2024

ANNUAL REPORT

SAUNDERS
INTERNATIONAL

Acknowledgement of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia. We pay our respects to all First Nations peoples and acknowledge Elders past and present.

As a business that works across many locations, we recognise and support their continuing connection to lands, waters, cultures, languages, and traditions.

Contents

About Us 2
Performance Highlights 4
Chairman's Message 6
Managing Director and CEO's Message 8
Safety 10
People and Capability 12
Client Focus 14
Innovation 16
Sustainability 18
Operations 20
Markets 22
Defence & Government 24
Energy 28
Water 30
Resources & Industrials 32
Governance, Financial Report and Other 34

ABOUT THIS REPORT

The Saunders 2024 Annual Report is a summary of Saunders International Limited's operations, performance and financial position for the Financial Year ended 30 June 2024.

In this report unless otherwise stated, references to 'Saunders', 'Company', 'the Group', 'us', 'we', and 'our' refer to Saunders International Limited.

References to 'year', 'Financial Year', '2024', 'FY24', or 'FY2024' all refer to the Financial Year ended 30 June 2024. All dollar figures are expressed in Australian dollars unless otherwise stated.

About Us

PARTNERS AND COLLABORATORS

We are a trusted partner supporting our clients across all aspects of the asset lifecycle, covering design, build and maintenance, focusing on these key markets.

- DEFENCE & GOVERNMENT
- ENERGY
- WATER
- RESOURCES & INDUSTRIALS

EXPERT CAPABILITY

Saunders provides a multidisciplinary, integrated offering across the complete asset lifecycle, specialising in bulk fluid storage and transfer solutions.

01 Bulk Fluid Storage

02 Structural, Mechanical and Piping (SMP)

03 Industrial Automation and Electrical

04 Civil Infrastructure

05 Industrial Asset Services

RESILIENT PORTFOLIO

Our portfolio blends traditional construction contracts with annuity-style earnings. We focus on creating a diverse portfolio that minimises risk and delivers earnings consistency.

Our Partnerships

We take pride in our work with some of the world's largest energy companies, leading construction contractors, and various levels of government. As trusted partners with a proven track record of long-term, repeat clients, we are dedicated to delivering exceptional value to both our clients and investors.

Delivering Solutions

Our partnerships are centred on providing solutions, not problems. Our success is fuelled by specialised teams that work collaboratively with our clients to identify, optimise, and deliver tailored solutions.

Working together with our clients as 'OneTeam' to provide certainty in a fast evolving environment.

Our Team

With a national team of over 500 employees, we are committed to delivering solutions that meet the highest standards of quality and safety, regardless of a project's size, complexity, value, or location.

Our Presence

With metropolitan and regional offices strategically located across Australia, and established operations in Papua New Guinea and New Zealand, we are well-positioned to serve our clients' needs.

Saunders is an integrated industrial engineering and construction company, proudly Australian-owned and operated since its founding in 1951 and listed on the Australian Securities Exchange (ASX: SND) since 2007.

SAUNDERS INTERNATIONAL

Performance Highlights

In 2024, we focused on the strategic evolution and targeted growth of our business and operations.

We made significant investments to secure our immediate pipeline and position ourselves for long-term opportunities in our key markets: Defence & Government, Energy, Water, Resources & Industrials.

We continue to leverage our multidisciplinary offering, enhanced by the acquisition of Piping Solutions, effective 31 October 2023. Our robust pipeline of opportunities demonstrates the Group's diversification across our core capabilities and includes a mix of new and existing customers, as well as key positioning on larger integrated projects.

Revenue

$216.1m

7.6% ↗ from $200.9m

Adjusted NPAT[2]

$11.3m

11.9% ↗ from $10.1m adjusted

Cash

$19.8m

54.7% ↗ from $12.8m

1. All comparisons are against Financial Year 2023 unless otherwise stated.

MAJOR PROJECTS SECURED

$9.3 million

Contract at Ampol's Lytton Refinery Future Fuels Desulphurisation Project

The scope includes the design and construction of a new 31-metre-wide, 20-metre-high jet fuel storage tank and will comply with the strict quality assurance requirements associated with the storage and distribution of aviation fuels to airports.

Announced 6 July 2023

$44.2 million

Contract to expand diesel storage capacity at Quantem's Pelican Point Terminal

The scope of work includes detailed design, procurement, construction, fabrication, installation, and commissioning of three 30,000 cubic metre diesel storage tanks and associated interconnecting piping, automation and electrical upgrades adding significant new diesel storage capacity for the fuel industry in South Australia.

Announced 31 July 2023

$17.7 million

New water sector contracts reinforcing our commitment to the sector

New Bald Hill Tanks, Sunbury, VIC: The project is being delivered for Aqua Metro on behalf of Greater Western Water, who are a repeat Saunders end-client.

Marsfield Reservoir New Build, Marsfield, NSW: Contracted by Confluence Water to deliver the project for Sydney Water, marking Saunders' fourth tank project with Sydney Water in the last five years.

Announced 30 May 2024

$31.5 million

Contract at Kalgoorlie Consolidated Gold Mines (KCGM) in Western Australia

The CIL3 Tanks Replacement project at Kalgoorlie Consolidated Gold Mines (KCGM), awarded by Northern Star Resources, involves the reconstruction and upgrade of six carbon-in-leach (CIL) tanks, along with associated pipework, structural steel, and interconnecting launders.

Announced 5 August 2024

$20.59 million

New civil infrastructure projects across NSW

Each of the four projects involves demolishing an existing bridge and designing and constructing a new concrete bridge. Funded by local councils, the NSW Government, and the Federal Government, these projects aim to ensure that local road networks are safer and fit for purpose for years to come.

Announced 7 August 2024

Strategic Partnership

Signing of a Memorandum of Understanding (MOU) with Optimal Renewable Gas (ORG)

A strategic partnership to facilitate the establishment of biomethane facilities throughout Australia, exemplifying our deepening involvement in the new energy sector. The agreement marks a significant step towards enhancing Australia's renewable energy infrastructure.

Partnership announced 6 February 2024

Adjusted EBITDA[2]

$21.3m

17.7% ↗ from $18.1m adjusted

Adjusted EBITDA margin[2]

9.9%

9.6% ↗ from 9.0% adjusted

Adjusted earnings per share (basic)[2]

9.96¢

5.4% ↗ from 9.45¢ adjusted

Annual dividend distribution

4.25¢

6.25% ↗ from 4.0¢

Order book

$189.3m at 31 July 2024

5.8% ↘ from $201.0m at 31 July 2023

Pipeline

$2.0b at 31 July 2024

25% ↗ from $1.6b at 31 July 2023

2. The FY24 and FY23 Statutory EBITDA, EBITDA Margin, NPAT and Earnings per share have been adjusted to add back the impact of acquisition related expenses incurred by Saunders which are considered non-recurring. See page 36 for further details.

ADDITIONAL HIGHLIGHTS

Our First Reconciliation Action Plan
A significant step that marks our commitment to better engage with First Nations communities across Australia.

Modern Slavery Statement
We are dedicated to delivering on the commitments outlined in our Modern Slavery Statement, including developing robust processes for managing our supply chain.

Customer Engagement Program
This program has been designed to establish a deeper, unbiased understanding of our customers' priorities and the performance of our business, which we can track annually.

Together for Safety Program
A program that focuses our commitment to safety, performance, and each other as we enhance our safety leadership skills and culture over the next five years.

Two Hours for Safety
Every Thursday, all operational management teams dedicate two hours solely to safety activities, reinforcing our commitment to safety culture, performance, and a healthier work environment.

Safety Performance
In FY24, we achieved a TRIFR12 metric of 1.35 (based on 1 million hours worked), representing an 83.9% decrease from 8.39 in FY23. This substantial decrease demonstrates our tangible progress in improving safety outcomes*.

*Note: This TRIFR metric does not include Piping Solutions' safety statistics, as the business was acquired partway through the financial year.

ACQUISITIONS

Acquisition of Piping Solutions
Specialists in steel pipelines, structures, pressure vessels, and refuelling systems. The acquisition accelerates the execution of Saunders' strategic expansion into the Defence sector and delivers complementary steel piping capabilities in the Aviation, Energy, and Infrastructure industries.
Effective 31 October 2023

SAUNDERS INTERNATIONAL

Chairman's Message

On behalf of the Saunders Board of Directors, I am pleased to present the 2024 Annual Financial Report, providing shareholders with an update on our progress and achievements over the past year.

Overview

I am very pleased to report that 2024 has been a year of strong achievement for Saunders across a range of areas.

Our goal to maintain revenues after the large lift in 2023 and to strategically reposition the Saunders offering to provide a one-stop multidisciplinary service have been realised. Importantly, all of this has been done while producing another excellent financial result.

Changes to the Board of Directors

As part of our board renewal process, we enhanced our board with the appointment of Brendan York as a Non-Executive Director, effective 24 July 2023.

Brendan also Chairs our Remuneration Committee and serves on the Audit and Risk Committee. Brendan's experience as a Non-Executive Director for several ASX-listed companies has brought valuable expertise to our Board.

We also bid farewell to Timothy Burnett, who served as Saunders' Chair for 16 years. Timothy resigned as a Director, effective 21 November 2023, marking his retirement. We extend our heartfelt thanks for his outstanding contributions and dedicated service.

Safety

As Chair, ensuring the safety of our people, subcontractors, and the communities we serve is my highest priority. Our 'Zero Harm' commitment is at the heart of our safety culture. This year, we intensified our focus on safety by implementing new initiatives including the 'Together for Safety' program, weekly safety sessions, and successful Federal Safety Commissioner accreditation (further outlined in page 10 of this document).

Thanks to these initiatives and the dedication of our teams, we achieved an 83.9% reduction in our Total Recordable Injury Frequency Rate (TRIFR) compared to June 2023. We remain committed to further enhancing our safety culture in FY25, with a focus on leadership behaviour, risk ownership, mental health, and environmental compliance.

Financial performance

Despite global economic challenges, our financial performance in 2024 was robust. We achieved record revenue of $216.1 million and an Adjusted EBITDA of $21.3 million. Our order book stands at $189.3 million, reflecting our strong market position. Adjusted Earnings Per Share for the period were 9.96 cents.

Our success is attributed to strategic growth and the integration of our multidisciplinary offerings, including the acquisition of Piping Solutions, effective 31 October 2023. Our focus remains on leveraging our $2 billion pipeline in Defence & Government, Energy, Water, Resources & Industrials, with an emphasis on larger, integrated projects. Further details are available in our Financial Reports.

Environmental, Social, and Governance

We are committed to advancing our ESG targets and supporting sustainability efforts. In 2024, we initiated our ESG Roadmap, finalised our first Reflect Reconciliation Action Plan (RAP), and released a new Modern Slavery Statement. The RAP aims to engage with First Nations communities and improve cultural awareness, while the Modern Slavery Policy addresses risks and upholds human rights.

Looking ahead to 2025, we will develop an Environmental Sustainability Plan, further advance our RAP, and enhance our ESG reporting. We are excited to share our progress in these areas.

Outlook

Saunders continues to thrive as one of Australia's leading tank builders while expanding our capabilities and market reach. Our strategy now focuses on fostering growth, entering new regions and markets including new energy and evolving our multidisciplinary offering to meet future client needs.

Our outlook remains positive, driven by our effective growth strategy, solid order book and recurring revenues that position us to capitalise on future earnings.

Our leadership and project teams are committed to delivering high-quality, safe, on-time, and on-budget results. This dedication will continue to drive our financial performance and success in the coming years.

In closing, I would like to express my thanks to our dedicated staff, our shareholders and my fellow directors for their support and counsel.

We look forward to continuing to provide innovative and market leading outcomes and to delivering sustainable value for all our stakeholders

Nicholas Yates
Chairman
Saunders International

*Note: This TRIFR metric does not include Piping Solutions' safety statistics, as the business was acquired partway through the financial year.

Nicholas Yates,
Chairman

Managing Director and CEO's Message

Mark Benson,
Chief Executive Officer
and Managing Director

I'm proud to present Saunders' 2024 Annual Report, highlighting the exceptional work of our team.

Safety First

As Managing Director and CEO, the safety of our people, and every individual who interacts with Saunders, is my daily priority. I am proud of the progress we have made in improving our safety performance this year. As noted in the Chair's message, we have significantly strengthened our safety culture. Our robust programs and initiatives are designed to mitigate risks, enhance safety practices across the organisation, and ensure that safety is a way of life for our people.

Thanks to these efforts and the dedication of our teams, we achieved an impressive 83.9% reduction in our Total Recordable Injury Frequency Rate (TRIFR) compared with June 2023. This success reflects our collective achievement, and we are committed to advancing our safety programs in FY25.

Financial summary

I am pleased to report another record year of performance, driven by the hard work of our dedicated Saunders 'OneTeam'. In 2024, our objective was to sustain the step up in revenue following Project Caymus, a US defence fuel storage facility in Darwin, and strategically evolve our core offering. This included leveraging our acquisitions in piping and automation to deepen our pipeline of opportunities.

Our financial performance has remained strong, with revenue increasing by 7.6% to $216.1 million, Adjusted EBITDA rising by 17.7% to $21.3 million, and our Adjusted EBITDA margin improved from 9.0% to 9.9%.

We have secured multiple projects and strengthened our pipeline in our key markets of Defence & Government, Energy, Water, Resources & Industrials. This, combined with our strong balance sheet positions us well for continued growth in FY25.

Strategic acquisitions

The acquisition of Piping Solutions, effective 31 October 2023, accelerates our strategic expansion into the Defence sector, enhancing our core business with complementary capabilities. The successful integration of this acquisition underscores our commitment to the multidisciplinary offering to our clients. It acknowledges and builds on the positive impact of our earlier acquisitions, Automation IT in April 2023 and PlantWeave Technologies in August 2021, which have now been combined as Saunders Automation.

These strategic acquisitions support our operating model, and we are already seeing this strength enable us to tender larger-scale, multidisciplinary projects.

Customer Satisfaction

This year, we conducted in-depth interviews with key clients and major investors to actively listen to their insights on working with Saunders. The research, facilitated by an external party, provided valuable information about our customers' needs and expectations. Their feedback is helping us identify our strengths and shape our FY25 strategy. Our growth plans will incorporate ways to meet their ongoing needs while anticipating and serving their future demands.

I would like to personally thank all participants for their contributions to this research.

Operating Model

We have long been recognised as one of Australia's premier tank builders and are now building on our automation and piping acquisitions, along with regional expansion. As our business grows, our service model expands to broaden our capabilities and offerings.

As 'OneTeam', we are now unified in designing, building, and maintaining projects across our key markets and core capabilities, specialising in bulk fluid storage and transfer solutions. By integrating our expertise into a seamless, multidisciplinary delivery platform, we ensure efficient and predictable project outcomes, fostering sustainable growth. Saunders expert capabilities are directly applicable to emerging and adjacent new energy opportunities as Australia undertakes its energy transition.

People and Capability

In 2024, our team grew to 505 permanent employees, reflecting our expansion and successful acquisitions. The dedication and excellence of our team have driven our strong performance, and I am proud to highlight their achievements throughout this report.

Together, we remain committed to fostering an inclusive and diverse environment. Our 'OneTeam' approach allows us to partner with clients to discover innovative solutions, achieving more together.

We enter the new financial year with a solid operational foundation. Our strong leadership and FY25 strategy are designed to drive growth, create new opportunities, and ensure continued excellence, competitiveness, and profitability.

A 'OneTeam' Thank You

As Saunders continues to grow and evolve, I am excited about the opportunities our enhanced model will bring to our people, clients, and shareholders.

Thank you to our shareholders for your ongoing support and to the entire Saunders team for your dedication and valuable contributions throughout 2024.

Mark Benson
Managing Director and Chief Executive Officer
Saunders International

SAUNDERS INTERNATIONAL

Safety

At Saunders, our core value of 'Zero Harm' forms the foundation of our safety culture and underpins our commitment to the wellbeing of our people, subcontractors, and the communities we operate in. This promise to our people and their loved ones is our number one priority.

As the Group continues to grow, we remain focused on improving our safety performance to ensure we achieve 'Zero Harm' for everyone who works for us and with us. By investing in our safety culture and continually reviewing Workplace Health and Safety Standards, we consistently deliver a strong safety performance.

The Board, through to our project teams, are dedicated to proactive reporting and structured reviews of high-potential incidents to prevent injuries. We continue to invest in proactive initiatives to keep our people safe and healthy today and in the years ahead, knowing that our greatest responsibility is to ensure everyone returns home safely at the end of their workday.

In FY24, we achieved a TRIFR12 metric of 1.35 as of June 2024 (based on 1 million hours worked), representing an 83.9% decrease from 8.39 in June 2023. This substantial decrease demonstrates our tangible progress in improving safety outcomes*.

*Note: This TRIFR metric does not include Piping Solutions' safety statistics, as the business was acquired partway through the financial year.

2024 HIGHLIGHTS

Safety Performance

This year, our dedication and focus on safety have resulted in a significant reduction in our Total Recordable Injury Frequency Rate (TRIFR).

Key Initiatives

Here are some key initiatives delivered during the period that have directly supported this result.

These initiatives actively engage our teams and empower our workforce to take ownership of safety at every level. We have implemented robust programs and initiatives to mitigate risks and foster a strong safety culture across the organisation.

Together for Safety

'Together for Safety' is a safety training program aimed at enhancing our safety leadership skills and fostering a safety-oriented culture over the next five years. Launched in November 2023, this business-critical initiative is designed to engage and upskill our teams, positively influencing our safety culture and performance. 'Together for Safety' emphasises collective responsibility, ensuring that everyone gets home safely every day.

As part of this program, we introduced the 'Two Hours for Safety' initiative in 2024, held every Thursday for all operational management teams. During this time, all personnel are dedicated solely to safety activities. 'Two Hours for Safety' is not just a time allocation; it is a commitment to our safety culture, performance, and teammates. By dedicating focused time to safety, we have contributed to a safer and healthier work environment for everyone, embedding a culture of safety in our everyday actions.

Federal Safety Commissioner Accreditation

In 2023, we qualified for the Australian Government Building and Construction WHS Accreditation Scheme, the highest standard for workplace health and safety in Australian construction projects. This accreditation enables us to tender directly for larger government-funded projects in the future.

This year, Saunders underwent another successful assessment of the maturity and effectiveness of our Health & Safety Management System by the Office of the Federal Safety Commissioner (OFSC) auditor. The assessment lowered our risk profile from Medium to Low Risk, indicating that Saunders has a robust and effective Health & Safety system in place, resulting in less frequent FSC audits in future.

Safety Engagement

In addition, we continued to engage our teams and clients on our safety culture and performance through regular initiatives:

- Conducted a comprehensive program of site visits and engagements by the Board, Executive, and broader teams.
- Rolled out monthly safety themes to address high-risk areas.
- Celebrated team members who champion safety in the field through project-based awards.
- Received client recognition for our outstanding safety performance during this period.

2025 FOCUS AREAS

Our primary objective is to further embed our 'Together for Safety' program, strengthening our safety culture, emphasising leadership behaviour and encouraging ownership of risk at all organisational levels. We are committed to investing in building our team's capabilities to ensure a safer workplace, including rolling out a safety leadership and attitudes program. We will also continue to prioritise mental health, workplace culture, and environmental compliance.

People and Capability

At Saunders, our dedication to safety, collaboration, and teamwork is embedded in our cultural DNA. We partner with our clients to discover innovative and efficient solutions, embracing our 'OneTeam' approach because we know that together, we achieve more.

We strive to foster an inclusive, flexible, encouraging, and diverse environment for all our people. By investing in our employees, we strengthen our team and enhance our ability to deliver on our promises of innovation, growth, and excellence. We are passionate about giving back to the communities where we work and live, both through our projects and broader group-wide initiatives.

Our Values

Guiding our behaviours and underpinning our culture are our core values:

- ZERO HARM — **Zero Harm:** We are committed to the practice of Zero Harm behaviour at work and at home
- ONE TEAM — **'OneTeam':** We are better together when we collaborate with each other and our customers
- RAISE THE BAR — **Excellence:** We commit to delivering excellence in everything we do
- **Innovation:** We continually challenge ourselves to create innovative solutions for our customers
- **Integrity:** We hold ourselves to the highest standards and deliver on our commitments
- **Respect:** We act with respect to our people, customers, communities and the environment

2024 HIGHLIGHTS

These initiatives delivered during the year reflect our commitment to creating a supportive and dynamic work environment that fosters growth, development, and wellbeing for all our team members:

Reconciliation Action Plan: We supported the creation of our Reflect Reconciliation Action Plan, marking a significant step in our commitment to better engage with First Nations communities across Australia. (See page 18 for more information).

New Employee Value Proposition: We implemented a comprehensive employee value proposition that includes benefits such as parental leave, wellbeing days, professional development opportunities, and cost-of-living discounts.

Successful Onboarding: Over 80 employees were successfully onboarded through the Piping Solutions acquisition, with their people systems seamlessly integrated.

Recruitment expansion: Our People and Capability team has expanded to include additional white and blue collar recruitment experts, effectively boosting our ability to fill roles in a tight labour market.

Enhanced Annual Performance & Development Review: We are building on the data we gather from our annual performance and development reviews, integrating it with our Learning and Development strategy to ensure continuous improvement and alignment with business goals.

Upgraded HRIS: Our upgraded Human Resources Information System (HRIS) now includes enhanced reporting capabilities, improved process efficiencies, a payroll integration option, and increased visibility for managers through an organisational chart model.

Comprehensive Training Audit: We conducted a full qualification and training audit, embedding system checkpoints to ensure compliance and ongoing development.

2025 FOCUS AREAS

01 **Adapting to Technological Advancements:** As the workforce and economy evolve, the role of the People & Capability team is changing. In the coming year, Saunders' People & Capability team will focus on enhancing automated processes and collaborating closely with the HRIS developer to maximise system efficiencies.

02 **Workforce Planning and Data Integration:** We will consolidate data from multiple company systems to develop a comprehensive workforce planning tool, ensuring information is readily available for mandatory reporting and strategic planning.

03 **Employee Engagement and Feedback:** In our continuous quest to enhance the employee experience, we will conduct a company-wide employee engagement survey and targeted surveys for specific functional areas in FY25 to gather valuable feedback.

04 **Supporting Reconciliation:** We will actively support the implementation of our Reflect Reconciliation Action Plan (RAP). With our People & Capability Manager as a nominated RAP champion, the team will facilitate meaningful engagement in reconciliation efforts across the organisation.

05 **Diversity and Inclusion:** We will continue to invest in diversity and inclusion initiatives, focusing on recruitment and employee experience. Our goal is to increase diversity and support retention by fostering an inclusive workplace environment.

In 2024, we proudly expanded our Saunders team to 505 employees, reflecting our growth and expansion during the period.

Client Focus

At Saunders, our clients are at the heart of everything we do. We are committed to understanding their unique needs and delivering tailored solutions that exceed expectations.

Through constant innovation we work to ensure our clients receive the highest quality service and support. Our dedicated teams work collaboratively to foster strong, long-term relationships built on trust and reliability.

Our clients rely on us to manage complexity, drive delivery, provide long-term strategic value, and develop innovative solutions. Together, we establish a foundation of trust, collaborating to achieve excellent project outcomes and enjoying the journey along the way.

We take pride in nurturing enduring partnerships, and our repeat clients are our ultimate performance indicator. Remarkably, we still work with clients who have been with us since the 1960s, including Mobil, bp, and Ampol.

2024 HIGHLIGHTS

Customer Engagement Program

This year, we launched a comprehensive customer engagement program that includes in-depth, externally facilitated interviews with key clients. This initiative is designed to establish a deeper, unbiased understanding of our customers' needs, priorities, and perceptions.

PROGRAM AIMS

Gain comprehensive customer insights: Understand what drives our clients' decisions and identify key market trends.

Evaluate our performance: Assess how well we are meeting client expectations across key markets and capabilities.

Inform strategic growth: Use annual tracking of these insights to prepare for our next phase of growth.

By listening to what's most important to our clients, we can meet their current needs and anticipate their future requirements. This proactive approach ensures that we remain aligned with our clients' evolving demands and continue to deliver excellent value.

KEY CLIENTS

DEFENCE & GOVERNMENT	ENERGY	WATER	RESOURCES & INDUSTRIALS
Laing O'Rourke	Ampol	Aqua Metro	AGL
Lendlease	bp	Confluence Water	Anglo Coal
Multiplex	CleanCo Queensland	Fulton Hogan	APA
NSW Local Councils	Mobil	Sydney Water	Cleanaway
Transport for NSW	Quantem	West Region Delivery Team	Jemena
	UGL		Northern Star Resources
	Viva Energy Australia		Orica

WHAT OUR CLIENTS SAY ABOUT US

"It's growing, it's hungry and serious, very serious, and capable...They are reputable. And they're a very well-regarded supplier."

"They're super personable as well. That's the other thing that we've found. We've managed to forge a pretty close relationship with them. It doesn't seem to be transactional. That's what we like about engaging with them so far today, has been the ability to pick up the phone and have a conversation, have a frank conversation with them, but it's not throwing mud or anything like that. It's always, ultimately with the success of the project for both parties in mind."

"I think they provide a quality service. Their sector performance is top in class. Their capability in the tank space is very, very capable."

"So for me, they've always delivered what I've expected from them, and we have had some good safety and quality outcomes on a number of successfully delivered projects. Safety, quality, program, risk and cost control and that's Construction in the nutshell, isn't it?"

"I have a belief that you overcome any challenges as long as there's an intent that parties come together, discuss, and work through the challenges, and Saunders displayed that throughout."

We are dedicated to delivering solutions, one client at a time. By fostering strong relationships, leveraging comprehensive customer insights, and continuously improving our offerings, we are well-positioned to support our clients and drive future growth.

2025 FOCUS AREAS

Looking ahead to 2025, we are dedicated to enhancing client satisfaction by actively seeking feedback and continuously improving our services. Our goal is to build on our reputation as a trusted partner in the industry and respond to our client research feedback, which highlighted the importance of partnership and an increasing desire for integrated solutions.

KEY FOCUS AREAS

Market-Focused Offering: We will evolve our offering to provide a market-led, integrated offering across: Defence, Energy, Water, and Resources & Industrials.

Multi-disciplinary Integrated Capabilities: Delivering a broad range of integrated services across our core capabilities and recent strategic acquisitions:

- Bulk Fluid Storage
- Structural, Mechanical and Piping
- Industrial Automation and Electrical
- Civil Infrastructure
- Industrial Asset Services

Investment in Front-End Design Engineering and Operational Capability: We will further enhance our capabilities to better serve our clients.

SAUNDERS INTERNATIONAL

Innovation

Our operating model is underpinned by 73 years of engineering and construction expertise, further strengthened by our ongoing investment in high-value, complementary capabilities and pioneering new solutions. At Saunders, innovation is one of our core values, and we are dedicated to finding new and better ways to help our clients achieve their goals.

We focus on continual improvement by working closely with our clients and project partners to solve problems and create opportunities—both on-site and in our offices. The solutions we develop, along with the insights gained from their development, are shared across our teams to maximise their impact and applicability.

We continually challenge ourselves to create innovative solutions for our customers, ensuring we stay at the forefront of the industry and support their strategic goals.

2024 HIGHLIGHTS

PROJECT PROFILE

ECU City

Capability	Engineering and Industrial Automation and Electrical
Value	$821,000
Location	Perth, WA

ECU City is a significant project for Edith Cowan University, featuring a 65,000 square metre campus spanning 11 levels across two towers located within Perth's CBD. Construction is well underway and is set to be completed by the end of 2025.

Saunders has been engaged to provide a turn-key solution for the emergency power network control and site-wide energy management system. Our scope of work includes design, procurement, construction, programming, and commissioning.

We were selected for this project due to our industry-leading expertise and the utilisation of state-of-the-art operational technology (OT) solutions. Our innovative approach and commitment to excellence ensure that ECU City will have a robust and efficient energy management system, supporting the university's needs for years to come.

PROJECT PROFILE

Western Sydney Airport

Capability	Bulk Fluid Storage, Industrial Automation and Electrical, Structural, Mechanical and Piping
Value	$70.0 million
Location	Luddenham, NSW

In late 2022, we were awarded a significant contract by Multiplex to build the aviation fuel terminal at the new Western Sydney International Airport, also known as Nancy Bird Walton Airport. This project showcases our ability to deliver integrated, multidisciplinary solutions by bringing together a Saunders team specialising in both Bulk Fluid Storage, SMP and Industrial Automation and Electrical.

This contract includes the design and construction of:

- Three aviation fuel storage tanks
- The aviation fuel terminal's mechanical piping, valves, pumps, filters, instrumentation, and controls
- The aviation fuel terminal's electrical services, including cabling and switchboards, Supervisory Control and Data Acquisition (SCADA) electrical, and controls.

As part of the overall project, in 2021 the independent Piping Solutions business was appointed to deliver a new hydrant line. This aspect of the project involves the installation and commissioning of 10.5 km of aviation fuel hydrant lines, leveraging our team's expertise in fuel infrastructure. In 2023, we also secured additional SMP works which connect the newly installed fuel hydrant main system to the fuel farm facility.

This project highlights the value of our new piping expertise in providing a one-stop solution to our clients, reinforcing our commitment to delivering multidisciplinary, integrated capabilities.

2025 FOCUS AREAS

NEW ENERGY

We are gearing up to meet the opportunities of New Energy as a key strategic priority, investing in innovation in areas such as hydrogen, ammonia, and biofuels.

This year, we announced the signing of a Memorandum of Understanding ('MoU') with Optimal Renewable Gas ('ORG') to facilitate the establishment of biomethane facilities throughout Australia. The agreement marks a significant step towards enhancing Australia's renewable energy infrastructure, with the first facility slated for Westbury, Tasmania.

We are well-positioned to support our clients in delivering their New Energy projects and achieving their bold sustainability targets. A great example of this is the work we are already doing with bp at their Kwinana Energy Hub. Read more about this project on pages 28 and 29.

SAUNDERS INTERNATIONAL

Sustainability

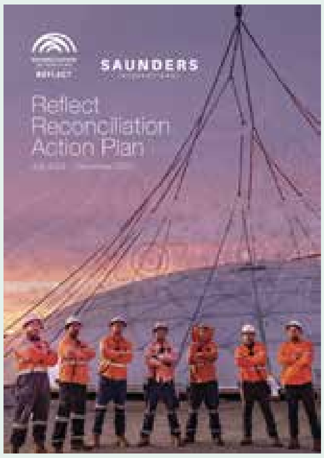
At Saunders, we understand that every decision and action is an opportunity to make a positive impact on our people and the world around us. We are committed to our own sustainability journey, aiming to meet the expectations of our employees, investors, and communities.

By defining and advancing plans to support our Environmental, Social, and Governance (ESG) targets, we strive to create lasting value. We are also dedicated to supporting our clients in their sustainability efforts, helping them achieve their goals and contribute to a sustainable future.

This year, we have taken significant steps in our sustainability journey by commencing the development of an integrated ESG Roadmap, which has led to the release of our first RAP and a new Modern Slavery Statement.

Together, we want to make a meaningful difference.

2024 HIGHLIGHTS



REFLECT RECONCILIATION ACTION PLAN (RAP)

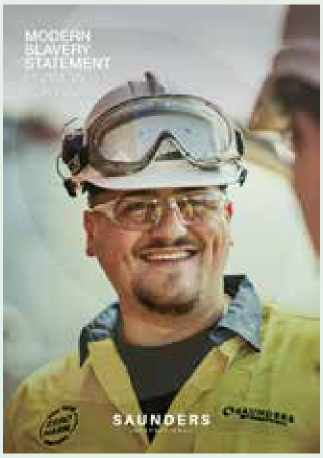
We are proud to have finalised Saunders' first Reflect Reconciliation Action Plan (RAP). This significant step marks our commitment to better engage with First Nations communities across Australia.

Recognising our responsibility as a large business operating on Country, including sites in regional and remote areas, we aim to foster relationships with Aboriginal and Torres Strait Islander communities, improve employment opportunities and career pathways, and increase our support for Indigenous Enterprise within our supply chain.

Our RAP embodies our dedication to learning from First Nations cultures, improving cultural awareness, and implementing change at all levels. This whole-of-business approach will include education initiatives and the adoption of cultural protocols.

While we are early in our journey, we are inspired by RAP leaders in the Australian construction community. We want to learn from their example and look forward to collaborative reconciliation and engagement efforts.

As we embark on this path, we commit to developing strong community partnerships, enhancing our organisational awareness of First Nations cultures and respectful interaction with Country.



MODERN SLAVERY POLICY

At Saunders, we are dedicated to addressing modern slavery risks within our operations and supply chains. We are making progress by enhancing due diligence processes and driving operational consistency across the organisation. Our goal is to foster a business environment that upholds human rights and promotes a sustainable, responsible future.

We assess the risk of modern slavery in our immediate supply chain as low, due to our geographic focus and predominantly domestic supply chain. However, we recognise the importance of addressing any residual risks. We approach this through four key areas: governance and leadership, policies and frameworks, training and education, and processes and procedures.

Our policy is central to creating a safe, fair, and respectful working environment for everyone associated with our business.

2025 FOCUS AREAS

Developing an overarching Environmental Sustainability Plan with clear, measurable, and realistic objectives for our sustainability journey.

Advancing our Reconciliation Action Plan (RAP) and beginning Saunders' reconciliation journey.

Implementing the commitments of our Modern Slavery Policy, including processes for managing our supply chain.

Enhancing organisational understanding of ESG reporting obligations and the foundations of our reporting system.

Operations

Our commitment to operational excellence ensures that we work together as 'OneTeam' to exceed client expectations and drive sustainable value across all projects and partnerships.

Saunders operates as a leading provider of multidisciplinary engineering and infrastructure solutions across New South Wales, Queensland, Victoria, Western Australia, South Australia, Northern Territory, New Zealand and Papua New Guinea.

We continuously explore additional regions to follow key clients and opportunities that align with our strategic direction, expanding into new markets to support the business interests of both national and international clients.

2024 HIGHLIGHTS

Geographic Expansion

WESTERN AUSTRALIA

In March 2024, we celebrated the opening of our newest corporate office on St Georges Terrace, in the heart of the Perth CBD. This milestone signifies more than just a move—it's a testament to our dedication to expanding our presence and enhancing our services in Western Australia. The office will service our growing customer base in the region, including:

- bp's Kwinana Renewable Fuels Project
- Kalgoorlie Consolidated Gold Mines (KCGM) for Northern Star Resources
- Australian Department of Defence bases in the region.

We are actively pursuing new projects in Western Australia, with a pipeline of opportunities exceeding $100 million.

QUEENSLAND

Our presence in Queensland is expanding, driven by our recent piping and automation acquisitions. We now have a new workshop in Brisbane to support our integrated delivery capabilities, along with a new corporate office to accommodate our growing engineering team.

2025 FOCUS AREAS

Strengthening our established Melbourne presence, built on our long-standing contracts at Mobil's Altona and Yarraville refineries.

Enhancing client value by integrating and expanding our acquired capabilities to lower costs and reduce delivery risks.

Expanding our addressable market by broadening our range of services.

Our operations cover a wide range of expert capabilities, including:

- Bulk Fluid Storage 01
- Structural, Mechanical and Piping 02
- Industrial Automation and Electrical 03
- Civil Infrastructure 04
- Industrial Asset Services 05

Markets

We provide a multidisciplinary, integrated offering across the complete asset lifecycle, specialising in these key markets:

- DEFENCE & GOVERNMENT
- ENERGY
- WATER
- RESOURCES & INDUSTRIALS

SAUNDERS
INTERNATIONAL

Defence & Government

We are committed to serving the Australian Department of Defence & Government departments at local, state, and federal levels. By leveraging our extensive market expertise, multidisciplinary capabilities, and strong supply chain relationships, we deliver tailored, innovative, and reliable solutions that support growing national security and public infrastructure needs.

DEFENCE EXPERTS

Our specialist Defence teams, led by sector experts, are dedicated to delivering projects that meet the stringent requirements of the Australian Defence Force. By combining our expertise in Defence infrastructure with extensive experience and robust supply chain relationships, we ensure project certainty and reliability for our clients, and the Department of Defence.

We uphold the highest standards of quality, safety, and reliability through our multidisciplinary capabilities. Our commitment to innovation and continuous improvement allows us to address the evolving needs of the defence industry, supporting national security and resilience across all project phases, from planning and design to construction, commissioning, and handover.

2024 HIGHLIGHTS

Serving the Australian Department of Defence

PROJECT PROFILE

Larrakeyah Defence Precinct Redevelopment Program (LDPRP)

Capability	Bulk Fluid Storage, Industrial Automation and Electrical, Structural, Mechanical and Piping
Value	$33.7 million
Location	Darwin, NT

This year, Saunders successfully completed a contract for the Larrakeyah Defence Precinct Redevelopment Program (LDPRP), with Laing O'Rourke serving as the Managing Contractor.

Saunders designed and constructed four new bulk fuel storage tanks, and undertook the installation of fuel quarantine and sampling systems, offloading and dispensing filtration and pump stations, electrical and instrumentation, and safety and process control systems with connection to site-wide piping and wharf hydrant lines at a major operational defence base.

PROJECT PROFILE

RAAF Base Tindal

Capability	Bulk Fluid Storage, Industrial Automation and Electrical, Structural, Mechanical and Piping
Value	$31.0 million
Location	Katherine, NT

Saunders has been appointed to two projects at RAAF Base Tindal, located south of Darwin. Our initial scope of work at this base includes the design and construction of two new bulk fuel tanks, subcontracted through the Nova Nacap Joint Venture, which is contracted by the Naval Facilities Engineering Command (NAVFAC) Pacific, US Department of Defence.

The project strengthens our relationship with repeat client Nova Nacap while enhancing our capability and track record within the Defence sector.

Separately, in 2022, the former Piping Solutions business was sub-subcontracted to install critical Fuel Infrastructure for the new Australian Defence Force Fuel Farm at RAAF Base Tindal.

This project includes the installation of an underground pipeline, multiple tanks, a gantry building, a filter building, pumphouses, and an underground line linking to the USAF refuelling system, along with a complex network of valves and large turbine pumps.

This project further highlights the value of our Piping Solutions acquisition.

PROJECT PROFILE

Shoalwater Bay Training Area

Capability	Industrial Automation and Electrical
Value	$600,000
Location	Byfield, QLD

To enhance military training capabilities for both local and international partners, the Shoalwater Bay training facility is undergoing significant infrastructure upgrades. We were engaged to design, program, and commission the HV/LV Power Control & Monitoring System (PCMS) for the new facilities. The PCMS provides real-time analysis and diagnostics of the power network, including feedback on load demand, load shedding, power outages, supply authority loading, load bank control, alarming, and fault conditions. Collaborating with project partners and the Australian Department of Defence, we are nearing the final stages of commissioning, with completion anticipated in 2024.

PROJECT PROFILE

RAAF Richmond Fuel Hydrant Line Works

Capability	Pipeline construction and commissioning
Value	$8.0 million (approved to date)
Location	Richmond, NSW

The project includes the decommissioning of an existing underground hydrant pipeline and the installation of a new fuel supply line, underground hydrant, and return line. The supply line will deliver fuel from the base's fuel farm to the underground hydrant line, and the return line will recycle excess fuel back into the supply tank at the fuel farm.

Our scope involves managing the replacement of the existing buried spur carbon steel pipe on the northern line at the apron with a new stainless-steel supply and return pipeline, connecting back to the site's existing storage tanks. This work is performed in a brownfield environment. The new underground hydrant line will include multiple new hydrant refueling positions to service aircraft on the existing pavement. Saunders is collaborating with its client and other disciplines to perform the construction and commissioning of the project in an operationally critical infrastructure facility.

Defence & Government

2024 HIGHLIGHTS

Supporting Public Infrastructure Needs

PROJECT PROFILE

Four new bridge projects

We have recently announced that we have been awarded four contracts in the civil infrastructure sector, totalling $20.59 million.

Each of the four projects includes the demolition of an existing bridge, as well as the design and construction of a new concrete bridge structure. The projects have been funded by local councils, the NSW Government and the Federal Government, aiming to ensure that local road networks are safer and fit-for-purpose for years to come.

The projects include:

- Brunners Bridge, Singleton, NSW
- Spring Creek Bridge, Narrabri, NSW
- Melville Ford Bridge, Aberglasslyn, NSW
- Molong Street Bridge and Burrendong Bridge No 1, Dubbo, NSW

PROJECT PROFILE

Port Macquarie Bridges project

Capability	Civil Infrastructure
Value	$11.2 million
Location	Various locations, Port Macquarie, NSW

Saunders was awarded a new contract for $11.2 million to replace five existing timber bridges across the Port Macquarie Hastings Council area with concrete bridges.

Once finished, the new concrete bridges will reduce future ongoing maintenance costs for the Council and increase connectivity by allowing increased vehicle load limits.

The project is being funded by Council and Transport for NSW under the NSW Government's Fixing Country Bridges Program. The project is due for completion in calendar year 2024.

PROJECT PROFILE

Mater Private Hospital

Capability	Industrial Automation and Electrical
Value	$1.5 million
Location	Springfield, Qld

The Springfield Mater campus is expanding the existing private hospital with a new central energy plant and a 174-bed public hospital. To support this development and future expansions, a new high-availability power distribution network is required.

Our specialist industrial automation team has been engaged to design, engineer, and deliver the HV power network and LV load shedding control systems. A high-availability communications network is also needed to connect the distributed power assets across the 52-hectare precinct.

Saunders is collaborating with major consultants NDY and contractors John Holland and Stowe to deliver a best-in-class power automation solution for Mater.

PROJECT PROFILE

Gold Coast University Hospital (GCUH)

Capability	Industrial Automation and Electrical
Value	$850,000
Location	Southport, Qld

Located in one of Australia's fastest-growing regions, the GCUH is expanding with two new dedicated support facilities:

1. Sub-Acute Building: 70-bed facility
2. Secure Mental Health Rehabilitation Unit: 40-bed facility

Our Industrial Automation team has a proven track record with Queensland Health and the GCUH site, providing system design, support, and ongoing maintenance. Our expertise covers generator control and monitoring, HV/LV monitoring, load shedding, third-party system interfacing, and networking.

The integration of additional control systems will offer hospital staff a comprehensive view of the power network and facilities. In the event of a power outage or blackout, the control system enables personnel to quickly identify and address fault conditions via user-friendly interfaces. This capability is crucial for maintaining safety and care in critical infrastructure settings like hospitals.

Energy

Saunders is emerging as a key player in the energy sector, delivering comprehensive capabilities and solutions across both traditional and renewable energy projects.

With Australia transitioning towards a more sustainable future, our emphasis on New Energy is a key strategic priority.

We are investing our efforts in innovation across solar, wind, and hydroelectric power, along with cutting-edge technologies such as hydrogen, ammonia, and biofuels.

This dual focus ensures that Australia remains a leading player in the global energy market, balancing economic growth with environmental responsibility.

By partnering with clients to deliver traditional and renewable energy solutions, we help meet growing energy demands while supporting environmental sustainability and ambitious energy targets.

The Kwinana project is the first of its kind globally for bp and a first for Australia. Our work will help bp produce sustainable aviation fuel and renewable diesel, supporting their net zero sustainability ambitions.

2024 HIGHLIGHTS

PROJECT PROFILE

bp Kwinana Renewable Fuels

Capability	Industrial Asset Services
Value	$42.4 million
Location	Kwinana, WA

We are particularly proud of our Kwinana Renewable Fuels Project because of its bold sustainability ambitions. We are refurbishing and modifying 25 tanks so they can be used for feedstock or biofuels storage, helping to repurpose bp's former refinery site at Kwinana into a new integrated energy hub.

The project plans to reutilise some infrastructure at the bp Kwinana site to produce lower-carbon fuel products that have the ability to support the decarbonisation of aviation and heavy industry. The project is subject to regulatory and State government approvals.

PROJECT PROFILE

Barron Gorge Hydroelectric Power Station

Capability	Industrial Automation and Electrical
Value	$3.9 million
Location	Barron Gorge, Qld

Commissioned in 1963, the Barron Gorge Hydro sources water from the Barron River to produce electricity before releasing the water back into the river.

Barron Gorge Hydro's ability to quickly start its two 33 MW generators makes it an important asset for providing a secure, reliable energy supply for Queensland.

Saunders Automation was contracted to perform a complete turn-key control system upgrade for the dual turbine 66MW power station including PLC & SCADA systems, OT network infrastructure, installation, testing and commissioning.

PROJECT PROFILE

Pelican Point

Capability	Bulk Fluid Storage and Industrial Automation and Electrical
Value	$44.2 million
Location	Pelican Point, SA

Our multidisciplinary in-house engineering and operational teams worked closely with long-term and repeat client Quantem to value engineer, optimise constructability and conduct a full lifecycle analysis on this critical new diesel storage project in Adelaide.

The scope of work includes detailed design, procurement, construction, fabrication, installation, and commissioning of three 30,000 cubic metre diesel storage tanks and associated structural, mechanical and piping infrastructure, adding significant new diesel storage capacity for the fuel industry in South Australia.

PROJECT PROFILE

Mobil Altona

Capability	Industrial Asset Services
Value	$37.5 million (to date, 4/5 year program)
Location	Altona, VIC

We are continuing delivery of our longer, cornerstone contracts, including year four of our five-year maintenance program for Mobil in Altona.

Saunders is at the forefront of providing asset services, with a specialised focus on inspection, repair, modification, and maintenance solutions. Our expertise lies in reviving and revitalising our clients' assets, enhancing their condition and availability, right through the asset's lifecycle to decommission.

SAUNDERS INTERNATIONAL

Water

Saunders has a strong legacy in water tank and reservoir construction, it's a cornerstone of our service portfolio. We are committed to delivering quality, long-term critical infrastructure to our local communities, ensuring water supply meets growing demand while safeguarding water security.

Our expertise in the water sector has expanded significantly with recent acquisitions, enhancing our capabilities and client offerings. Increased capital investment in the sector further underscores our commitment to this market, driving our focus on providing innovative solutions and sustaining water infrastructure for the future.

In 2024, we were pleased to announce we had been awarded two contracts in the water sector, totalling circa $17 million.

2024 HIGHLIGHTS

PROJECT PROFILE

Bald Hill

Capability	Bulk Fluid Storage
Value	$8.4 million
Location	Sunbury, VIC

A design and construction contract for two 10 mega-litre water tanks dedicated to storing potable water. The project is being delivered for Aqua Metro on behalf of Greater Western Water, who are a repeat Saunders end-client.

Saunders will deliver the project under an expedited design and construction program to minimise disruption to local residents. This will be achieved by close engagement with the supply chain and constructing both tanks in parallel.

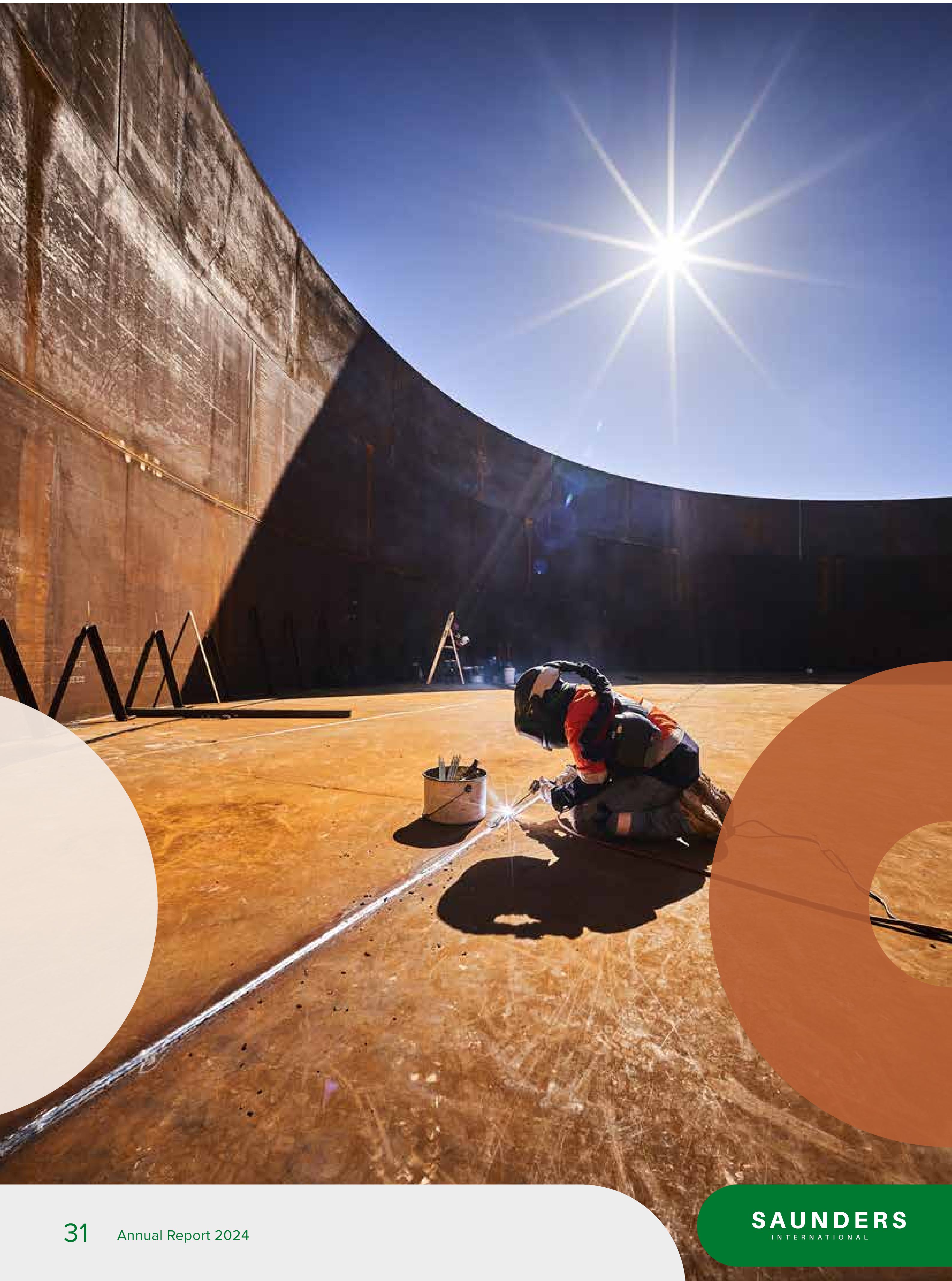
PROJECT PROFILE

Marsfield Reservoir

Capability	Bulk Fluid Storage
Value	$8.4 million
Location	Marsfield, NSW

A design and construction project for a single 10 mega-litre water tank. Saunders has been contracted by Confluence Water to deliver the project for Sydney Water, marking Saunders' fourth tank project with Sydney Water in the last five years.

Saunders will self-perform the complete scope, employing a just-in-time delivery strategy to manage operations efficiently and prevent capacity overload on the highly constrained site. The tank will be delivered with a design life of 100 years, aligning with Sydney Water's asset requirements and long-term growth strategy.



Resources & Industrials

Australia's resources and industrials markets are crucial to the economy, fuelled by rich natural resources and a strong industrial foundation. These markets, focusing on mining and heavy industry, play a significant role in exports, job creation, and supporting economic growth and infrastructure development nationwide.

Resources & Industrials are central to Saunders' offerings. With over 70 years of experience, we manage both greenfield and brownfield projects, from comprehensive Engineering, Procurement and Construction (EPC) solutions for mine expansions and process optimisations to long-term service agreements that ensure the ongoing productivity of our customers' assets.

PROJECT PROFILE

The Boyne River HDD* Gas Pipeline

Capability	Structural, Mechanical and Piping
Value	$3.0 million
Location	Gladstone, Qld

In 2024, we replaced 470 metres of gas pipeline beneath the Boyne River, servicing Australia's east coast energy needs. The team faced challenges including proximity to a high-pressure gas line, the world's busiest coal port at Gladstone, harsh conditions, and the remote location.

We collaborated with our client and HDD partner, Maxibor Australia, to deliver the project safely and with zero incidents under challenging conditions.

*Horizontal Directional Drilling

2024 HIGHLIGHTS

PROJECT PROFILE

Kalgoorlie Consolidated Gold Mines (KCGM) CIL3 Tanks Replacement

Capability	Structural, Mechanical and Piping
Value	$31.5 million
Location	Kalgoorlie, WA

Saunders was awarded a $31.5 million contract by Northern Star Resources to undertake the CIL3 Tanks Replacement project at the Kalgoorlie Consolidated Gold Mines (KCGM) in Western Australia.

This project involves the reconstruction and upgrade of six carbon-in-leach (CIL) tanks, each measuring 12.7 meters in diameter and 13.5 meters in height. The scope also includes associated pipework, structural steel, and interconnecting launders within a complex brownfield environment.

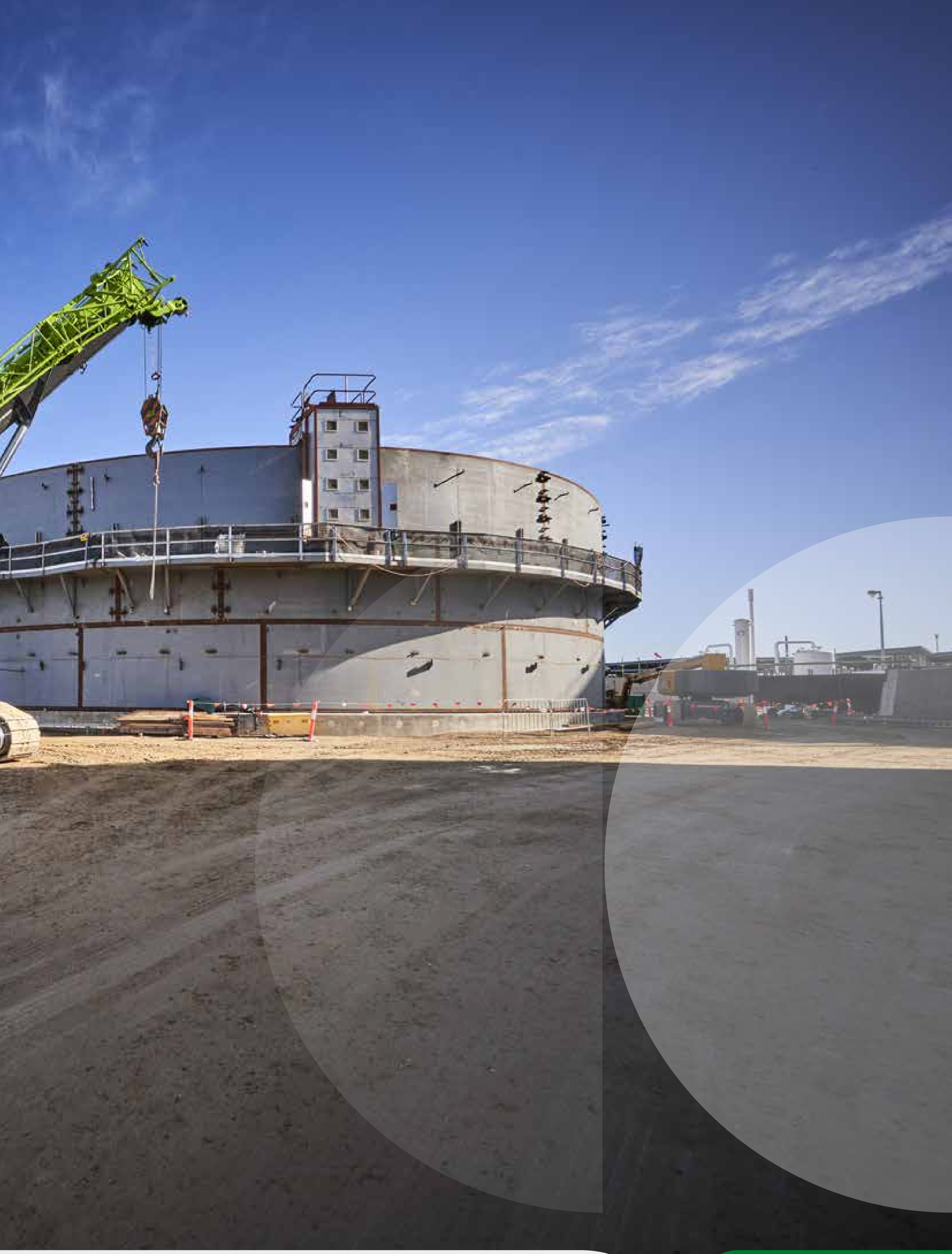
The project aims to increase the throughput and enhance the reliability of the Fimiston Processing Plant. Saunders' advanced construction methodology ensures that the plant remains fully operational during the project, minimizing shutdowns and maintaining continuous revenue for Northern Star Resources.

This project marks Saunders' growing presence in Western Australia, supported by the recent opening of a new regional office in Perth.

SAUNDERS INTERNATIONAL

Governance, Financial Report and Other

Directors' Report 36
Auditor's Independence Declaration 48
Auditor's Report 49
Directors' Declaration 53
Financial Report 54
Corporate Governance 90
Shareholder Information 92
Board of Directors Information and Profiles 93
Corporate Directory 94



SAUNDERS INTERNATIONAL

Directors' Report

The Directors present their report on Saunders International Limited ("Saunders" or the "Group") for the financial year ended 30 June 2024 and the independent audit report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The Directors as at the date of this Directors' Report are:

- Mark Benson
- Greg Fletcher
- Nicholas Yates (appointed Chairman 1 July 2023)
- Brendan York (appointed 24 July 2023)

Unless stated otherwise the above-named directors held office during the whole of the financial year and from the end of the financial year up to the date of this report. Timothy Burnett resigned as a director effective 21 November 2023.

COMPANY SECRETARY

Brett Gregory has been the Co-Company Secretary from the date of his appointment on 28 February 2023 up to the 28 August 2024. Alex Dunne has replaced Brett as Chief Financial Officer and Co-Company Secretary from 28 August 2024. Alex is a Chartered Accountant and holds an MBA from University of Technology, Sydney.

PRINCIPAL ACTIVITIES

Saunders is a multi-disciplined engineering and construction company. During the financial year, the principal activities of the Group involved providing design, fabrication, construction, shutdown, maintenance, piping and industrial automation services to leading organisations across Australia and the Pacific Region. The Group performs these activities across the key markets of Defence & Government, Energy, Water, Resources & Industrials.

REVIEW OF OPERATIONS

A summary of the revenues and results is as follows:	2024 $'000	2023 $'000
Revenue	216,079	200,886
Profit before income tax	14,604	14,151
Income tax expense	(5,241)	(4,660)
Statutory profit attributable to the members of Saunders International Limited	**9,363**	**9,491**
Addback: Impact of expenses relating to acquisitions		
- Automation IT Earn-out employee remuneration	1,100	-
- Advisory and legal fees	811	647
Total impact of expenses relating to acquisitions	**1,911**	**647**
Non-statutory adjusted profit attributable to the members of Saunders International Limited	**11,274**	**10,138**

Reconciliation of profit before income tax to EBITDA (unaudited):	2024 $'000	2023 $'000
Profit before income tax	14,604	14,151
Add:		
Net interest expense	536	265
Depreciation of owned and hire purchase assets	2,315	1,800
Depreciation of right of use assets	1,977	1,236
Statutory EBITDA	**19,432**	**17,452**
Addback: Total impact of expenses relating to acquisitions (excluding the adjustment above for the higher effective tax rate)	**1,911**	**647**
Non-statutory adjusted EBITDA	**21,343**	**18,099**

Saunders' revenue for the year was $216.1 million, an increase of $15.2 million or 7.6% (2023: $200.9 million). The adjusted net profit after tax was $11.3 million, an increase of $1.2 million or 11.9% (2023: $10.1 million adjusted), adjusted EBITDA was $21.3 million, an improvement of $3.2 million or 16.7% (2023: $18.1 million adjusted).

Adjusted earnings per share for the year were 9.96 cents (2023: 9.45 cents adjusted).

Saunders has strengthened its financial position at year end with net assets of $51.3 million, an increase of $12.0 million or 30.5% (2023: $39.3 million).

A key contributor to the increase in Net Assets being the Goodwill recognised following the acquisition of the Piping Solutions business, effective 31 October 2023. Cash improved to $19.8 million on 30 June 2024, an increase of $7.0 million or 54.7% (2023: $12.8 million).

The record revenue performance of the Group over the past 12 months is due to a combination of ongoing strong operational execution of projects across the Group and revenue from acquisitions of the Piping Solutions and Automation IT businesses over the last 15 months in April, the Group completed the divestment of its precast concrete operations, which were an immaterial contributor to the Group's results.

Key Highlights

- Achieved a TRIFR12 metric of 1.35 as of June 2024 (based on 1 million hours worked and a non-IFRS), representing an 83.9% decrease from 8.39 in June 2023. This substantial decrease demonstrates our tangible progress in improving safety outcomes.[1]
- Implemented a 'Together for Safety' program that symbolises our commitment to safety, performance, and each other as we enhance our safety leadership skills and culture over the next five years.
- Announced the acquisition of Piping Solutions in November 2023 (following the May 2023 acquisition of Automation IT); specialists in steel pipelines, structures, pressure vessels, and refueling systems. The acquisition accelerates the execution of Saunders' strategic expansion into the Defence sector and delivers complementary steel piping capabilities in the Aviation, Energy, and Infrastructure industries
- Secured two projects with values more than $30 million each in the last 12 months. This includes a project for Quantem to more than double diesel storage capacity at its Pelican Point terminal in Adelaide, South Australia and a project for Northern Star Resources involving the replacement of carbon-in-leach tanks at its Kalgoorlie Consolidated Gold mine.
- Signed of a Memorandum of Understanding (MOU) with Optimal Renewable Gas (ORG). A strategic partnership to facilitate the establishment of biomethane facilities throughout Australia, exemplifying our deepening involvement in the new energy sector.
- Launched a comprehensive customer engagement program that included in-depth, externally facilitated interviews with key clients. This initiative was designed to establish a deeper, unbiased understanding of our customers' needs, priorities, and perceptions.
- Taken significant steps in our sustainability journey by commencing the development of an integrated ESG Roadmap, which has led to the release of our first Reflect Reconciliation Action Plan (RAP) and a new Modern Slavery Statement.

[1]The TRIFR metric does not include Piping Solutions' safety statistics, as the business was acquired partway through the financial year.

OUTLOOK

Saunders had work-in-hand as at 30 June 2024 of $148.6 million (FY23: $159.1 million), which increased to $189.3 million as at 31 July 2024. The value of live tenders as at 31 July 2024 was $1.3 billion (31 July 2023: $1.0 billion). The pipeline (yet to be tendered) is at $0.7 billion (31 July 2023: $0.6 billion). This strong pipeline of opportunities reflects the Group's strong and diversified capabilities, positioning us well across our key markets: Defence & Government, Energy, Water, and Resources & Industrials.

We will continue to leverage our multi-disciplinary offering in key growth markets such as Defence, where investment in the modernisation of fuel infrastructure is set to accelerate and Water, where there is significant ongoing investment in asset renewal programs across Australia. With a broad customer base, we are well placed to secure larger-scale integrated projects, and expect further growth in FY25.

EMPLOYEES

The Group's total permanent workforce employed by Saunders was 505 at 30 June 2024 (2023: 422). Saunders remains focused on investing in people and capability to ensure the achievement of our vision and strategic objectives.

The directors wish to take this opportunity to thank the entire Saunders Team for their continued dedication and delivering the financial results through another challenging year.

SAFETY & ENVIRONMENT

The Group is committed to the safety of our people, clients and the communities in which we operate. During the year, Saunders TRIFR12 was 1.35 (based on 1 million hours worked), an 83.9% improvement over the prior year (2023: TRIFR12 8.39).

The environment remains a key focus for the Group, and we will be focusing on improving our sustainability initiatives in the next year. The Group recognises the material environmental and social risks that are relevant to its activities and takes action to manage those risks. Working with major international organisations including bp, Ampol and Multiplex provides the ability to not only support them to achieve their bold sustainability targets, but to have insight into their plans to do so. We are leveraging these learnings to define our own Environment, Social and Governance sustainability targets across the Group.

EARNINGS PER SHARE

The basic and diluted earnings per share is calculated using the weighted average number of shares. This shows the statutory basic earnings per share of 8.27 cents (2023: 8.84 cents) and statutory diluted earnings per share of 8.16 cents (2023: 8.71 cents). After adjusting the statutory net profit after tax for the impact of acquisition related expenses, the adjusted basic earnings per share improves to 9.96 cents (2023: 9.45 cents adjusted) and the adjusted diluted earnings per share improves to 9.83 cents (2023: 9.30 cents adjusted).

DIRECTORS ATTENDANCE AT MEETINGS

ATTENDANCE AT MEETINGS

The following table sets out the number of meetings in the year to 30 June 2024, held during the period that the individual was a director, and the number of meetings attended.

DIVIDEND

The Board declared on 27 August 2024 that there will be a final dividend payable of 2.25 cents per share fully franked (2023: 1.00 cents per share final dividend and 1.00 cents per share special dividend paid). The dividend will be payable on 15 October 2024 with the record date for determining dividends on 17 September 2024.

The board has previously decided to deactivate the (DRP) Dividend reinvestment plan and it will not be offered in this dividend payment.

	Directors Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Nicholas Yates	9	9	3	3	2	2
Mark Benson	9	9	3	3	2	2
Greg Fletcher	9	9	3	3	2	2
Brendan York[1]	9	9	3	3	2	2
Timothy Burnett[2]	2	2	1	1	1	1

1 Brendan York was appointed to the Board on 24 July 2023
2 Timothy Burnett resigned from the Board on 21 November 2023

Individual Directors and the Board also hold regular calls with the Managing Director and Chief Executive Officer and other executives to stay abreast of current matters between meetings. These meetings, for example, may consider material transactions or projects, and are held to support the decision-making of the full Board in relation to those matters. These update calls and meetings are not included in the above table.

INFORMATION ON DIRECTORS

Information on the directors who held office during and since the end of the financial year is as follows:

Directors	Qualifications, Experience and Special Responsibilities	Relevant Interest in Shares of Saunders International Limited at the date of this report
Nicholas Yates	Non-Executive Chairman from 1 July 2023 Member of the Audit & Risk Committee Member of the Remuneration Committee Director since 16 September 2020 Over 35 years of relevant industry experience Bachelor of Engineering (BE) Other listed company directorships in the last 3 years • Chairman - BSA Limited	35,211
Mark Benson	Managing Director from 5 October 2015 Director since 10 August 2015 AdvDipMan, AdvDipProjMgt, GAICD Over 30 years of relevant industry experience	3,673,303
Greg Fletcher	Non-Executive Director Chairman of the Audit & Risk Committee and Member of the Remuneration Committee Director since 1 July 2015 Bachelor of Commerce, Chartered Accountant • Chairman of HealthShare Audit and Risk Committee • Member of the NSW Police Force, NSW Health Infrastructure and Western Sydney Local Health District Audit and Risk Committees Other listed company directorships • Co Vice Chairman Yancoal Australia Limited Greg was a Partner of Deloitte Touche Tohmatsu until 31 May 2009, and Deloitte Touche Tohmatsu has been the registered auditor of Saunders since the year ended 30 June 2007	5,599
Brendan York	Non-Executive Director Chairman of the Remuneration Committee and Member of the Audit & Risk Committee since 24 July 2023 Other listed company directorships in the 3 years immediately before the end of the financial year • Big River Industries Limited (BRI) • BSA Limited (BSA) • BTC Health Limited (BTC) • Wingara AG Limited (WNR) • MaxiParts Limited (MXI) Other current appointments • MitchCap Pty Limited (Non-Executive Director) • NAOS Asset Management Limited (Portfolio Manager)	Nil

SAUNDERS INTERNATIONAL

AUDITED REMUNERATION REPORT

This remuneration report, which forms part of the directors' report, contains information about the remuneration of Saunders International Limited's directors and its key management personnel for the financial year ended 30 June 2024. The Remuneration Report sets out, in accordance with section 300A of the Corporations Act: (i) the Group's governance relating to remuneration, (ii) the policy for determining the nature and amount or value of remuneration of key management personnel; (iii) the various components or framework of that remuneration; (iv) the prescribed details relating to the amount or value paid to key management personnel, as well as a description of any performance conditions; (v) the relationship between the policy and the performance of the Group.

Key management personnel are the non-executive directors, the executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the entity.

REMUNERATION POLICY AND GOVERNANCE

The Board of Directors, through the Remuneration Committee, review and approve remuneration of the non-executive directors, the managing director and key management personnel. Remuneration policy is determined by the needs of the Group and the individual talents, capabilities and experience of relevant executives, and the need to attract and retain talent are considered important factors in assessing remuneration.

NON-EXECUTIVE DIRECTORS

Non-executive directors are paid fees and, where applicable, compulsory superannuation contributions. The current fees are based on the level of fees for comparable listed companies and were reviewed during the year.

The non-executive directors can not be granted options and can not participate in the Employee Share Plan or the Performance Rights Plan.

MANAGING DIRECTOR

The managing director is remunerated on a salary package basis, which is a component of a formal employment contract. The salary package is considered to be appropriate for the experience and expertise needed for the position and is comparable to other similar sized companies and operational areas of larger companies. The salary package contains a fixed component and a variable short term incentive (STI). The STI bonus is based on an annual performance appraisal conducted by the Remuneration Committee of the Board of Directors. The performance is measured against a range of objectives set annually by the Board. The important objectives are safety, quality, personnel development, quantitative Group financial performance and certain other (subjective and objective) criteria.

The managing director has also participated in the Employee Share Plan and the Performance Rights Plan. Mark Benson holds 169,100 options within the Employee Share Plan and 924,145 performance rights under the Saunders International Performance Rights Plan.

KEY MANAGEMENT PERSONNEL

Key management personnel are remunerated based on a number of factors, including experience, qualifications, job level and over performance of the company and individual. The remuneration includes a variable STI, capped at 0%-60% of salary component. This incentive rewards the key management personnel achieving; financial and operational key performance indicators; progress with the delivery of the Group's business plan and strategic objectives; and specific goals in relation to the development of people within the Group and its profile within the business community.

Examples of key performance indicators measured to assess STI for the Key Management Personnel and Managing Director include:

- achievement of target work in hand and target project pipeline levels at 30 June of each year to ensure the sustainability of revenue in subsequent years;
- targets set in relation to the achievement of the Group's business plan such as the diversification of the business and entry into new markets; and
- targets set for safety performance based on Total Recordable Injury Free.

These indicators form approximately 65% of assessable STI with the remaining 35% focused on the Financial Performance of the Group, EBIT and Cash at hand.

Key management personnel, as disclosed on page 43 of the remuneration report, have participated in the Employee Share Plan.

LONG-TERM INCENTIVE AND THE PERFORMANCE RIGHTS PLAN

The board of directors have considered the issue of long-term incentive as a component of the remuneration of executive directors and key management personnel.

Saunders operates two Long-Term Incentive ("LTI") plans, which are described below:

- Employee Share Plan
- Performance Rights Plan

As of the date of this report a number of executive officers' own shares in the Group or hold interests via the Employee Share Plan and the Performance Rights Plan.

The breadth and depth of share ownership fosters an alignment of objectives between shareholders and directors and management of the Group.

AUDITED REMUNERATION REPORT (CONT.)

EMPLOYEE SHARE PLAN

Under the Employee Share Plan (ESP), the Group provides interest-free loans to employees to acquire shares in Saunders International Limited, at a specified price per share. The loans are secured by the shares acquired by the eligible employees. The shares will vest and the loans will be repaid upon a specified anniversary of the issue of the shares. If an eligible employee's employment with the Group is terminated prior to the specified anniversary of the issue of the shares, the shares will be forfeited, and the Group will be entitled to the total amount raised pursuant to the divestment of the shares. The shares are accounted for as in substance options.

Each employee share option converts into one ordinary share of Saunders International Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry a right to dividends but not voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the year no options were granted to Key Management Personnel (CEO and CFO) under the ESP. In addition, other employees hold an interest in 709,898 shares under the ESP.

PERFORMANCE RIGHTS PLAN

The Saunders International Rights Plan was approved by the Board and approved by shareholders at the Annual General Meeting in October 2023.

The features of the long-term incentive comprise the grant of equity in the form of Performance Rights which vest over a three-year period. The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved. Half of the Performance Rights will vest if the on-target objectives are achieved. The end of the measurement period for a tranche of Performance Rights can be extended by up to two years at the Board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period, adjusted for the pro-rata increase in hurdles to take into account the additional time. The two vesting conditions that will be used will be relative total shareholder return (RTSR) and normalised earnings per share growth (NEPSG).

RTSR will be measured by comparing the Group's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX. TSR is the percentage return generated from an investment in a Group's shares over the measurement period assuming that dividends are reinvested into the Group's shares.

NEPSG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in adjusted earnings per share (EPS) from the base year. Adjusted EPS will exclude specific one off for abnormal items by the Board at its discretion.

The vesting scale applied to the tranches are subject to objective measurement of Saunders performing relative to the comparator group and NEPSG, as appropriate, with the vesting scale ranging continuously from very poor performance (CAGR of 5%), to on-target performance (CAGR of 10%), to very good performance (CAGR of 15%).

The long-term incentive is aimed at aligning remuneration with the longer-term performance of the Group and retaining the long-term services of the key management personnel.

During the year 364,090 Performance Rights were granted to the CEO under the LTI Plan. The aggregate fair value of the Performance Rights granted is $176,247 as set out on page 43. A further 160,434 Performance rights were granted to the CFO under the LTI Plan. The aggregate fair value of the Performance Rights granted to the CFO is $77,662 as set out on page 43. Under the rules of the Performance Rights Plan, cessation of employment after the first year of the measurement period will generally not result in forfeiture of unvested Performance Rights, unless the cessation of employment relates to termination for cause, or another clause of the rules allows for Board discretion to trigger forfeiture or lapsing of the performance rights.

AUDITED REMUNERATION REPORT (CONT.)

KEY TERMS OF EMPLOYMENT CONTRACTS

The Group entered into an executive service agreement with Mark Benson as Managing Director and Chief Executive Officer effective 5 October 2015. The remuneration component of the agreement is in line with relevant industry comparables. The variable component (Performance Bonus) can range anywhere between 0% to 60% of the fixed component based on performance measured against a range of key performance indicators and targets, set annually by the directors. The attainment of realistically achievable performance and targets on a weighted average measure would result in a bonus of 30% of the fixed component and bonus above and below this would result from overall superior or poorer performance.

RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

The remuneration of executive officers contains an annual cash bonus. The total cash bonus paid in a year is discretionary and is closely related to and determined by the current financial performance levels of the Group.

Executive officers' remuneration is aligned with the long-term Group performance via the shareholdings that these individuals retain in the Group.

The executive service agreement contains the following key terms:

Annual Salary:	Total fixed remuneration for the Managing Director and Chief Executive Officer of $628,100 (excluding superannuation conttributions)
Performance Bonus:	Variable, ranging from 0% to 60% of total fixed annual remuneration, based on performance measured against a range of key performance indicators
Long-term Incentive:	Variable, ranging from 0% to 50% of total fixed annual remuneration, based on performance measured against a range of key performance indicators
Notice Period:	Six months' notice

Executive officers are employed under ongoing employment arrangements. Their employment agreements include employee or employer initiated notice periods between three to six months. This is considered appropriate because they have many years of service with the Group and are shareholders of the company.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2024:

	30 June 2024 $'000	30 June 2023 $'000	30 June 2022 $'000	30 June 2021 $'000	30 June 2020 $'000
Revenue	216,079	200,886	129,955	101,242	66,462
Net profit/(loss) before income tax	14,604	14,151	9,379	8,085	1,853
Net profit/(loss) after income tax	9,363	9,491	6,551	5,542	1,266

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Share price at end of year	0.81	1.12	1.02	0.79	0.48
Interim dividend (cents per share)	2.00	2.00	1.00	0.75	0.00
Final dividend (cents per share)	2.25	2.00	2.00	1.75	0.00
Basic earnings/(losses) per share	8.27	8.84	6.24	5.36	1.23
Diluted earnings/(losses) per share	8.16	8.71	6.07	5.21	1.20

All dividends above were franked to 100% at 30% corporate tax rate.

AUDITED REMUNERATION REPORT (CONT.)

Particulars of Directors and Executive Officers interests, including interests under the ESP and Performance Rights Plan during the year ended 30 June 2024 were:

	Fully paid ordinary shares 2023	Fully paid ordinary shares issued/ purchased during 2024	Fully paid ordinary shares at end 2024	Share options 2023	Share options vested/ lapsed during 2024	Share options granted during 2024	Share options at end 2024	Performance rights at end 2023	Performance rights granted during 2024	Performance rights vested/ lapsed during 2024	Performance rights at end 2024
		Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
Non-executive Directors											
Nicholas Yates	35,211	-	35,211	-	-	-	-	-	-	-	-
Greg Fletcher	5,599	-	5,599	-	-	-	-	-	-	-	-
Brendan York[1]	-	-	-	-	-	-	-	-	-	-	-
Former Non-executive Directors											
Timothy Burnett[2]	11,686,311	(11,686,311)	-								
TOTAL	11,727,121	(11,686,311)	40,810	-	-	-	-	-	-	-	-
Executive Officers											
Mark Benson[3]	3,233,286	440,017	3,673,303	269,100	(100,000)	-	169,100	967,282	364,090	(407,226)	924,146
Brett Gregory[4]	-	44,504	44,504	-	-	-	-	44,504	160,434	(44,504)	160,434
TOTAL	**3,233,286**	**484,521**	**3,717,807**	**269,100**	**(100,000)**	**-**	**169,100**	**1,011,786**	**524,524**	**(451,730)**	**1,084,580**
GRAND TOTAL	**14,960,407**	**(11,201,790)**	**3,758,617**	**269,100**	**(100,000)**	**-**	**169,100**	**1,011,786**	**524,524**	**(451,730)**	**1,084,580**

1. Appointed a Non-executive Director on 24 July 2023.
2. Resigned as Non-executive Director 21 November 2023. The reduction in shares in 2024 only reflects the fact that Mr Burnett is no longer a Non-executive Director.
3. Managing Director & Chief Executive Officer.
4. Appointed Chief Financial Officer 9 January 2023. Resigned on 28 August 2024.

The following table summarises the value of options and performance rights granted during the financial year to non-executive directors and key management personnel as part of their remuneration:

	Share options granted during 2024	Share options forfeited during 2024	Share options vested during 2024	Performance rights granted during 2024	Performance rights forfeited / (lapsed) during 2024	Performance rights vested during 2024
	Fair Value $	Fair Value $	Fair Value $	Fair Value $	Fair Value $	Fair Value $
Non-executive Directors						
Nicholas Yates	-	-	-	-	-	-
Greg Fletcher	-	-	-	-	-	-
Brendan York[1]	-	-	-	-	-	-
Timothy Burnett[2]	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**
Executive Officers						
Mark Benson[3]	-	-	15,330	176,247	(13,260)	198,905
Brett Gregory[4]	-	-	-	77,662	-	49,110
TOTAL	**-**	**-**	**15,330**	**253,909**	**(13,260)**	**248,015**
GRAND TOTAL	**-**	**-**	**15,330**	**253,909**	**(13,260)**	**248,015**

1. Appointed Non-executive Director 24 July 2023.
2. Resigned as Non-executive Director 21 November 2023.
3. Managing Director & Chief Executive Officer.
4. Appointed Chief Financial Officer 9 January 2023. Resigned on 28 August 2024.

The value of the options and rights granted to non-executive directors and key management personnel as part of their remuneration is calculated as at the grant date using a Black-Scholes-Merton pricing model. The amounts disclosed as part of remuneration for the financial year, as disclosed on page 43, have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date. Further details are set out in Note 12.

SAUNDERS INTERNATIONAL

AUDITED REMUNERATION REPORT (CONT.)

REMUNERATION OF EXECUTIVE OFFICERS AND KEY MANAGEMENT PERSONNEL

	Short-term Benefits				Long-term employee benefits[7]			
	Cash Fees/ Salary	Cash Bonus[5]	Non-monetary Benefit[6]	Post-employment Benefits - Superannuation	Cash settled share-based payments	Equity settled share-based payments	Total	Percentage of remuneration related to performance
2024	$	$	$	$	$	$	$	%
Non-executive Directors								
Nicholas Yates	117,647	-	-	12,941	-	-	130,588	-
Greg Fletcher	76,923	-	-	8,462	-	-	85,385	-
Brendan York[1]	72,322	-	-	7,955	-	-	80,277	-
Timothy Burnett[2]	32,051	-	-	3,526	-	-	35,577	-
TOTAL	**298,943**	**-**	**-**	**32,884**	**-**	**-**	**331,827**	**-**
Executive Officers								
Mark Benson[3]	614,895	341,129	3,610	27,500	-	368,460	1,355,594	52.3%
Brett Gregory[4]	464,500	163,455	-	25,208	2,734	77,662	733,559	32.9%
Total	**1,079,395**	**504,584**	**3,610**	**52,708**	**2,734**	**446,122**	**2,089,153**	
Grand total	**1,378,338**	**504,584**	**3,610**	**85,592**	**2,734**	**446,122**	**2,420,980**	

1 Appointed a Non-executive Director on 24 July 2023. 2 Resigned as Non-executive Director on 21 November 2023. 3 Managing Director & Chief Executive Officer. 4. Appointed Chief Financial Officer 9 January 2023. Resigned on 28 August 2024. 5 Cash bonuses are disclosed on an accruals basis and represent the amount earned in respect of the current financial year. Cash bonuses are discretionary, are determined by the Board in August of each year and exclude equity settled share-based payments. Mark Benson's 2024 bonus includes $71,841 that was paid in FY24 but which related to FY23 and Brett Gregory's 2024 bonus includes $11,888 that was paid in FY24 but which related to FY23, as the decision to award these additional incentives was made after the 30 June 2023 Annual Report was approved. 6 Non-monetary benefits relate to motor vehicle or other expenses packaged within the Executive Officer's salary package. 7 Share-based long-term employee benefits reflect the accounting expense on a fair value basis.

	Short-term Benefits				Long-term employee benefits[7]			
	Cash Fees/ Salary	Cash Bonus[5]	Non-monetary Benefit[6]	Post-employment Benefits - Superannuation	Cash settled share-based payments	Equity settled share-based payments	Total	Percentage of remuneration related to performance
2023	$	$	$	$	$	$	$	%
Non-executive Directors								
Timothy Burnett	110,481	-	-	11,601	-	-	122,082	
Greg Fletcher	72,118	-	-	7,573	-	-	79,691	
Nicholas Yates	72,118	-	-	7,573	-	-	79,691	
Brendan York[1]	-	-	-	-	-	-	-	
TOTAL	**254,717**	**-**	**-**	**26,747**	**-**	**-**	**281,464**	
Executive Officers								
Mark Benson[2]	548,239	353,243	14,427	27,132	-	107,601	1,050,642	43.9%
Brett Gregory[3]	184,384	67,242	-	13,256	48,516	-	313,398	36.9%
Former Executive Officers								
Rudy Sheriff[4]	289,245	80,000	3,303	16,862	-	-	389,410	20.5%
Total	**1,021,868**	**500,485**	**17,730**	**57,250**	**48,516**	**107,601**	**1,753,450**	
Grand total	**1,276,585**	**500,485**	**17,730**	**83,997**	**48,516**	**107,601**	**2,034,914**	

1 Appointed a Non-executive Director on 24 July 2023. 2 Managing Director & Chief Executive Officer. 3. Appointed Chief Financial Officer 9 January 2023. Resigned on 28 August 2024. 4 Resigned as Chief Financial Officer 28 February 2023. 5 Cash bonuses are disclosed on an accruals basis and represent the amount earned in respect of the current financial year. Cash bonuses are discretionary, are determined by the Board in August of each year and exclude equity settled share-based payments. Mark Benson's 2023 bonus includes $60,000 that was paid in January 2023, but which related to FY22. 6 Non-monetary benefits relate to motor vehicle or other expenses packaged within the employee's salary package. 7 Share-based long-term employee benefits reflect the accounting expense on a fair value basis.

No director or senior management person appointed during the year received a payment as part of his or her remuneration for agreeing to hold the position. Non-executive directors have no entitlement to a cash bonus or non-monetary benefits.

The key management personnel are the Executive Officers of the Group. The value of the options and rights granted to key management personnel as part of their remuneration is calculated as at the grant date using a Black-Scholes-Merton pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

AUDITED REMUNERATION REPORT (CONT.)

SHORT TERM INCENTIVE (STI)PERFORMANCE OUTCOMES

2024

Name	Actual STI[1]	Actual STI % of TFR	Maximum STI	% of maximum payable	% of maximum forfeited
Mark Benson	$269,288	41.1%	$393,360	68.5%	31.5%
Brett Gregory	$151,567	30.8%	$221,400	68.5%	31.5%

1 Actual STI relates to assessed STI for financial year. Refer to table on page 44 for total STI paid or payable for the year including adjustments from prior year.

2023

Name	Actual STI[1]	Actual STI % of TFR	Maximum STI	% of maximum payable	% of maximum forfeited
Mark Benson	$293,243	49.2%	$357,600	82.0%	18.0%
Brett Gregory[2]	$67,242	24.6%	$82,000	82.0%	18.0%
Rudy Sheriff[3]	$80,000	29.4%	$81,630	98.0%	2.0%

1 Actual STI relates to assessed STI for financial year. Refer to the above remuneration table on this page for total STI paid or payable for the year including adjustments from prior year.
2 Appointed Chief Financial Officer 9 January 2023. The 2023 STI represents an 8 month pro-rata of a full financial year entitlement.
3 Resigned as Chief Financial Officer 28 February 2023.

SUBSEQUENT EVENTS

On 5 August 2024, Saunders secured the CIL3 Tanks Replacement project at Kalgoorlie Consolidated Gold Mines, awarded by Northern Star Resources at a contract value of $31.5 million. The project will contribute to revenue and earnings in FY25 through to FY27.

On 7 August 2024, Saunders secured four contracts in the civil infrastructure sector, totalling $20.59 million. Each of the four projects includes the demolition of an existing bridge as well as the design and construction of a new concrete bridge structure. These projects will contribute to Saunders revenue and earnings in FY25 and FY26.

Other than the dividends described in Note 15 of the Consolidated Financial Report on page 80, there have been no other matters or circumstances occurring subsequent to the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Saunders is subject to a range of State and Federal environmental regulations in Australia. In line with our Safety, Health and Quality objectives, Saunders strives to continually improve its environmental performance.

The Group recognises the material environmental and social risks that are relevant to its activities and takes action to manage those risks. Discussion across a range of sustainability related topics occur frequently at Board meetings.

During the financial year, Saunders was compliant with the reporting requirements under relevant legislation. There were no material incidents which required reporting.

FUTURE DEVELOPMENTS

Details around the Operating and Financial Review and Outlook are disclosed on pages 36 and 37.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Group paid a premium in respect of a contract ensuring the directors of the Group, the Group secretary, and all executive officers of the Group and of any related body corporate against a liability incurred by such a director, secretary or executive officer 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.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services are outlined in Note 25 to the financial statements. During this financial year there was $62,398 paid or payable for non-audit services (2023: Nil).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 48 of the annual report.

ROUNDING OFF OF AMOUNTS

The Group is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors:

Mark Benson
Director
Sydney, 28 August 2024

Nicholas Yates
Director
Sydney, 28 August 2024

Auditor’s Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

28 August 2024

The Board of Directors
Saunders International Limited
Suite 101, Level 1
3 Rider Boulevard
Rhodes, NSW, 2138

Dear Board Members

Auditor’s Independence Declaration to Saunders International Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Saunders International Limited.

As lead audit partner for the audit of the financial report of Saunders International Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Sartorio
Partner
Chartered Accountants

Auditor’s Report

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor’s Report to the Members of Saunders International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Saunders International Limited (the “Company”) and its subsidiaries (the “Group”) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors’ declaration and the Consolidated Entity Disclosure Statement.

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

- Giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

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

Key Audit Matters

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

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recognition of construction revenue *Refer to Note 1(c) 'Construction Contracts', Note 1(i) 'Revenue', Note 2 'Critical accounting judgements and key sources of estimation uncertainty' and Note 3 'Revenue'.* As at 30 June 2024 the Group's revenue from construction contracts is $216 million. Construction revenue is recognised over time as performance obligations are fulfilled. Construction revenue is recognized by management after assessing all factors relevant to each contract, including specifically assessing the following as applicable: • Estimation of total contract revenue, including determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims; • Estimation of total contract revenue, including variable consideration, and costs including the estimation of cost contingencies; • Determination of stage of completion and measurement of progress towards satisfaction of performance obligations; • Estimation of project completion date. We focused on recognition of construction revenue and as a key audit matter due to the number and type estimation events over the course of a contract life, the unique nature of individual contract terms leading to complex and judgmental revenue recognition from contracts.	Our procedures included, but were not limited to: • Evaluating management's processes and controls in respect of the recognition of construction revenue; • Selecting a sample of contracts for testing based on a number of quantitative and qualitative factors which may indicate that a greater level of judgement is required in recognising revenue and: ▪ agreed the contract terms to the initial contract price; ▪ tested contractual entitlements for changes, variations and claims recognised within contract revenue to supporting documentation, and by reference to the underlying contract, ▪ assessed management's basis for estimates of unapproved variations and claims brought to account within contract revenue, ▪ tested a sample of costs incurred to date to supporting documentation; ▪ assessed the forecast costs to complete through discussion and challenge of project managers and finance personnel; ▪ recalculated the percentage of completion based on costs incurred to date relative to total forecast costs; ▪ assessed appropriateness of contingency allowances within forecast costs; ▪ evaluated exposure to liquidated damages for late delivery of works; and ▪ challenged management's ability to forecast margins on contracts by analysing the accuracy of previous margin forecasts to actual outcomes. • Assessing the adequacy of the relevant disclosures in the financial statements. Evaluating management's processes and controls in respect of the recognition of construction revenue We also assessed the appropriateness of the disclosures in Notes 1(c), 1(i), 2 and 3 to the financial statements.

Deloitte.

Other Information

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 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Deloitte.

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 40 to 45 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Saunders International Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Sartorio
Partner
Chartered Accountants
Parramatta, 28 August 2024

Directors' Declaration

The directors declare that:

a. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b. in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;

c. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group;

d. the directors have been given the declarations required by s.295A of the Corporations Act 2001; and

e. in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors

Mark Benson
Director
Sydney, 28 August 2024

Nicholas Yates
Director
Sydney, 28 August 2024

SAUNDERS INTERNATIONAL

Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Revenue	3	216,079	200,886
Other income	4	556	436
Materials and third-party costs charged to projects		(108,675)	(115,078)
Employee benefits expense	4	(77,050)	(60,754)
Depreciation expense	4	(4,292)	(3,036)
Motor vehicle expense		(413)	(426)
Occupancy and operating lease expense		(1,191)	(866)
Finance costs	4	(653)	(397)
Other expenses		(9,757)	(6,614)
Profit before income tax		**14,604**	**14,151**
Income tax expense	5	(5,241)	(4,660)
Profit for the year attributable to shareholders of the parent entity		**9,363**	**9,491**
Net other comprehensive expenses - exchange differences on translating foreign currency transactions		(33)	-
Total comprehensive profit attributable to shareholders of the parent entity		**9,330**	**9,491**
Basic (cents per share)	14	8.27	8.84
Diluted (cents per share)	14	8.16	8.71

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	18	19,807	12,833
Trade and other receivables	6	25,623	23,099
Contract Assets	10	20,566	33,145
Inventories		359	136
Other current Assets		538	196
Total current assets		**66,893**	**69,409**
Non-current assets			
Property, plant and equipment	7	14,809	11,495
Right-of-use assets	8	12,434	4,952
Intangible asset	20	17,392	3,978
Deferred tax assets	5	1,671	823
Total non-current assets		**46,306**	**21,248**
Total assets		**113,199**	**90,657**
Current liabilities			
Trade and other payables	9	28,194	25,727
Contract liabilities	10	5,600	11,174
Provisions	11	5,231	6,887
Other financial liabilities	21	8,100	-
Current tax liability	5	1,478	2,300
Lease liabilities	8	2,251	1,838
Total current liabilities		**50,854**	**47,926**
Non-current liabilities			
Provisions	11	1,358	809
Lease liabilities	8	9,692	2,647
Total non-current liabilities		**11,050**	**3,456**
Total liabilities		**61,904**	**51,382**
Net assets		**51,295**	**39,275**
Equity			
Issued capital	12	30,918	24,104
Treasury shares under employee share plan	12	(1,230)	(1,475)
Share based payments reserve		799	572
Foreign currency translation reserve		(33)	-
Retained earnings	13	20,841	16,074
Total equity		**51,295**	**39,275**

The accompanying notes form part of these financial statements.

SAUNDERS
INTERNATIONAL

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Issued Capital $'000	Treasury Shares $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 June 2022	**22,482**	**(1,806)**	**384**	**-**	**10,965**	**32,025**
Balance at 1 July 2022	22,482	(1,806)	384	-	10,965	32,025
Profit and other comprehensive income	-	-	-	-	-	-
Profit for the year	-	-	-	-	9,491	9,491
Total profit and other comprehensive income	**-**	**-**	**-**	**-**	**9,491**	**9,491**
Transactions with owners in their capacity as Owners						
Dividends paid	-	-	-	-	(4,382)	(4,382)
Shares issued during the year	1,400	-	-	-	-	1,400
Treasury Shares issued during the year	(274)	331	-	-	-	57
Shares vested during the year	496	-	(496)	-	-	-
Share-based payments expense	-	-	684	-	-	684
Total transactions with owners in their capacity as owners	**1,622**	**331**	**188**	**-**	**(4,382)**	**(2,241)**
Balance at 30 June 2023	**24,104**	**(1,475)**	**572**	**-**	**16,074**	**39,275**
Balance at 1 July 2023	24,104	(1,475)	572	-	16,074	39,275
Profit and other comprehensive income	-	-	-	(33)	-	(33)
Profit for the year	-	-	-	-	9,363	9,363
Total profit and other comprehensive income	**-**	**-**	**-**	**(33)**	**9,363**	**9,330**
Dividends paid					(4,596)	(4,596)
Shares issued during the year	6,500	-	-	-	-	6,500
Treasury Shares issued during the year	(129)	245	-	-	-	116
Shares vested during the year	443	-	(443)	-	-	-
Share-based payments expense	-	-	670	-	-	670
Total transactions with owners in their capacity as owners	**6,814**	**245**	**227**	**-**	**(4,596)**	**2,690**
Balance at 30 June 2024	**30,918**	**(1,230)**	**799**	**(33)**	**20,841**	**51,295**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		223,255	200,483
Payments to suppliers and employees		(196,691)	(210,304)
Interest received		117	132
Finance costs paid		(653)	(397)
Income taxes paid		(6,707)	(4,010)
Net cash inflow / (outflow) from operating activities	**18**	**19,321**	**(14,096)**
Cash flows from investing activities			
Payments for plant and equipment		(2,648)	(1,135)
Proceeds from sale of assets		1,657	331
Payments for business acquisition	21	(4,500)	(2,754)
Net cash used in investing activities		**(5,491)**	**(3,558)**
Cash flows from financing activities			
Dividends paid		(4,596)	(4,382)
Proceeds from issue of shares		116	57
Proceeds of borrowings		1,974	2,128
Repayment of borrowings		(1,974)	(1,951)
Repayments of interest bearing liabilities		(2,379)	(2,113)
Net cash used in financing activities		**(6,859)**	**(6,261)**
Net increase/ (decrease) in cash and cash equivalents		**6,971**	**(23,915)**
Cash and cash equivalents at the beginning of the financial year		**12,833**	**36,746**
Effects of exchange rate fluctuations on cash held		3	2
Cash and cash equivalents at the end of the financial year	**18**	**19,807**	**12,833**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards ('AAS'). Compliance with AAS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 28 August 2024.

Basis of Preparation

The financial statements for the Group have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

The Group is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

(a) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

Accounting Standard in issue but not yet effective

Certain Australian Accounting Standards and amendments to standards have been published that are not mandatory for reporting period commencing 1 July 2023 and not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Cash and Cash Equivalents

Cash of the Group comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Construction Contracts

The Group recognises a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the amount invoiced exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue and the receipt of payment is always expected to be less than one year.

(d) Employee Benefits

A liability of the Group is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(e) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is recognised on temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for the Period

Current and deferred tax is recognised as an expense or income in profit and loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(f) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

SAUNDERS INTERNATIONAL

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss, as described in Note 1(l).

(g) Plant and Equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Note 7 provides more detail. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Freehold Land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	40 years
Plant and Equipment	3 – 20 years Office Furniture and
Equipment	3 – 7 years

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

(i) Revenue

Engineering and Construction revenue

The Group derives revenue from the long-term construction of tanks across Australia and the Pacific region. Contracts entered into may be for the construction of one or several inter-linked pieces of large infrastructure. These contracts include two performance obligations being:

I. The design and provision of plans for the construction of tanks; and

II. The construction, site establishment, erection, commissioning and testing of tanks.

Each tank is referred to as a project. Where contracts are entered into for the design and construction of several projects the total transaction price is allocated across each performance obligation based on stand-alone selling prices. The transaction price typically contains a fixed lump sum amount. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

The performance obligations are fulfilled over time and as such revenue is recognised over time. This is because as work is performed on the assets being designed or constructed, they are controlled by the customer and have no alternative use to the Saunders Group, with the Group having a right to payment for the performance to date. Thus control of the goods and services is transferred to the customer over time.

Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or in line with costs incurred.

Invoices are paid on commercial terms, which may include the customer withholding a retention amount until finalisation of the construction. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Services revenue

Fixed price contracts

For fixed price services contracts, revenue arises from maintenance and other services supplied to infrastructure assets and facilities which may involve a range of services and processes. For the majority of fixed price contracts the Group has assessed the services provided to be one performance obligation. The transaction price typically contains a fixed lump sum amount. The total transaction price may include variable consideration.

Performance obligations are fulfilled over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and the Group enhances assets which the customer controls as the Group performs. Thus control of the goods and services is transferred to the customer over time. Revenue is recognised as the services are provided using cost as the measure of progress.

Customers are in general invoiced on a monthly basis for an amount that is in line with costs incurred. Payment is received following invoicing on normal commercial terms. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Cost plus contracts

For cost plus services contracts, revenue arises from maintenance and other services supplied to infrastructure assets and facilities which may involve a range of services and processes. The Group has assessed the services provided to be one performance obligation.

Performance obligations are fulfilled over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and Group enhances assets which the customer controls as the Group performs. Thus control of the goods and services are transferred to the customer over time.

Customers are in general invoiced on a monthly basis for an amount that is which is calculated on a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. As the amount the Group is entitled to invoice to a customer corresponds directly with the value provided to the customer under the Group's performance completed to date, the Group has applied the practical expedient under AASB 15 and recognised revenue in the amount that they are entitled to invoice. Payment is received on normal commercial terms.

Fabrication and construction revenue

Fabrication and construction revenue arises from contracts maintained by the Group to fabricate components and construct bridges. These contracts include two performance obligations being:

I. The design and provision of plans for the construction of bridges; and

II. The fabrication, construction, site establishment, erection, commissioning and testing of bridges.

The transaction price typically contains a fixed lump sum amount. The total transaction price is allocated across each performance obligation based on stand-alone selling prices. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

Each performance obligation is fulfilled over time as the Group enhances assets which the customer controls, for which the Group does not have alternative use and for which the Group has right to payment for performance to date. In some cases, the fabrication of bridge components can be contracted for by itself and in these cases, revenue will be recorded over time. Revenue is recognised as the services are provided using cost as the measure of progress.

Customers are in general invoiced on a monthly basis for an amount that is in line with costs incurred. Payment is received following invoice on normal commercial terms. Where payment is received prior to or post recognition of revenue using the percentage cost of completion method, revenue is deferred or accrued for on the balance sheet.

Variable consideration

Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as “constraint” requirements. The Group assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. When calculating the estimates of variable consideration, the Group considers available information including historic performance on similar contracts and other information regarding events that affect the variability that are out of the control of the Group.

Where modifications in design or contract requirements are entered into, these are treated as a continuation of the original contract in accordance with the contract modification guidance in AASB 15, and the transaction price and measure of progress is updated to reflect these. Where the price of the modification has not been confirmed, this is treated as variable consideration and an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Tender and contract costs

Costs incurred prior to the commencement of a contract that give rise to resources that will be used in the anticipated delivery of the contract and are expected to be recovered are capitalised. Typically, these are design costs. Where these contract assets are capitalised, they are amortised over the course of the contract consistent with the transfer of service to the customer. Tenders costs which are capitalised are only costs incremental in the winning of a contract.

(j) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI) :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit- impaired on initial recognition) , the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit- impaired financial assets, a credit- adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit- impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit- impaired (see below) . For financial assets that have subsequently become credit- impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit- impaired financial instrument improves so that the financial asset is no longer credit- impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit- impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit- impaired.

Interest income is recognised in profit or loss and is included in the other income line item (note 4).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition;
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the other income line item.

The directors of the Group always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts. Refer to Note 6 for the risk profile of amounts due from customers based on the Group's provision matrix.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment or loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Issued Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of income tax. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(n) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The

Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

(i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Company, other vote holders or other parties;

(iii) rights arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB's).

(o) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 at the acquisition date); and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non- controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction- by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another AASB.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(p) Share Based Payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black-Scholes-Merton model, which requires the input of highly subjective assumptions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Saunders' accounting policies, which are described in Note 1, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Construction contracts

Construction revenue is recognised by management after assessing all factors relevant to each contract. Significant management estimation is required in assessing the following:

- Estimation of total contract revenue, including determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims;
- Estimation of total contract costs, including revisions to total forecast costs for events or conditions that occur during the performance of the contract, or are expected to occur to complete the contract;
- Estimation of project contingencies; and
- Estimation of stage of completion including determination of project completion date.

Goodwill

The Group determined whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the CGU's to which the goodwill is allocated.

3. REVENUE

Revenue stream	Revenue recognition	Australia $'000	Other regions $'000	Total 2024 $'000	Australia $'000	Other regions $'000	Total 2023 $'000
Engineering & Construction	Over time	102,373	1,082	103,455	128,360	-	128,360
Services	Over time	67,875	-	67,875	43,425	-	43,425
Fabrication & Construction	Over time	44,749	-	44,749	29,101	-	29,101
Total revenue		**214,997**	**1,082**	**216,079**	**200,886**	**-**	**200,886**

4. PROFIT BEFORE TAX FOR THE YEAR

	Note	2024 $'000	2023 $'000
Other income			
Interest Income		117	132
Sale of scrap material and other		439	304
Total other income		**556**	**436**
Profit before income tax has been arrived at after (crediting)/charging the following expenses:			
Cost of sales[1]		165,118	166,895
Loss on sale of property, plant & equipment and right-of-use assets[2]		558	116

1 The cost of sales above relates to labour, materials and subcontractor costs directly incurred in deriving revenue for the Group during the financial year.
2 During FY24, the precast operations were divested, resulting in a loss on sale of property plant & equipment and right-of-use assets of $0.7 million.

	2024 $'000	2023 $'000
Depreciation expense		
Buildings	49	11
Plant, equipment and motor vehicles	2,065	1,607
Right-of-use-assets	1,977	1,236
Office furniture and other equipment	201	182
Total Depreciation expense	**4,292**	**3,036**
Finance costs		
Finance cost on lease liabilities	534	338
Other	119	59
Total finance costs	**653**	**397**
Employee benefits expense		
Post-employment benefits – defined contributions	6,419	4,741
Payroll tax expense	3,802	2,897
Workers compensation insurance	1,436	1,748
Employee share based payment expense	670	684
Salary and wages (net of recharge to work-in-progress)	64,723	50,684
Total employee benefits expense	**77,050**	**60,754**

5. INCOME TAX

Income tax recognised in profit	2024 $'000	2023 $'000
Income tax expense comprises:		
Current income tax expense – current year	5,844	5,356
Current income tax expense – prior year	38	-
Deferred tax (benefit) relating to the origination and reversal of temporary differences	(641)	(696)
Total income tax expense	**5,241**	**4,660**
The prima facie income tax expense on pre-tax accounting profit reconciles to income tax expense in the financial statements as follows:		
Profit before taxation	14,604	14,151
Income tax at 30%	4,381	4,245
Non-temporary differences	816	415
Under / (over) provision in prior years	44	-
Total income tax expense	**5,241**	**4,660**
Current tax liability	**1,478**	**2,300**

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

(a) Deferred Tax Balances

The deferred tax expense above is itemised as follows:

	Opening balance $'000	(Charged)/ Credited to income $'000	Business Combination $'000	Closing balance $'000
2024				
Deferred tax assets				
Employee benefits	1,229	223	207	1,659
Provisions	969	(673)	-	296
Provision for losses end of site	3	19	-	22
Lease liabilities	281	523	2,034	2,838
Tax losses	79	(63)	-	16
Share issue costs	-	-	-	-
Accruals and other	618	181	-	799
Deferred tax assets	**3,179**	**210**	**2,241**	**5,630**
2024				
Deferred tax liabilities				
Property, plant and equipment	(2,039)	929	-	(1,110)
Right of use asset	(316)	(499)	(2,034)	(2,849)
Other	(1)	1	-	-
Deferred tax liabilities	**(2,356)**	**431**	**(2,034)**	**(3,959)**
Net deferred tax assets / (liabilities)	**823**	**641**	**207**	**1,671**

5. INCOME TAX (CONT.)

	Opening balance $'000	(Charged)/ Credited to income $'000	Business Combination $'000	Closing balance $'000
2023				
Deferred tax assets				
Employee benefits	881	155	193	1,229
Provisions	708	261	-	969
Contract assets	1	2	-	3
Lease liabilities	218	63	-	281
Tax losses	79	-	-	79
Share issue costs	63	(63)	-	-
Accruals and other payables	281	329	8	618
Deferred tax assets	**2,231**	**747**	**201**	**3,179**
2023				
Deferred tax liabilities				
Property, plant and equipment	(2,020)	(17)	(2)	(2,039)
Right of use asset	(262)	(54)	-	(316)
Other	(21)	20	-	(1)
Deferred tax liabilities	**(2,303)**	**(51)**	**(2)**	**(2,356)**
Net deferred tax (liabilities) / assets	**(72)**	**696**	**199**	**823**

SAUNDERS INTERNATIONAL

6. TRADE AND OTHER RECEIVABLES

	2024 $'000	2023 $'000
Gross trade and other receivables	25,624	23,191
Credit loss allowance	(1)	(92)
Net trade and other receivables	**25,623**	**23,099**

A provision matrix is determined based on historic credit loss rates for each group of customers, adjusted for any material expected changes to the customer's future credit risk. On that basis, the credit loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows:

Provision matrix	2024 Australia	2024 Other regions	2023 Australia	2023 Other regions
Current	0.0%	0.0%	0.0%	0.0%
1 to 30 days	0.0%	0.0%	0.1%	0.0%
30 to 60 days	0.0%	0.0%	0.2%	0.0%
60 to 90 days	0.0%	0.0%	0.4%	0.0%
Over 90 days	0.0%	0.0%	6.6%	0.0%
Contract assets	0.0%	0.0%	0.0%	0.0%

	2024 Australia $'000	2024 Other regions $'000	2024 Total Group $'000	2023 Australia $'000	2023 Other regions $'000	2023 Total Group $'000
Receivables						
Current	15,332	-	15,332	16,466	441	16,907
1 to 30 days	5,164	465	5,629	4,323	-	4,323
30 to 60 days	961	-	961	434	-	434
60 to 90 days	834	-	834	246	-	246
Over 90 days	2,836	32	2,868	1,281	-	1,281
Gross trade and other receivables	**25,127**	**497**	**25,624**	**22,750**	**441**	**23,191**
Allowance based on historic credit losses	-	-	-	-	-	-
Adjustment for expected changes in credit risk [1]	(1)	-	(1)	(92)	-	(92)
Credit loss allowance	**(1)**	**-**	**(1)**	**(92)**	**-**	**(92)**
Net trade and other receivables [2]	**25,126**	**497**	**25,623**	**22,658**	**441**	**23,099**
Contract assets (Note 10)	**20,442**	**124**	**20,566**	**33,145**	**-**	**33,145**
Total receivables and contract assets	**45,568**	**621**	**46,189**	**55,803**	**441**	**56,244**

1 Adjustment to reflect the lower credit risk and probability of default relating to customers that are over 90 days past due.
2 The average credit period on sale of goods and rendering of services is approximately 35 days. No interest is charged on trade receivables. Each receivable 60 days overdue has been reviewed to assess whether there is a risk that it might be irrecoverable.

Trade receivables and contract assets are written off when there has been a significant change in the risk characteristics of a debtor and there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

7. PROPERTY, PLANT AND EQUIPMENT

(a) Impairment Testing

Saunders International Limited reviews the carrying amounts of its tangible assets annually at each reporting date to determine whether there is any impairment. As at 30 June 2024 the directors reviewed the future budgets of the Group to determine whether there are any indications of impairment. No indicators of impairment were noted and no impairment losses are recorded.

	Land at cost $'000	Buildings at cost $'000	Plant and Equipment at cost $'000	Office furniture and equipment at cost $'000	Total $'000
Gross carrying amount					
Balance at 30 June 2022	3,400	1,150	18,554	1,277	24,381
Business acquisition	-	-	106	89	195
Additions	-	-	905	187	1,092
Disposals	-	-	(182)	(146)	(328)
Balance at 30 June 2023	**3,400**	**1,150**	**19,383**	**1,407**	**25,340**
Business acquisition	-	-	4,662	156	4,818
Additions	-	-	2,231	455	2,686
Disposals[1]	-	-	(8,915)	(286)	(9,201)
Balance at 30 June 2024	**3,400**	**1,150**	**17,361**	**1,732**	**23,643**
Accumulated depreciation					
Balance at 30 June 2022	-	148	11,181	966	12,295
Disposals	-	-	(147)	(103)	(250)
Depreciation expense	-	11	1,607	182	1,800
Balance at 30 June 2023	**-**	**159**	**12,641**	**1,045**	**13,845**
Disposals[1]	-	-	(7,118)	(208)	(7,326)
Depreciation expense	-	49	2,065	201	2,315
Balance at 30 June 2024	-	208	7,588	1,038	8,834
Net book value					
As at 30 June 2023	3,400	991	6,742	362	11,495
As at 30 June 2024	3,400	942	9,773	694	14,809

1 During FY24, Saunders divested the precast operations. This included Plant and Equipment with a net book value of $1.7 million. There were other asset disposals in the ordinary course of business that had a net book value of $0.1 million. A detailed review of Property, Plant and Equipment also resulted in write-off of $5.0 million of assets that had been fully depreciated.

8. LEASES

The Group is lessee to numerous office leases, motor vehicle leases and construction equipment loans. Office leases have a mix of variable and fixed annual rent increases. Motor vehicle leases and equipment loans do not have repayment increases, with instalments being fixed over the term of the lease. The average lease term for office leases is 4.8 years. The average lease term for motor vehicles and other equipment is 4.3 years.

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

8. LEASES (CONT.)

Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income includes the following amounts relating to leases:

	2024 $'000	2023 $'000
Depreciation Charge for Right of Use Assets	1,977	1,236
Total Depreciation Charge for Right of Use Assets	**1,977**	**1,236**
Other cost relating to leases		
Interest expense on lease liabilities (included in Finance Costs)	534	338
Total costs relating to leases	**534**	**338**

Amounts recognised in the Consolidated Statement of Financial Position includes the following amounts relating to leases:

	Property	Other	Total $'000
Right of use assets			
Gross amount			
Opening balance, 1 July 2022	1,415	3,962	5,377
Additions	679	2,426	3,105
Disposal	-	(705)	(705)
Balance as at 30 June 2023	**2,094**	**5,683**	**7,777**
Additions	9,376	424	9,800
Disposal[1]	(1,342)	(709)	(2,051)
Balance as at 30 June 2024	**10,128**	**5,398**	**15,526**
Accumulated depreciation			
Opening balance, 1 July 2022	860	843	1,703
Disposals	-	(114)	(114)
Depreciation expense	398	838	1,236
Balance as at 30 June 2023	**1,258**	**1,567**	**2,825**
Right of use assets			
Disposals[1]	(1,342)	(368)	(1,710)
Depreciation expense	1,161	816	1,977
Balance as at 30 June 2024	**1,077**	**2,015**	**3,092**
Net book value			
As at 30 June 2023	836	4,116	4,952
As at 30 June 2024	**9,051**	**3,383**	**12,434**

1 During FY24, Saunders divested the precast operations. This included right-of-use assets with a net book value of $0.3 million. A detailed review of Property, Plant and Equipment also resulted in write-off of $1.5 million of assets that had been fully depreciated.

8. LEASES (CONT.)

Lease liabilities	2024 $'000	2023 $'000
Current	2,251	1,838
Non-Current	9,692	2,647
Total lease liabilities	**11,943**	**4,485**

Maturity analysis	2024 $'000	2023 $'000
Year 1	2,251	1,838
Year 2	2,082	1,185
Year 3	1,837	805
Year 4	1,291	521
Year 5	1,183	136
Onwards	3,299	-
Total lease liabilities	**11,943**	**4,485**

9. TRADE AND OTHER PAYABLES

	2024 $'000	2023 $'000
Current		
Trade payables [1]	15,572	16,339
Other payables	3,552	1,148
Goods and services tax payable	1,332	120
Accruals	7,738	8,120
Total trade and other payables	**28,194**	**25,727**

1 Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days. For most suppliers no interest is charged on the trade payables for the first 45 days from the date of the invoice.

10. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2024 $'000	2023 $'000
Contract assets related to contracts	20,566	33,145
Contract liabilities relating to contracts	(5,600)	(11,174)

Contract assets

Contract assets are balances due from customers under long-term contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the Group's right to consideration for the services transferred to date. Amounts are generally reclassified to accounts receivable when these have been invoiced to a customer.

Contract liabilities

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the percentage cost complete method. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $11,174 million (2023: $13.023 million). Revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in previous periods was $13,744 million (2023: nil). Partially satisfied performance obligations continue to incur revenue and costs in the period.

Remaining performance obligations (Work in hand)

Contracts which have remaining performance obligations as at 30 June 2024 and 30 June 2023 are set out below.

Revenue stream	2024 $'000	2023 $'000
Engineering & Construction	59,897	58,672
Services	57,354	78,868
Fabrication & Construction	31,342	21,601
Total work in hand	**148,593**	**159,141**

Contracts in the different revenue streams have different lengths. The average duration of contracts is 12 – 24 months, however some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes, however more of the revenue noted above is expected to be earned within 12 months.

11. PROVISIONS

	2024 $'000	2023 $'000
Current		
Employee benefits	4,245	3,287
Warranty and maintenance provisions	986	3,600
Total current provisions	**5,231**	**6,887**
Non-current		
Employee benefits	1,284	809
Other provisions	74	-
Total Non-current provisions	**1,358**	**809**

12. ISSUED CAPITAL

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Ordinary shares	2024 Number	2023 Number
Ordinary shares at beginning of financial year	109,029,823	105,895,210
Shares issued to vendors for acquisitions	6,762,704	1,331,091
Shares issued under Dividend Reinvestment Plan	-	-
Shares issued under Employee Share and Performance Rights Plans	645,572	1,445,496
Treasury shares vested during the year	383,432	358,026
Net Treasury shares issued during the year	-	-
Ordinary shares at end of financial year	**116,821,531**	**109,029,823**

Fully paid ordinary shares	2024 $'000	2023 $'000
Balance at beginning of financial year	24,104	22,482
Shares issued to vendors for acquisitions	6,500	1,400
Shares issued under Dividend Reinvestment Plan	-	-
Shares issued under Performance Rights Plan	443	496
Shares issued under Employee Share Plan	-	-
Net Treasury shares issued (lapsed) during the year	(129)	(274)
Balance at end of financial year	**30,918**	**24,104**

Treasury shares under employee share plan	2024 Number	2023 Number
Balance at beginning of financial year	1,849,924	2,207,950
Treasury shares vested during the year	(383,432)	(358,026)
Net Treasury shares issued during the year	-	-
Balance at end of financial year	**1,466,492**	**1,849,924**

Treasury shares under employee share plan	2024 $'000	2023 $'000
Balance at beginning of financial year	(1,475)	(1,806)
Net Treasury shares lapsed (issued) during the year	245	331
Balance at end of financial year	**(1,230)**	**(1,475)**

Reserves

Nature and purpose of reserves

(a) Treasury shares under employee share plan

The value of shares bought back are allocated to this reserve.

(b) Share-based payments reserve

The share-based payments reserve is for the fair value of options granted and recognised to date but not yet exercised, and treasury shares purchased and recognised to date which have not yet vested.

SAUNDERS INTERNATIONAL

12. ISSUED CAPITAL (CONT.)

Employee Share Plan

The Board has approved and implemented an Employee Share Plan ("ESP").

Under the ESP, the Group provides interest free loans to employees to acquire shares in Saunders International Limited, at a specified price per share. The loans are secured by the shares acquired by the eligible employees. The shares will vest and the loans will be repaid, upon a specified anniversary of the issue of the shares. If an eligible employee's employment with the Group is terminated prior to the specified anniversary of the issue of the shares, the shares will be forfeited, and the Group will be entitled to the total amount raised pursuant to the divestment of the shares. The shares are accounted for as in substance options.

Each employee share option converts into one ordinary share of Saunders International Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. At balance date, a total of 17 tranches of the ESP have been issued. No new tranches have been issued since 28 February 2022.

Tranches 1 to 12 all vested in financial years up to 30 June 2022.

Tranche 13: During the prior financial year 185,000 shares vested and 90,000 shares were forfeited.

Tranche 14: During the current financial year 10,000 shares were re-issued and 307,500 shares vested.

Tranche 15: During the current financial year 10,000 shares were re-issued and 20,000 shares were forfeited.

Tranche 16: During the current financial year 100,000 shares were forfeited.

Tranche 17: During the current financial year 44,915 shares were forfeited.

The fair value of the share options granted during the financial year is included in below table. Options have been valued using the Black-Scholes-Merton pricing model. Expected volatility is based on the historical share price volatility over the past 3 years.

Two employees hold more than 150,000 options under the ESP. Details of the fair value assumptions used are as follows:

	Tranche 13	Tranche 14	Tranche 15	Tranche 16	Tranche 17
Grant Date	Feb 2019	Feb 2020	Feb 2021	Aug 2021	Feb 2022
Grant Price	$0.33	$0.38	$0.69	$0.80	$1.02
Opening Volume	275,000	297,500	437,500	225,000	371,413
New grants	-	-	-	-	-
Grant re-issued	-	10,000	10,000	-	-
Exercised	(185,000)	(307,500)	-	-	-
Forfeitures	(90,000)	-	(20,000)	(100,000)	(44,915)
Closing Volume	-	-	427,500	125,000	326,498
Exercise Price	$0.33	$0.38	$0.69	$0.80	$1.02
Expected Volatility	45%	45%	45%	45%	45%
Option Life	4 years	4 years	4 years	4 years	4 years
Dividend Yield	0%	0%	0%	0%	0%
Risk Free Interest Rate	2.82%	4.33%	4.33%	4.33%	4.33%
Grant date fair value	$0.12	$0.15	$0.27	$0.31	$0.39

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

12. ISSUED CAPITAL (CONT.)

Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year.

	2024		2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	1,331,413	0.73	1,950,428	0.67
Granted during the year	-	-	-	-
Re-issued during the year	20,000	0.54	-	-
Forfeited during the year	(164,915)	0.85	(434,015)	0.63
Exercised during the year	(307,500)	0.38	(185,000)	0.33
Balance at end of year	878,998	0.83	1,331,413	0.73
Exercisable at end of year	-	-	-	-

Performance Rights Plan

The Saunders International Limited Rights Plan was approved by the Board and approved by shareholders at the Annual General Meeting in October 2023.

The features of the long-term incentive comprises the grant of equity in the form of Performance Rights which vest over a three year period. The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved.

Half of the Performance Rights will vest if the target objectives are achieved. The end of the measurement period for a tranche of Performance Rights can be extended by up to two years at the Board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period, adjusted for the pro-rata increase in hurdles to take into account the additional time. The two vesting conditions that will be used will be relative total shareholder return (RTSR) and normalised earnings per share growth (NEPSG).

RTSR will be measured by comparing the Group's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX. TSR is the percentage return generated from an investment in a Group's shares over the measurement period assuming that dividends are reinvested into the Group's shares. NEPSG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in normalised earnings per share (EPS) from the base year to normalised EPS for the final year of the measurement period. Normalised EPS will relate to normal operations and will exclude abnormal items as determined by the Board in its discretion.

The vesting scale will be applied to the tranches subject to objective measurement of Saunders performing relative to the comparator group and NEPSG, as appropriate, with the vesting scale ranging continuously from very poor performance (CAGR of 5%), to on-target performance (CAGR of 10%), to very good performance (CAGR of 15%).

The long-term incentive is aimed at aligning remuneration with the longer term performance of the Group and retaining the long-term services of the key management personnel

Some Performance Rights may be granted over periods shorter or longer than the standard long-term incentive which vest over a 3 year period. To date these performance rights have been granted to certain management personnel at the commencement of their employment with Saunders, or during their employment with Saunders, and primarily have a service based vesting condition.

12. ISSUED CAPITAL (CONT.)

The Managing Director & Chief Executive Officer and certain Management Personnel participate in the Saunders International Rights Plan. This plan is part of the long-term incentive component of the respective remuneration packages. The total number of unvested Performance Rights issued under the plan at the beginning of the financial year was 1,746,874. During the financial year, 645,571 rights vested, 27,964 rights were forfeited, 36,405 rights lapsed and 1,433,013 new rights were granted; resulting in total unvested Performance Rights at the end of the financial year totaling 2,469,947.

Details of the fair value assumptions used are as follows:

	Tranche 17	Tranche 18	Tranche 19	Tranche 20	Tranche 21	Tranche 22	Tranche 23	Tranche 24
Grant Date	1 Sep 2020	1 Sep 2020	1 Sep 2021	1 Sep 2021	1 Sep 2022	1 Sep 2022	9 Jan 2023	13 Mar 2023
Grant Price	$0.61	$0.61	$0.78	$0.78	$1.07	$1.07	$1.12	$1.17
Opening Volume	291,235	291,235	287,358	287,358	250,094	250,094	44,506	45,000
New grants	-	-	-	-	-	-	-	-
Lapsed	(36,405)	-	-	-	-	-	-	-
Forfeited	-	-	(7,804)	(7,804)	(6,178)	(6,178)	-	-
Vested	(254,830)	(291,235)	-	-	-	-	(44,506)	(45,000)
Closing Volume	-	-	279,554	279,554	243,916	243,916	-	-
Exercise Price	$0	$0	$0	$0	$0	$0	$0	$0
Expected Volatility	26.87%	26.87%	26.87%	26.87%	26.87%	26.87%	26.87%	26.87%
Option Life Remaining	0 years	0 years	0.17 years	0.17 years	1.17 years	1.17 years	0 years	0 years
Dividend value	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06
Risk Free Interest Rate	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%
Grant date fair value	$0.52	$0.52	$0.70	$0.70	$0.92	$0.92	$1.10	$1.15

	Tranche 25	Tranche 26	Tranche 27(a)[1]	Tranche 27(b)[1]	Tranche 28	Tranche 29[1]
Grant Date	1 Sep 2023	1 Sep 2023	1 Nov 2022	1 Nov 2022	1 Dec 2023	1 Aug 2021
Grant Price	$1.07	$1.07	$1.05	$1.05	$0.96	$0.79
Opening Volume	-	-	-	-	-	-
New grants	550,011	550,011	10,000	20,000	208,085	94,900
Lapsed	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Vested	-	-	(10,000)	-	-	-
Closing Volume	550,011	550,011	-	20,000	208,085	94,900
Exercise Price	$0	$0	$0	$0	$0	$0
Expected Volatility	26.87%	26.87%	26.87%	26.87%	26.87%	26.87%
Option Life Remaining	2.17 years	2.17 years	0 years	0.34 years	2.0 years	0.08 years
Dividend value	$0.06	$0.06	$0.06	$0.06	$0.06	$0.06
Risk Free Interest Rate	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%
Grant date fair value	$0.92	$0.92	$1.00	$0.95	$0.84	$0.71

1 Tranches 27(a), 27(b), and 29 were granted in the 2022 and 2023 financial years. The disclosure and accounting of these tranches did not commence until the current financial year.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date and number of options granted were outstanding at the end of the year. Option Life Remaining period refers to the remaining contractual life of the Performance Rights prior to their vesting date. Dividend value relates to the estimated value of dividends not payable to rights holders from the date of grant to the vesting date. The Performance Rights outstanding at the end of the year has a weighted average remaining contractual life of 1.41 years.

13. RETAINED EARNINGS

	2024 $'000	2023 $'000
Balance at beginning of financial year	16,074	10,965
Profit after tax for the year	9,363	9,491
Dividends provided for or paid	(4,596)	(4,382)
Balance at end of financial year	**20,841**	**16,074**

14. EARNINGS PER SHARE

	2024 Cents per share	2023 Cents per share
Basic earnings per share	8.27	8.84
Diluted earnings per share	**8.16**	**8.71**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2024 $'000	2023 $'000
Net profit after tax	9,363	9,491
Earnings used in the calculation of basic and diluted EPS	**9,363**	**9,491**
	2024 No.'000	**2023 No.'000**
Weighted average number of ordinary shares for the purposes of basic earnings per share	113,226	107,329
Diluted earnings per share		
Weighted average numbers of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic EPS	113,226	107,329
Shares deemed to be issued for no consideration in respect of employee options and performance rights [1]	1,502	1,694
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	**114,728**	**109,023**

1 During the year ended 30 June 2024 a portion of the potential ordinary shares associated with the employee share option plan as set out in Note 12 are dilutive and therefore included in the weighted average number of ordinary shares for the purposes of diluted earnings per share. The potential ordinary shares associated with the Performance Rights are dilutive and have been included in the weighted average number of ordinary shares for the purposes of diluted earnings per share.

SAUNDERS INTERNATIONAL

15. DIVIDENDS

	2024		2023	
	Cents per share	Total $'000	Cents per share	Total $'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend (prior year) Fully franked at a 30% tax rate	**2.00**	**2,230**	2.00	2,191
Interim dividend (current year) Fully franked at a 30% tax rate	**2.00**	**2,366**	2.00	2,191
	4.00	**4,596**	**4.00**	**4,382**
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend (current year):	2.25	2,671	2.00	2,218

The Board declared on 27 August 2024 that there will be a final dividend payable of 2.25 cents per share fully franked (2023: 1.00 cents final dividend and 1.00 cents special dividend). The dividend will be payable on 15 October 2024 with the record date for determining dividends on 17 September 2024.

	2024 $'000	2023 $'000
Franking account balance	10,956	7,020

16. SEGMENT INFORMATION

The Group operates in one reporting segment being the provision of design, construction, fabrication, shutdown, maintenance and industrial automation services to leading organisations of steel storage tanks and concrete bridges.

In the current period 3 customers made up 38% of the revenue earned (2023: 58% of the revenue earned). These customers accounted for $81.1 million of the Groups' total revenue (2023: $115.8 million).

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are a number of commercial and legal claims and exposures that may arise from the normal course of the Group's business in respect of which no provision has been made as no claim has been deemed material.

18. NOTES TO THE STATEMENT OF CASH FLOWS

	2024 $'000	2023 $'000
(a) Cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	19,807	12,833
(b) Reconciliation of profit/(loss) for the year to net cash flows from operating activities		
Profit for the year	9,363	9,491
Share-based payments expense	670	684
Depreciation	4,292	3,036
Loss on disposal of non-current assets	558	116
Unrealised foreign exchange loss	(32)	(2)
(Increase)/decrease in assets:		
Current tax liability	(822)	351
Deferred tax assets	(645)	(623)
Deferred tax liabilities	-	(73)
Trade and other receivables	(268)	7,260
Contract assets	12,579	(23,805)
Inventories	28	53
Other assets	(342)	(4)
Increase/(decrease) in liabilities:		
Trade and other payables	211	(10,519)
Contract liabilities	(5,574)	(1,849)
Provisions	(697)	1,788
Net cash inflow / (outflow) from operating activities	**19,321**	**(14,096)**
(c) Financing facilities		
The Group's principal financing facilities for the provision of bank guarantees and bonding as described in Note 19 is secured by a fixed and floating charge over the assets of the Group.		
Amount used	19,296	25,698
Amount unused	20,704	14,302
	40,000	**40,000**

The facilities have financial covenants relating to the Group's liquidity ratio.

(d) Asset and liabilities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Balance at 30June 2023 $'000	Financing Cash Flows[1] $'000	Non -Cash Movement in Finance Leases $'000	Balance at 30 June 2024 $'000
Lease liabilities	4,485	(2,379)	9,837	11,943

1 Financing cash flows comprise of repayment of borrowings and payments in relation to finance leases.

SAUNDERS INTERNATIONAL

19. FINANCIAL INSTRUMENTS

The Group has three significant categories of financial instruments which are described below together with the policies and risk management processes which the Group utilises:

(a) Cash and cash equivalents

The Group deposits its cash and cash equivalents with Australian banks. Funds can be deposited in cheque accounts, cash management accounts and term deposits. The policy is to utilise at least two Australian banks for cash management accounts and term deposits.

(b) Debtors and credit risk management

The Group has a credit risk policy to protect against the risk of debtor default. The majority of the Group's debtors are long-term customers and are multinational oil and gas companies, government authorities and large Australian corporations where the credit risk is considered to be low.

New customers are assessed for credit risk using credit references and reports from credit agencies as necessary.

(c) Bank guarantees and insurance bonds

The Group has a preference to provide bank guarantees or bonding to customers in lieu of the cash retention required under contracts. This preference is pursued subject to specific contract requirements and the Group's finance facility requirements.

Capital risk management

The Group's capital structure currently consists of equity and retained earnings. The only external long-term debt or short-term debt relates to lease liabilities. The operating cash flows of the Group are used to finance short-term capital expenditure. The Group's capital risk management is continuously reviewed and adjusted based on surplus cash available for investment.

Categories of financial instruments

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	19,807	12,833
Trade and other receivables	25,623	23,099
Total financial assets	**45,430**	**35,932**
Financial liabilities		
Trade and other payables	19,124	17,487
Lease Liabilities	11,943	4,485
Total financial liabilities	**31,067**	**21,972**

Obligations under finance leases

Leasing arrangements

The Group leases certain of its construction equipment under finance leases. The average lease term is 4.3 years. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

Financial risk management objectives

The Group's exposure to market risk mainly arising from interest rate risk (including currency risk, fair value interest rate risk and price risk) and cash flow interest rate risk, is disclosed in the interest rate sensitivity analysis below. Credit risk is monitored monthly through continuous management of the ongoing projects.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term liquidity management requirements. The Group manages liquidity risk by continually monitoring and maintaining adequate banking facilities. Cash flows are monitored and matched to the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to receive or pay. The table includes both interest and principal cash flows.

19. FINANCIAL INSTRUMENTS (CONT.)

	Weighted average effective interest rate %	Less than 1 month $'000	1 to 3 months $'000	3 months to 5 years $'000	Total $'000
2024					
Financial assets					
Cash and cash equivalents	0.56%	19,807	-	-	**19,807**
Trade receivables	0.00%	15,331	7,424	2,868	**25,623**
Financial liabilities					
Trade and other payables	0.00%	10,564	8,294	266	**19,124**
Lease liabilities	5.88%	200	364	11,379	**11,943**
2023					
Financial assets					
Cash and cash equivalents	0.51%	12,833	-	-	**12,833**
Trade receivables	0.00%	16,815	5,003	1,281	**23,099**
Financial liabilities					
Trade and other payables	0.00%	5,936	11,333	218	**17,487**
Lease liabilities	6.76%	158	321	4,006	**4,485**

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on exposure to interest rates for cash and cash equivalents that were subject to interest rate fluctuations at the reporting date. At reporting date, if interest rates had been 1% higher or lower and all other variables were held constant, the Group's profit or loss would increase or decrease by $52 thousand (2023: $61 thousand).

Foreign currency risk

The Group manages its foreign currency risk arising from significant supplier contracts in foreign currencies by holding foreign currency. As a result of operations in Papua New Guinea the Group's statement of financial position can be affected by movements in the PGK/A$ exchange rate. The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Where possible, Saunders does not take on foreign exchange risk. At 30 June 2024, the Group had no forward contracts.

The Group also mitigates its exposure to foreign currency risk by minimising excess foreign currency balances in overseas jurisdictions not required for working capital. At 30 June 2024, the Group had A$3 thousand (2023: $77 thousand) of cash in PGK. At reporting date, if the PGK/AUD exchange rate had moved by 5%, with all other variables held constant, the group's profit or loss would increase or decrease by $0 thousand (2023: $4 thousand).

Fair value of financial instruments

No financial asset or financial liability is held at fair value. The directors consider the fair value of the financial assets and financials liabilities to approximate their carrying amounts.

20. INTANGIBLE ASSETS

Goodwill	2024 $'000	2023 $'000
Balance at beginning of financial year	3,978	321
Additions through business combinations		
- Saunders Automation (formerly Automation IT)	-	3,657
- Saunders Piping Solutions	13,414	-
Balance at end of financial year	**17,392**	**3,978**

Goodwill acquired through business combinations is allocated to the lowest level within the entity at which the goodwill is monitored, being the grouped cash generating unit (CGU) comprising the Engineering, Construction, Piping and Automation operations of Saunders. Refer to Note 21 for details of the acquisition of the Piping Solutions business, effective from 31 October 2023, and detailed calculation of goodwill recognised in relation to the acquisition.

The key assumptions used in the value in use calculations include the financial budget for the 2025 financial year, revenue growth, EBITDA margin growth, depreciation growth, capital expenditure growth and the discount rate. These assumptions are based on past experience and the Company's forecast operating and financial performance of the CGU taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.

The value in use calculations use cash flow projections over a 5 year period, extrapolated into perpetuity using a long-term growth rate. The cash flow projects in Year 1 are based on financial budgets for the 2025 financial year, as approved by the Board. The cash flow projections for years 2-5 assume a growth rate of 10.0% p.a. The terminal growth rate into perpetuity is assumed to be 2.5%, which is consistent with the mid-point of long term inflation forecasts by recognised bodies. A weighted average cost of capital of 12.5% has been used in determining the present value of future cash flows for the CGU.

The Group has conducted sensitivity analysis taking into consideration the current uncertain macro-economic conditions, which indicated that no reasonably possible change in key assumptions, including changes to the weighted average cost of capital and changes to the growth rate, would result in an impairment loss. Accordingly, the Group has concluded that no impairment is required based on current market and economic conditions and expected future performance.

21. ACQUISITION OF SUBSIDIARIES

Automation Pty Limited (now known as Saunders Automation Pty Limited 'SNA')

Saunders announced the acquisition of SNA, effective 1 April 2023. Under the terms of the Share Purchase Agreement (SPA), 100% of the issued share capital and control of SNA was effectively acquired on 1 April 2023. SNA is a specialist automation and control systems engineering business operating in the energy, water, defence and mining industries. It was acquired to further expand and diversify Saunders capabilities across industrial automation and technology solutions following the 2021 acquisition of Saunders PlantWeave (formerly PlantWeave Technologies).

Saunders Piping Solutions Pty Limited

Saunders announced the acquisition of the Piping Solutions business on 8 November 2023. Under the terms of the Business Purchase Deed, control of the business was effectively acquired on 31 October 2023. Piping Solutions specialise in the fabrication, installation and maintenance of steel pipelines, structures, pressure vessels, and refuelling systems for the Defence, Aviation, Energy and Infrastructure industries. The acquisition qualifies as a business as defined in AASB3 Business Combinations. It was acquired to facilitate Saunders strategic expansion into the Defence sector and addition of complementary capabilities across complex steel piping fabrication, installation and maintenance. This will provide a more attractive vertically integrated offering and enable better penetration into New Energy markets. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

21. ACQUISITION OF SUBSIDIARIES (CONT.)

Saunders Piping Solutions Pty Limited (cont.)

	2024 $'000
Inventory	251
Trade and other receivables	2,256
Property, plant and equipment	4,818
Right of use assets	6,174
Deferred tax asset	207
Trade and other payables	(2,256)
Employee benefits provisions	(690)
Other interest-bearing liabilities	(6,174)
Total identified assets acquired and liabilities assumed	**4,586**
Goodwill	13,414
Total Consideration	**18,000**
Satisfied by:	
Cash	4,500
Equity comprising ordinary shares in Saunders International Limited	6,500
Contingent consideration[1]	
- To be settled in cash	3,500
- To be settled in equity	3,500
Total consideration transferred	**18,000**
Net cash outflow arising on acquisition:	
Cash consideration	4,500
Less: cash and cash equivalent balances acquired	-
Net cash outflow arising on acquisition during the year ended 30 June 2024	**4,500**

1 The contingent consideration is subject to achievement of earn-out Earnings Before Interest & Tax (EBIT) targets that apply for the period from 1 November 2023 to 31 October 2024. It will be settled in cash (50%) and equity (50%). The acquisition is structured to promote the continued performance of Piping Solutions.

Current other financial liabilities

In the prior financial year, Saunders announced the SNA acquisition included an element of deferred cash payments, based on the earn-out consideration conditions within the Share Purchase Agreement. In the current financial year, SNA achieved the required earn-out consideration conditions for the year ending 30 June 2024. As a result, Saunders recognised the maximum final instalment payable of $1.10 million within the Consolidated Statement of Profit or Loss and as an Other Financial Liability within the Consolidated Financial Position. In early August 2024, SNA's former owners received the deferred payments in cash ($0.825 million) and equity ($0.275 million which converted to 326,046 Saunders shares (ASX code: SND) issued on 1 August 2024).

Current other financial liabilities recognised in the Consolidated Statement of Financial Position relating to acquisition of subsidiaries:	2024 $	2023 $
Saunders Piping Solutions Pty Ltd	7,000	-
Saunders Automation Pty Ltd	1,100	-
Total current other financial liabilities	**8,100**	**-**

22. DIRECTORS AND KEY MANAGEMENT PERSONNEL COMPENSATION

The board of directors approves on an annual basis the amounts of compensation for directors and key management personnel with reference to the Group's performance and general compensation levels in equivalent companies and industries.

(a) Remuneration of Directors and Key Management Personnel

	2024 $	2023 $
Short-term employee benefits	1,886,532	1,794,800
Post-employment benefits	85,592	83,997
Share-based payments	448,856	156,117
Total remuneration of directors and key management personnel	**2,420,980**	**2,034,914**

The names of and positions held by the key management are set out in the Remuneration Report on page 43. Further details of the remuneration of key management are disclosed in the Remuneration Report.

(b) Other Transactions with Key Management Personnel

There were no transactions with directors and other key management personnel apart from those disclosed in this note.

(c) Directors' and Key Management Equity Holdings

Refer to the table in the Remuneration Report on page 43.

23. SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

			Proportion of ownership interest and voting power held by the Group	
Name of Subsidiary	Principal activity	Place of incorporation and operation	2024	2023
Saunders Civilbuild Pty Ltd	Bridge construction and maintenance	Australia	100%	100%
Saunders Property (NSW) Pty Ltd	Real property investments	Australia	100%	100%
Saunders Asset Services Pty Ltd	Maintenance	Australia	100%	100%
Saunders PNG Limited	Tank construction and maintenance	PNG	100%	100%
Saunders PlantWeave Pty Ltd	Industrial automation and electrical	Australia	100%	100%
Saunders International (NZ) Ltd	Tank construction and maintenance	New Zealand	100%[1]	100%[1]
Saunders Automation Pty Ltd	Industrial automation and electrical	Australia	100%[2]	100%[2]
Saunders Piping Solutions Pty Ltd	Structural, Mechanical, Piping (SMP)	Australia	100%[3]	-

1 Saunders International (NZ) Ltd was incorporated on 1 June 2023.
2 Saunders acquired Automation IT Pty Ltd with effect from 1 April 2023.
3 Saunders acquired the Piping Solutions business and formed Saunders Piping Solutions Pty Ltd with effect from 31 October 2023.

24. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. See Note 1 for a summary of the significant accounting policies relating to the Group.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are accounted for at cost. Dividends received from subsidiaries, associates and joint ventures are recognised in profit or loss when a right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably).

Tax consolidation

The company and its wholly owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a 'separate taxpayer within group approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred, and does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

Summary financial information

The individual financial statements for the parent entity, Saunders International Limited show the following aggregate amounts:

Financial Position	2024 $'000	2023 $'000
Assets		
Current assets	42,049	53,122
Non-current assets	33,969	25,655
Total assets	**76,018**	**78,777**
Liabilities		
Current liabilities	23,539	37,251
Non-current liabilities	4,204	1,291
Total liabilities	**27,743**	**38,542**
Total Net Assets	**48,275**	**40,235**
Equity		
Issued capital	30,918	24,104
Shares buy-back reserve under employee share plan	(1,230)	(1,475)
Share based payments reserve	799	572
Retained earnings	17,788	17,034
Total equity	**48,275**	**40,235**

24. PARENT ENTITY INFORMATION (CONT.)

Financial Performance	2024 $'000	2023 $'000
Profit for the year	5,350	10,845
Other comprehensive income	-	-
Total comprehensive income	**5,350**	**10,845**

The parent entity has no capital commitments.

25. REMUNERATION OF AUDITOR

	2024 $	2023 $
Audit or review of the financial report	444,401	317,507
Other services [2]	62,397	-
Total Auditor's remuneration	**506,798**	**317,507**

1 The auditor of Saunders International Limited is Deloitte Touche Tohmatsu.
2 Other services provided relate to Saunders PNG Limited and included taxation, financial statement preparation and annual return lodgement.

26. SUBSEQUENT EVENTS

On 5 August 2024, Saunders secured the CIL3 Tanks Replacement project at Kalgoorlie Consolidated Gold Mines, awarded by Northern Star Resources at a contract value of $31.5 million. The project will contribute to revenue and earnings in FY25 through to FY27.

On 7 August 2024, Saunders secured four contracts in the civil infrastructure sector, totalling $20.59 million. Each of the four projects includes the demolition of an existing bridge as well as the design and construction of a new concrete bridge structure. These projects will contribute to Saunders revenue and earnings in FY25 and FY26.

Other than the dividends described in Note 15 of the Consolidated Financial Report on page 80, there have been no other matters or circumstances occurring subsequent to the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27. ADDITIONAL COMPANY INFORMATION

(a) General Information

Saunders International Limited is incorporated and operating in Australia.

Saunders International Limited's registered office and its principal place of business is as follows:

Registered office	Principal place of business
Suite 101, Level 1, 3 Rider Boulevard	Suite 101, Level 1, 3 Rider Boulevard
Rhodes NSW 2138	Rhodes NSW 2138
Tel: (02) 9792 2444	Tel: (02) 9792 2444

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

			Body Corporates		Tax Residency	
Name of Subsidiary	Principal Activity	Entity Type	Place of Incorporation and Operation	% of Share Capital Held	Australian or Foreign[4]	Foreign Jurisdiction
Saunders International Limited	Holding Company, construction and maintenance	Body Corporate	Australia	N/A	Australian	N/A
Saunders Civilbuild Pty Ltd	Bridge construction and maintenance	Body Corporate	Australia	100%	Australian	N/A
Saunders Property (NSW) Pty Ltd	Real property investments	Body Corporate	Australia	100%	Australian	N/A
Saunders Asset Services Pty Ltd	Maintenance	Body Corporate	Australia	100%	Australian	N/A
Saunders PNG Limited	Tank construction and maintenance	Body Corporate	PNG	100%	Foreign	PNG
Saunders PlantWeave Pty Ltd	Industrial Automation and Electrical	Body Corporate	Australia	100%	Australian	N/A
Saunders International (NZ) Ltd	Tank construction and maintenance	Body Corporate	New Zealand	100%[1]	Foreign	NZ
Saunders Automation Pty Ltd (formerly Automation IT Pty Ltd)	Industrial Automation and Electrical	Body Corporate	Australia	100%[2]	Australian	N/A
Saunders Piping Solutions Pty Limited	Structural, mechanical, piping (SMP)	Body Corporate	Australia	100%[3]	Australian	N/A

1 Saunders International (NZ) Ltd was incorporated on 1 June 2023.
2 Saunders acquired Saunders Automation Pty Ltd (formerly Automation IT Pty Ltd) with effect from 1 April 2023.
3 Saunders acquired the Piping Solutions business and formed Saunders Piping Solutions Pty Limited with effect from 31 October 2023.
4 All 100% Australian owned subsidiary companies of Saunders International Limited are part of a tax-consolidated group under Australian tax law, for which Saunders International Limited is the head entity.

Corporate Governance

The Board of Saunders International Limited has adopted a suite of Corporate Governance Practices to ensure that the company effectively identifies, monitors and manages risks, with the appropriate disclosures.

In developing and adopting the Practices, the Board considered the fourth edition of the ASX Corporate Governance Principles and Recommendations. The Board incorporates the Principles and Recommendations into its Practices to the extent that they are appropriate, taking into account the Company's size, activities and resources.

The Board has adopted the following Charters, Policies and Codes:

THE BOARD CHARTER

The Board Charter sets out matters relating to the responsibilities of the Board and its directors and matters relating to the composition of the Board and appointment of directors.

BOARD COMMITTEES AND THEIR CHARTERS

In order to better manage its responsibilities, the Board has established an Audit and Risk Committee and a Remuneration Committee. Each committee has adopted a Charter approved by the Board.

POLICIES AND CODES OF CONDUCT

The Company has adopted Policies and Codes of Conduct which are available on the Company's website.

CORPORATE GOVERNANCE STATEMENT AND APPENDIX 4G

The Company reports on an annual basis, its compliance and/ or reasons for non-compliance with the fourth edition of the ASX Corporate Governance Principles and Recommendations. The Corporate Governance Statement and the Appendix 4G have been released on the ASX Announcements platform and are on the Company's website. Further information on the above Charters Policies and Codes can be found on the Company's website:

www.saundersint.com/investors/corporate-governance/

SAUNDERS INTERNATIONAL

Shareholder Information

ORDINARY SHARE CAPITAL

At 30 June 2024, there are 116,821,531 fully paid ordinary shares held by 627 individual shareholders. In addition, there are 1,466,492 shares issued to employees under the Employee Share Purchase Plan (ESPP) and 6,762,704 shares that are subject to voluntary escrow for 12 months until 21 December 2024. These ESPP shares and voluntary escrow shares are not included for the purpose of calculating the totals and percentages used in this section.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders	NO. OF SHARES	PERCENTAGE
NAOS Asset Management	26,431,554	24.57%
Mr Desmond Bryant	24,316,811	22.09%
Anacacia Pty Ltd (Wattle Fund)	12,369,453	11.24%
Mr Timothy Burnett	11,069,595	10.06%

Distribution of shares	
1 to 1,000	115
1,001 to 5,000	148
5,001 to 10,000	92
10,001 to 100,000	219
100,001 and Over	53
Total [1]	**627**

1 82 shareholders have less than a marketable parcel (minimum $500.00), representing a total of 15,921 shares.

Twenty largest registered holders name	NO. OF SHARES	PERCENTAGE
JP Morgan Australia Nominees Pty Limited	28,309,505	25.72%
Mr Desmond Bryant	13,322,343	12.10%
Anacacia Pty Ltd	12,369,453	11.24%
Debry Pty Ltd	8,677,667	7.88%
Tivolico Pty Ltd	6,262,271	5.69%
Marlot Pty Ltd	4,807,324	4.37%
Mr John Power	3,401,453	3.09%
Benson Family Holdings P/L	3,358,303	3.05%
Effjay Holdings Pty Limited	2,316,801	2.11%
R&B Invest Pty Ltd	1,700,000	1.54%
Pacbay Pty Ltd	1,699,289	1.54%
Citicorp Nominees Pty Limited	1,485,507	1.35%
HSBC Custody Nominees (Australia) Limited	1,471,104	1.34%
Sagimo Holdings Pty Ltd	1,301,208	1.18%
Mrs Karyn May McClelland	1,229,012	1.12%
Donald Cant Pty Ltd	1,057,931	0.96%
Julie-Ann Bladon	831,932	0.76%
Parmelia Pty Ltd	755,969	0.69%
Mr Robert Graburn Patterson	553,530	0.50%
Anthony Robert Templeton	499,159	0.45%
Total	**95,409,761**	**86.69%**

Board of Directors Information and Profiles

Nicholas Yates
Chair

Nicholas has over 35 years of experience in engineering services and construction. He has held several CEO and Board positions in both listed and private companies, including Chief Executive, Infrastructure ANZ at Transfield Services, followed by Chief Executive Officer and now Chair of ASX-listed BSA Limited.

Nicholas was appointed to the Saunders Board in September 2020 and has since served as a Non-Executive Director and a member of the Remuneration Committee and Audit and Risk Committee. He was appointed Chair on 1 July 2023.

Greg Fletcher
Non-Executive Director

Greg is a company director who retired from the Deloitte partnership in 2009 to pursue board roles. He currently holds the position of Co-Vice Chairman at Yancoal Australia Limited and serves as Chair of the HealthShare Audit & Risk Committee. Additionally, he is a member of the NSW Police Force, Western Sydney Local Health District and the NSW Health Infrastructure Audit & Risk Committees.

Greg has been a Director on the Saunders Board since July 2015 and is Chair of the Audit and Risk Committee and member of the Remuneration Committee.

Mark Benson
Managing Director and Chief Executive Officer

With an executive career spanning over 30 years, Mark is a seasoned leader in the engineering and construction industry.

Prior to joining Saunders, Mark served as the General Manager of RCR Energy, a division of ASX-listed RCR Tomlinson. He also held senior executive positions with RICO, HIS Engineering, VRBT Group and major utility alliances including AGL, Origin, and NRG.

Mark was appointed as Managing Director and Chief Executive Officer, and a Director of the Saunders Board in 2015.

Brendan York
Non-Executive Director

Brendan is an experienced executive and director. He is currently a Portfolio Manager with NAOS Asset Management Ltd (NAOS), a substantial and significant shareholder in Saunders. Brendan has over 20 years of finance, accounting, and M&A experience.

He currently serves as a Non-Executive Director for the following ASX-listed companies: Big River Industries Limited (BRI), BSA Limited (BSA), BTC Health Limited (BTC), MaxiParts Limited (MXI) and Wingara AG Limited (WNR). Brendan joined the Saunders Board in July 2023.

He is the Chair of Saunders' Remuneration Committee and a member of the Audit and Risk Committee.

Corporate Directory

BOARD OF DIRECTORS

Nicholas Yates
Chair

Mark Benson
Managing Director and Chief Executive Officer

Greg Fletcher
Non-Executive Director

Brendan York
Non-Executive Director

AUDITORS

Deloitte Touche Tohmatsu
8 Parramatta Square
Level 37, 10 Darcy St
Parramatta NSW 2150

PRINCIPAL BANKER

Commonwealth Bank
Corporate Financial Services
Level 1, 430 Forest Rd
Hurstville NSW 2220

SHARE REGISTER

Link Market Services Limited
Level 12, 680 George St
Sydney NSW 2000
Phone (02) 8280 7111

STOCK EXCHANGE LISTING

Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

WEBSITE

www.saundersint.com

SAUNDERS
INTERNATIONAL

Saunders International Limited

For the Financial Year ended 30 June 2024
ABN 14 050 287 431

Saundersint.com
@saunders-international-limited