality of a customer is assessed based on a credit rating review and individual credit limits are defined in accordance with this assessment. The Group holds insurance policies to protect the recoverability of trade receivables where economically viable or insurance is available against the debtor.

Goods are, where possible, sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. At 30 June 2023, over 80% of the Groups trade receivables are covered by letters of credit and other forms of credit insurance (30 June 2022: >80%).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Note 32. Financial instruments (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Exposure to credit risk

The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 30 June 2022 is the carrying amounts as illustrated in the table above.

The Group manages its credit risk by maintaining strong relationships with a broad range of quality clients. There are no significant concentrations of credit risk within the Group.

The Group's maximum exposure to credit risk for trade receivables and contract assets at the reporting date by type of customer was:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Industrials (oil & gas, mining, defence, water)	54,047	45,957
Corporate (advisory clients)	-	608
Total trade receivables and contract assets	54,047	46,565

The ageing of the Group's contract assets and trade receivables at the reporting date was:

	Trade Receivables 2023 $'000	Trade Receivables 2022 $'000	Contract Assets 2023 $'000	Contract Assets 2022 $'000
Days past due				
Current	19,570	18,095	12,370	8,526
Less than 30 days	15,018	10,212	-	-
31-60 days	6,180	9,550	-	-
61-90 days	699	-	-	-
Greater than 90 days	210	182	-	-
	41,677	38,039	12,370	8,526

Allowance for expected credit losses

The Group has recognised a loss of $6,000 (2022: $Nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Note 32. Financial instruments (continued)

Set out below is the information about the credit risk exposure on the Group’s trade and other receivables using a provision matrix:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022	2023	2022
Days past due	%	%	$'000	$'000	$'000	$'000
Current	0.1%		24,346	26,333	23	-
Less than 30 days	0.8%		15,018	9,025	122	-
30 - 60 days	0.5%		6,180	3,897	32	-
61 - 90 days	6.5%		699	1,034	46	-
Greater than 91 days	72.8%	100.0%	210	1,877	153	371
			46,453	42,166	376	371

Liquidity risk

Vigilant liquidity risk management requires the Group 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 Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

Available cash and trade receivables used to manage liquidity risk are outlined in note 13 and note 15. The maturity profile of trade receivables is outlined under the credit risk disclosure above.

The Group’s credit facilities are outlined in note 25 to this financial report.

Note 32. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group'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.

Consolidated - 2023	Weighted average interest rate %	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-derivatives						
Non-interest bearing						
Trade payables		21,718	-	-	-	21,718
Other payables		15,592	-	-	-	15,592
Related party payables		4,947	-	-	-	4,947
Deferred consideration		364	553	-	-	917
Interest-bearing - variable						
Bank loans	6.28%	8,577	8,577	18,305	-	35,459
Interest-bearing - fixed rate						
Other loans	2.29%	1,896	-	-	-	1,896
Lease Liabilities - Bank	4.37%	6,313	7,862	-	-	14,175
Lease liabilities - Properties	4.70%	2,612	3,319	-	-	5,931
Total non-derivatives		62,019	20,311	18,305	-	100,635

Consolidated - 2022	Weighted average interest rate %	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-derivatives						
Non-interest bearing						
Trade payables		23,128	-	-	-	23,128
Other payables		21,126	-	-	-	21,126
Related party payables		1,876	-	-	-	1,876
Deferred consideration		3,050	23	-	-	3,073
Interest-bearing - variable						
Bank loans	6.61%	6,600	6,600	22,523	-	35,723
Interest-bearing - fixed rate						
Other loans	1.65%	995	-	-	-	995
Lease liabilities - Bank		4,229	4,229	-	-	8,458
Lease liabilities - Properties		1,889	4,712	-	-	6,601
Total non-derivatives		62,893	15,564	22,523	-	100,980

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

Fair value of financial instruments
The fair values of all financial assets and liabilities are equivalent to their carrying amount as at balance sheet date.

Note 32. Financial instruments (continued)

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income before interest divided by total shareholder equity, excluding minority earnings and outstanding executive options. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Note 33. 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:

		Ownership interest	
		2023	2022
Name	Country of incorporation	%	%
Parent entity			
Tasmea Limited (formerly E&A Limited)	Australia		
Subsidiaries			
Tasmea Corporate Services Ltd (1)	Australia	100%	100%
Tasmea Group Pty Ltd (2)	Australia	100%	100%
Tasmea Plant Services Pty Ltd (3)	Australia	100%	100%
Tasmea Properties Pty Ltd	Australia	100%	100%
AusPress Holdings Pty Ltd	Australia	100%	100%
AusPress Systems Pty Ltd	Australia	100%	100%
AusPress MEI Pty Ltd	Australia	100%	100%
Fabtech Holdings Pty Limited	Australia	100%	100%
Fabtech Australia Pty Ltd	Australia	100%	100%
Heavymech Pty Ltd	Australia	100%	100%
ICE Engineering & Construction Holdings Pty Ltd	Australia	100%	100%
ICE Engineering & Construction Pty Ltd	Australia	100%	100%
Laptek Systems Pty Ltd	Australia	100%	100%
Louminco Pty Ltd	Australia	100%	100%
M&B Civil Pty Ltd	Australia	100%	100%
Moxstar Pty Ltd	Australia	100%	-
NWMC Mining & Civil Pty Ltd	Australia	100%	100%
Quarry & Mining Manufacture (QLD) Pty Ltd	Australia	100%	100%
Quarry & Mining Manufacture (USG) Pty Ltd	Australia	100%	100%
Sigma Power Solutions Pty Ltd	Australia	100%	-
Starboard Tack Pty Ltd	Australia	100%	100%
Tasman Asset Management Services Pty Ltd	Australia	100%	-
Tasman Power Holdings Pty Ltd	Australia	100%	100%
Tasman Power WA Pty Ltd	Australia	100%	100%
Tasman Recruitment WA Pty Ltd	Australia	100%	100%
Tasman Mechanical WA Pty Ltd	Australia	100%	100%
Tasman Rope Access Pty Ltd	Australia	100%	100%
Technical Lubrication Services (Australasia) Pty Ltd	Australia	100%	100%
Yura Yarta Services Pty Ltd (4)	Australia	49%	49%
ACN 125 531 428 Pty Ltd	Australia	100%	100%
ACN 126 470 942 Pty Ltd	Australia	100%	100%

Note 33. Interests in subsidiaries (continued)

(1) Formerly E&A Corporate Services Limited
(2) Formerly E&A Group Pty Ltd
(3) Formerly ICE USG Mining & Civil Pty Ltd
(4) The consolidated entity holds 49% of the ordinary shares in Yura Yarta Services Pty Ltd, with the remaining 51% held by external investors. Tasmea employees hold five of the six board positions. Management continually reassess its involvement in Yura Yarta Services in accordance with AASB 10's control definition and guidance. It has concluded it has significant influence and control at both reporting dates.

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

		Parent		Non-controlling interest	
Name	Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %	Ownership interest 2023 %	Ownership interest 2022 %
A Noble & Son Limited	Australia	95%	-	5%	-
Noble"s Manufacturing Pty Ltd	Australia	95%	-	5%	-
Waterworks Pty Ltd	Australia	95%	-	5%	-

Subsequent to year end, on 7 August 2023, Tasmea Limited acquired the remaining 5% equity in A Noble & Son Pty Ltd for 666,666 Ordinary Shares in Tasmea Limited with a fair value of $1.0 million. The final acquisition price was determined in accordance with the shareholder agreement entered into at the time of the acquisition in August 2022.

Note 33. Interests in subsidiaries (continued)

Summarised financial information

Summarised financial information of subsidiaries with non-controlling interests that are material to the Group are set out below:

	A Noble & Son Limited 2023 $'000
Summarised statement of financial position	
Current assets	9,416
Non-current assets	7,123
Total assets	16,539
Current liabilities	8,154
Non-current liabilities	5,408
Total liabilities	13,562
Net assets	2,977
Summarised statement of profit or loss and other comprehensive income	
Revenue	28,097
Cost of sales	(17,911)
Other income	1,460
Expenses	(7,931)
Interest expense	(380)
Profit before income tax expense	3,335
Income tax expense	-
Profit after income tax expense	3,335
Other comprehensive income	-
Total comprehensive income	3,335
Statement of cash flows	
Net cash from operating activities	4,865
Net cash from investing activities	1,132
Net cash used in financing activities	(4,617)
Net increase in cash and cash equivalents	1,380
Other financial information	
Profit attributable to non-controlling interests	153

Note 34. Business combinations

Tasman Asset Management Services

On 1 July 2022, the Group acquired 100% of the ordinary shares of KP Electric (Australia) Pty Ltd for the total consideration transferred of $1.3 million. Upon acquisition, the company name was changed to Tasman Asset Management Services Pty Ltd (TAMS).

TAMS is an electrical service provider, offering routine and corrective maintenance services to customers in the retail, warehousing, commercial and industrial sectors. The acquired business contributed revenues of $15.4 million and profit after tax of $0.7 million to the Group for the financial year ended 30 June 2023.

Goodwill of $0.6 million is primarily related to new and existing customer growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Electrical Services cash-generating unit. The values identified in relation to the acquisition of TAMS are final as at 30 June 2023.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	399
Trade receivables	2,246
Other current assets	656
Property, plant and equipment	993
Deferred tax asset	308
Other non-current assets	80
Trade and other payables	(2,326)
Deferred tax liability	(108)
Employee benefits	(785)
Loans and borrowings	(771)
Net assets acquired	692
Goodwill	635
Acquisition-date fair value of the total consideration transferred	1,327
Representing:	
Cash paid or payable to vendor	1,327
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,327
Less: cash and cash equivalents	(399)
Net cash used	928

Note 34. Business combinations (continued)

A Noble & Son Limited

On 1 August 2022, the Group acquired 95% of the ordinary shares of A Noble & Son Limited (Nobles) for the total consideration transferred of $1.4 million. Nobles is a specialist provider of lifting and rigging equipment, technical services and engineering design for complete solutions to heavy and complex lifting.

The Group has a call option to purchase the remaining 5% of share capital in exchange for shares in Tasmea Limited with equivalent value. The option period started on 1 August 2022 and ends on 31 July 2027.

The acquired business contributed revenues of $28.1 million and profit after tax of $2.1 million to the consolidated entity for the financial year ended 30 June 2023.

Goodwill of $1.0 million is primarily related to customer growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Mechanical Services cash generating unit. The values identified in relation to the acquisition of Nobles are provisional as at 30 June 2023.

Details of the acquisition are as follows:

	Fair value $'000
Contract assets	306
Inventories	1,180
Property, plant and equipment	2,910
Trade and other payables	(1,450)
Employee benefits	(1,771)
Loans and borrowings	(757)
Net assets acquired	418
Goodwill	1,023
Acquisition-date fair value of the total consideration transferred	1,441
Representing:	
Cash paid or payable to vendor	1,441
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,441

Note 34. Business combinations (continued)

Corfield's Electrical Services

On 1 October 2022, the Group acquired 100% of the ordinary shares of Moxstar Pty Ltd trading as Corfield's Electrical Services ("**Corfields**")for the total consideration transferred of $2.5 million. Corfields is an electrical contractor which has operated in Gladstone since 1983, providing construction, maintenance and industrial electrical services to the resources, energy and infrastructure sectors.

The acquired business contributed revenues of $3.5 million and profit after tax of $0.2 million to the consolidated entity for the 9 month period to 30 June 2023. If Corfields had been acquired on 1 July 2022, revenue contribution to the Group for the financial year is estimated to have been $4.6 million.

Goodwill of $1.6 million is primarily related to customer growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Electrical Services cash-generating unit. The values identified in relation to the acquisition of Corfields are provisional as at 30 June 2023.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	886
Trade receivables	416
Other current assets	140
Property, plant and equipment	27
Trade payables	(500)
Employee benefits	(22)
Loans and borrowings	(70)
Net assets acquired	877
Goodwill	1,620
Acquisition-date fair value of the total consideration transferred	2,497
Representing:	
Cash paid or payable to vendor	1,997
Deferred consideration	500
	2,497
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	2,497
Less: cash and cash equivalents	(886)
Less: payments to be made in future periods	(500)
Net cash used	1,111

Note 34. Business combinations (continued)

Sigma Power Services Pty Ltd

On 1 April 2023, the Group acquired Sigma Power Services Pty Ltd (SPS). SPS offers high voltage testing, commissioning, maintenance and engineering design services for various sectors including mining, utilities, oil & gas and renewable energy throughout Australia. SPS was acquired expressly to undertake Tasman Power's high voltage maintenance obligations for existing clients.

SPS contributed $0.7 million of revenue for the three months from 1 April to 30 June 2023. If SPS had been acquired on 1 July 2022, revenue contribution to the Group for the year is estimated to have been $1.6 million.

Goodwill of $1.7 million is primarily related to customer growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Electrical Engineering Services cash generating unit at 30 June 2023.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	104
Trade receivables	383
Prepayments	10
Property, plant and equipment	118
Trade payables	(227)
Loans and borrowings	(52)
Net assets acquired	336
Goodwill	1,678
Acquisition-date fair value of the total consideration transferred	2,014
Representing:	
Cash paid or payable to vendor	750
Tasmea Limited shares issued to vendor (950,000 at fair value of $1.00 per share)	950
Deferred consideration	314
Total consideration	2,014
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	2,014
Less: 950,000 shares issued by Tasmea Limited as part of consideration	(950)
Less: payments to be made in future periods	(314)
Less: cash and cash equivalents	(104)
Net cash used	646

Equity instruments issued
The fair value of the ordinary shares issued was based on a valuation of the shares of Tasmea Limited at 30 June 2022 of $1.00 per share.

Note 34. Business combinations (continued)

Laptek Systems and Technical Lubrication Services (prior year acquisition)

On 4 February 2022, the Group acquired two WA based businesses Laptek Systems Pty Ltd (Laptek) and Technical Lubrication Services (Australasia) Pty Ltd (TLS). The acquisition was made to enhance the Group's position in the niche lubrication services market offering both system design and maintenance.

Laptek and TLS together contributed $4.0 million of revenue for the five months from 4 February to 30 June 2022.

Goodwill of $3.2 million is primarily related to growth expectations, expected future profitability and expected cost synergies. Goodwill was allocated to the Water & Fluid cash generating unit.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	447
Prepayments	15
Plant and equipment	300
Trade payables	(146)
Provision for income tax	(238)
Employee benefits	(78)
Net assets acquired	300
Goodwill	3,200
Acquisition-date fair value of the total consideration transferred	3,500
Representing:	
Cash paid or payable to vendor	2,000
Deferred consideration	1,500
	3,500
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	3,500
Less: payments to be made in future periods (paid in full as at 30 June 2023)	(1,500)
Net cash used	2,000

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

Note 34. Business combinations (continued)

Where the business combination is achieved in stages, the Group 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.

Deferred consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the deferred consideration classified as an asset or liability is recognised in profit or loss.

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 Group 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 Group receives all the information possible to determine fair value.

Note 35. Investments accounted for using the equity method

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Non-current assets		
Investment in associate	-	167
Investment in associate (note 36)	**-**	**167**

Note 36. Share of profits of associates accounted for using the equity method

Tasmea Corporate Services Limited has a 50% interest in Equity & Advisory Pty Ltd, an entity which provides a range of corporate advisory services to external parties and Tasmea Limited subsidiaries. The Group’s interest in Equity & Advisory Pty Ltd is accounted for using the equity method in the consolidated financial statements.

The Group has recognised $444,000 in other income representing its share of profit for the year (2022: $1,629,000).

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Share of profit - associates	444	1,629

As outlined in the Notice of Meeting issued to shareholders on 10 August 2023, the Group is proposing to realise this investment through a sale to Directors Stephen Young and Mark Vartuli. As a consequence, the carrying value has been recognised as a non-current asset held for sale. Refer note note 19.

Summarised financial information

Note 36. Share of profits of associates accounted for using the equity method (continued)

	Consolidated	
	2023	2022
Summarised statement of financial position	$'000	$'000
Current Assets	1,576	4,009
Current Liabilities	(674)	(640)
Net assets	902	3,369

	Consolidated	
	2023	2022
Summarised statement of profit or loss and other comprehensive income	$'000	$'000
Revenue	3,899	5,839
Expenses	(2,997)	(2,470)
Operating profit	902	3,369

	Consolidated	
	2023	2022
Reconciliation of the consolidated entity's carrying amount	$'000	$'000
Opening carrying amount	168	41
Share of operating profit	444	1,629
Dividends received	(137)	(1,502)
Closing carrying amount	475	168

Note 37. Parent entity information

As at, and throughout the financial year ending 30 June 2023, the parent company of the group was Tasmea Limited (formerly E&A Limited).

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

Statement of profit or loss and other comprehensive income

	Consolidated	
	2023	2022
	$'000	$'000
Profit for the year	6,209	4,504

Note 37. Parent entity information (continued)

Statement of financial position

	Consolidated	
	2023 $'000	2022 $'000
Current assets	3,268	2,153
Non-current assets	93,509	90,399
Current liabilities	(5,249)	(2,612)
Non-current liabilities	(81,218)	(82,388)
	10,310	7,552

	Consolidated	
	2023	2022
Share capital	82,286	81,336
Accumulated losses	(71,976)	(73,784)
	10,310	7,552

Contingent liabilities
The parent entity has no contingent liabilities and no capital commitments for property, plant and equipment for the years ended 30 June 2023 and 30 June 2022.

The Company as part of financing facilities has provided a number of standard representations, warranties and undertakings (including financial and reporting obligations) in favour of the respective lenders. The facilities also include a cross-guarantee between the Company and all group subsidiaries with staged security enforcement rights and obligations.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity

Note 38. Related party transactions

Parent and ultimate controlling entity
The ultimate controlling entity of the Group is Tasmea Limited (formerly E&A Limited).

Subsidiaries
Interests in subsidiaries are set out in note 33.

Associates
Interests in associates are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 39.

Note 38. Related party transactions (continued)

Transactions with related parties

Regent Street Pty Ltd (Regent Street) is an associated entity of Stephen Young and Mark Vartuli and Pryde Corporation Pty Ltd is an associated entity of Jason Pryde. The following related party transactions with these entities occurred during the year ended 30 June 2023.

(i) Regent Street lease of Northfield premises

Regent Street entered into a lease agreement with Heavymech Pty Ltd to lease the Northfield premises from 15 February 2020 for $126,000 per annum a period of 5 years. The parties have agreed to Heavymech exiting this lease for no cost upon relocating to Edinburgh Park premises during financial year 2024.

(ii) Regent Street lease of Mt Isa premises

Regent Street entered into a lease agreement with Heavymech Pty Ltd to lease the Mount Isa premises from 1 August 2022 for $71,456 per annum (exclusive of GST) for a period of 5 years to 31 July 2027.

(iii) Regent Street lease of Edinburgh Park premises

Regent Street entered into a lease agreement with Tasmea subsidiaries in relation to its property at Kaurna Avenue, Edinburgh Park. Particulars are:

Heavymech Pty Ltd – lease is for Bay 1 plus 5,000 sqm hard stand plus desks and offices in shared office space and carparks for $19,549.17 per month, effective from 1 April 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice given.

Fabtech Australia Pty Ltd – lease is for Bay 2 plus 1,000 sqm hard stand plus desks in shared office space and carparks for $17,274.58 per month, effective from 1 March 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice given.

Quarry & Mining Manufacture Pty Ltd – lease is for Bay 3, plus desks and offices in shared office space, 5,000sqm hard stand and 20 carparks, for $22,988.96 per month, effective from 1 February 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice given.

A. Noble & Son Limited – lease is for 2,000 sqm in Bay 4, plus desks and offices in shared office space, carparks and outdoor shed for $17,912.29 per month, effective from 1 October 2022. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice given.

(iv) Pryde Corporation lease of Jandakot premises

Pryde Corporation Pty Ltd entered into a five year lease agreement with Tasman Power WA Pty Ltd to lease the Jandakot premises from 6 June 2021 for $216,000 per annum (exclusive of GST), increasing by 4.0% per annum.

The following transactions occurred with related parties:

	Consolidated	
	2023	2022
	$	$
Sale of goods and services:		
Sale of services to associate	277	447

Note 38. Related party transactions (continued)

Amounts payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	**2022**
	$	**$**
Current payables:		
Dividends payable to related parties	4,903	1,876

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 39. Key management personnel disclosures

Directors
The following persons were directors of Tasmea Limited during the financial year:

Mr Michael John Terlet	Non-executive Director and Chairman
Mr Stephen Elliott Young	Managing Director
Mr Mark Gabriel Vartuli	Executive Director
Mr Jason Frank Pryde	Executive Director

Loans to Directors and Key Management Personnel

As at 30 June 2023, the balance of unsecured loans receivable from directors and key management personnel was nil.

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

	Consolidated	
	2023	**2022**
	$	**$**
Short-term employee benefits	3,542,527	2,391,079

Note 40. Commitments

	Consolidated 2023 $'000	2022 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	-
Short Term Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	609	-
Lease commitments - finance		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	18	-

Note 41. Contingent liabilities

The Group had contingent liabilities in respect of:

	Consolidated 2023 $'000	2022 $'000
Guarantee facilities		
Amount used	3,864	3,416
Amount available	3,382	3,703
	7,246	7,119

In the normal course of business certain subsidiaries are required to enter into contracts that include performance obligations. These commitments only give rise to a liability where the respective subsidiary fails to perform its contractual obligations. Claims of this nature arise in the ordinary course of construction contracting. Where appropriate a provision is made for these issues.

The Directors are not aware of any material claims that are considered probable, which have not been appropriately provided for in the financial statements at 30 June 2023.

Note 42. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2023	2022
	$	$
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	384,480	205,712
Other services - Grant Thornton Audit Pty Ltd		
Tax services	142,478	69,371
Financial due diligence	56,650	2,500
Valuation services	31,158	23,250
	230,286	95,121
	614,766	300,833

Note 43. Events after the reporting period

On 1 July 2023, Tasmea Limited acquired Groundbreaking Mining Solutions Pty Ltd ("**GMS**"). GMS offers drill and blast rig solutions to clients in Australia and overseas, comprising a range of in-house engineering, maintenance and asset management services as well as equipment hire. The acquisition of GMS provides a strategic opportunity for the Group to diversify its client base and geographical scope of operations.

On 7 August 2023, Tasmea Limited acquired the remaining 5% equity in A Noble & Son Pty Ltd for 666,666 Ordinary Shares in Tasmea Limited with a fair value of $1.0 million. The final acquisition price was determined in accordance with the shareholder agreement entered into at the time of the acquisition in August 2022.

On 10 August 2023, Tasmea Limited called an Extraordinary General Meeting of Shareholders to be held on 4 September 2023. The Notice of Meeting specified five matters for shareholders to consider and vote on at the meeting:
- Special resolution to adopt a new Constitution;
- Ordinary resolution to approve Non-Executive Directors' fees;
- Ordinary resolution to approve the divestment of interest in Equity & Advisory Pty Ltd to related parties;
- Ordinary resolution to approve the transfer of interest in a property to a related party; and
- Ordinary resolution for Section 195 approval in respect of the transfer of interest in the property.

All resolutions were subsequently approved.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 Group's financial position as at 30 June 2023 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.

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

Stephen E Young Managing Director	Mark G Vartuli Executive Director

5 September 2023

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Independent Auditor's Report

To the Members of Tasmea Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Tasmea Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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, and notes to the consolidated 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 Group's financial position as at 30 June 2023 and of its 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 *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.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes 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 related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 5 September 2023

ACN	088 588 425
Registered office	75 Verde Drive Jandakot WA 6164
Principal place of business	Regional Western Australia, South Australia and Queensland
Auditor	Grant Thornton Audit Pty Ltd
Bankers	Bank SA
Website	www.tasmea.com.au
Share Register	Link Market Services Limited Level 9, 333 Collins Street Melbourne VIC 3000 www.linkmarketservices.com.au

tasmea.com.au

ANNUAL FINANCIAL REPORT

ABN 22 088 588 425

30 JUNE 2023

TASMEA LIMITED