Site Services Holdings Group of Companies

Combined Annual Report - 30 June 2021

Site Services Holdings Group of Companies
Contents
30 June 2021

General information

The financial statements cover the combination of the Site Services Holdings Group of Companies being the Site Services Holdings Trust and the entities it controlled at the end of, or during, the year, Site Services Holdings Pty Ltd and Complete Workforce Australia Pty Ltd. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Registered office	**Principal place of business**
41-47 Colin Street West Perth WA 6005	273 Great Eastern Highway Belmont WA 6104

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

The financial statements were authorised for issue, in accordance with a resolution of the directors of each entity, on 27th October 2021.

The Director has the power to amend and reissue the financial statements.

Site Services Holdings Group of Companies
Director's report
30 June 2021

In accordance with the *Corporations Act 2001*, SSH Group (WA) Pty Ltd (ABN 33 165 265 029), the responsible entity of Site Services Holdings Trust, Site Services Holdings Pty Ltd and Complete Workforce Australia (referred to hereafter as the 'the Group') provides this report for the financial year ended 30 June 2021.

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

Daniel Cowley-Cooper (sole director SSH Group (WA) Pty Ltd)
Daniel Cowley-Cooper (sole director of Complete Workforce Australia Pty Ltd)
Daniel Cowley-Cooper (director of Site Services Holdings Pty Ltd)
Stefan Finney (director of Site Services Holdings Pty Ltd)

Company secretary
Daniel Cowley-Cooper (of all entities)

Shares and Units on issue
At 30 June 2021:
100 units of the Site Services Holdings Trust were on issue (2020: 100)
100 shares in Site Services Holdings Pty Ltd were on issues (2020: 100)
100 shares in Complete Workforce Australia Pty Ltd were on issues (2020: 100)

Principal activities
During the financial year the principal continuing activities of the Group consisted of:
- Security services, labour hire services, contracting services and traffic management services.

Trust information
The Site Services Holdings Trust ('the Trust') is a for profit unit trust, registered in Australia and constituted under a trust deed dated 19 May 2016, and acts as the sole unit holder for the following trusts (collectively 'the SSH Trust Group')

- Site Labour Hire Services Trust ('the SLHS Trust')
- Site Protective Services Trust ('the SPS Trust')
- Site Traffic Management Services Trust ('the STMS Trust')
- Site Facility Management Services Trust ('the SFMS Trust)

SSH Group (WA) Pty Ltd, the responsible entity of the Trust, is a company incorporated and domiciled in Australia.

The ultimate unit holders of the Trust are the Prosperous Capital Trust and the Principle Investment Projects Trust.

Dividends
A dividend totaling $362,5000 was paid to shareholders of Site Services Holdings Pty Ltd during the current financial year.

Review of operations
The profit for the Group after providing for income tax amounted to $1,288,431 (30 June 2020: $323,794).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Trust during the financial year.

Matters subsequent to the end of the financial year
SSH Group Limited ('SSH') formerly known as Jacka Resources Limited ('Jacka') has executed a binding terms sheet agreement to acquire 100% of the entities which constitute the businesses known as Site Services Holdings Group ('SSHG'). The Site Services Holdings Group includes Site Services Holdings Pty Ltd, Complete Workforce Australia Pty Ltd and Site Services Holdings Trust. Completion of the acquisition of the SSHG occurred on 9 September 2021, as part of the Initial Public Offer ('IPO') of SSH on the ASX including a capital raising of $6.25 million has been completed. The SSH Prospectus was lodged with ASIC on 23 July 2021 with the group listing on 17 September 2021.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Company secretary
Daniel Cowley-Cooper

Meetings of Directors
No formal meetings of the Board(s) of each of the entities were held during the financial period with matters being resolved by resolutions of the Directors.

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

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

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

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

This report is made in accordance with a resolution of the directors of SSH Group (WA) Pty Ltd as responsible entity, Complete Workforce Australia and Site Services Holdings Pty Ltd pursuant to section 298(2)(a) of the Corporations Act 2001.

Daniel Cowley-Cooper
Director

27 October 2021
Perth

HALL CHADWICK

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Site Services Holdings Group of Companies for the financial year ended 30 June 2021, 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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated this 27th day of October 2021

Site Services Holdings Group of Companies
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Combined 2021 $	2020 $
Revenue			
Services income	4	70,503,450	15,353,976
Cost of sales		(62,056,836)	(11,148,120)
		8,446,614	4,205,856
Other income	5	317,498	443,485
Expenses			
Employee benefits expense		(3,803,073)	(2,080,084)
Administration		(2,328,654)	(1,000,962)
Depreciation and amortisation expense		(256,135)	(218,171)
Profit / (loss) on disposal of assets		70	(89,130)
Allowance for expected credit losses		(97,468)	(35,000)
Debtor impairment		(52,096)	(480,318)
Occupancy expense		(80,601)	(74,964)
Finance costs		(704,429)	(378,809)
Profit / (loss) before income tax expense		1,441,726	291,903
Income tax (expense) / benefit		(153,295)	31,891
Profit / (loss) after income tax expense for the year		1,288,431	323,794
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit / (loss) for the year		1,288,431	323,794
		$	**$**
Basic profit / (loss) per combined share & unit	24	4,295	1,079
Diluted profit / (loss) per combined share & unit	24	4,295	1,079

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

Site Services Holdings Group of Companies
Statement of financial position
As at 30 June 2021

	Note	Combined 2021 $	Combined 2020 $
Assets			
Current assets			
Cash and cash equivalents	7	625,580	277,210
Trade and other receivables	8	10,784,402	4,220,859
Inventories	9	-	3,815
Total current assets		11,409,982	4,501,884
Non-current assets			
Property, plant and equipment	10	451,619	327,549
Right of use assets	11	399,361	236,039
Intangibles	12	418,234	403,827
Deferred tax assets		173,164	139,613
Other non-current assets		92,808	-
Total non-current assets		1,535,186	1,107,028
Total assets		12,945,168	5,608,912
Liabilities			
Current liabilities			
Trade and other payables	13	8,305,640	3,410,852
Current borrowings	14	3,039,695	242,000
Current lease liabilities	14	289,446	187,490
Employee provisions	15	185,668	97,325
Income tax		24,254	42,032
Total current liabilities		11,844,703	3,979,699
Non-current liabilities			
Non-current borrowings	14	-	1,647,751
Non-current lease liabilities	14	512,031	392,815
Employee provisions	15	11,266	-
Deferred tax liabilities		62,590	-
Total non-current liabilities		585,887	2,040,566
Total liabilities		12,430,590	6,020,265
Net assets / (liabilities)		514,578	(411,353)
Equity			
Issued shares		200	200
Issued units		100	100
Reserves	16	36,761	36,761
Undistributed income	17	477,517	(448,414)
Total surplus / (deficiency) in equity		514,578	(411,353)

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

Site Services Holdings Group of Companies
Statement of changes in equity
For the year ended 30 June 2021

Combined	**Issued capital** $	**Reserves** $	**Undistributed income** $	**Total deficiency in equity** $
Balance at 1 July 2019	300	36,761	(961,854)	(924,793)
Profit after income tax expense for the year	-	-	323,794	323,794
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	323,794	323,794
Transactions with unitholders in their capacity as unitholders:				
Distributions to unitholders	-	-	189,646	189,646
Balance at 30 June 2020	300	36,761	(448,414)	(411,353)

Combined	**Issued capital** $	**Reserves** $	**Undistributed income** $	**Total surplus in equity** $
Balance at 1 July 2020	300	36,761	(448,414)	(411,353)
Profit after income tax expense for the year	-	-	1,288,431	1,288,431
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	1,288,431	1,288,431
Transactions with unitholders in their capacity as unitholders:				
Dividends Paid			(362,500)	(362,500)
Distributions to unitholders	-	-	-	-
Balance at 30 June 2021	300	36,761	477,517	514,578

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

Site Services Holdings Group of Companies
Statement of cash flows
For the year ended 30 June 2021

	Note	Combined 2021 $	Combined 2020 $
Cash flows from operating activities			
Receipts from customers		71,104,853	17,358,934
Payments to suppliers and employees		(70,676,993)	(17,241,934)
		427,860	117,000
Interest received		696	651
Other revenue		154,454	145,225
Government grants received		171,500	89,000
Interest and other finance costs paid		(704,429)	(358,371)
Taxes paid		(136,135)	-
Net cash used in operating activities	23	**(86,054)**	**(6,495)**
Cash flows from investing activities			
Payments for purchase of business assets	21	(146,420)	(250,000)
Payments for property, plant and equipment		(112,610)	(31,421)
Proceeds from disposal of property, plant and equipment		1,015	2,500
Net cash used in investing activities		**(258,015)**	**(278,921)**
Cash flows from financing activities			
Proceeds from borrowings		1,974,802	464,828
Repayment of borrowings		(919,863)	(162,370)
Dividend Payment		(362,500)	
Trust distributions		-	189,646
Net cash from financing activities		**692,439**	**492,104**
Net increase/(decrease) in cash and cash equivalents		348,370	206,688
Cash and cash equivalents at the beginning of the financial year		277,210	70,522
Cash and cash equivalents at the end of the financial year	7	**625,580**	**277,210**

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Reclassification of Prior Year Presentation

Certain prior year amounts on the Statement of profit or loss and other comprehensive income have been reclassified for consistency with current year presentation. These reclassifications have no effect on the reported results of operations. The Statement of profit or loss and other comprehensive income is now presented via the function of the expense as this presentation is believed to be more reliable and relevant to understand the results of the business.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group made a profit after tax of $1,288,431 for the period ended 30 June 2021 (2020: $323,794), had a net cash outflow from operating activities of $86,054 (2020: $6,495) and had a working capital deficit of $434,723 (2020: surplus $522,185).

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business, as subsequent to year end and on the 9th of September the units and shares in the Group entities were acquired by SSH Group Limited, pursuant to the Initial Public Offering (IPO) of SSH Group Limited. As part of the IPO process SSH Group Limited has closed its offer with valid applications for shares in the entity totalling $6.25m. Conditional listing approval has been received from the ASX, and it is expected the listing date for SSH Group Limited will be 17 September 2021.

Principles of consolidation

The combined financial statements incorporate the assets and liabilities of all subsidiaries of Site Services Holdings Trust (‘Trust’) plus the assets and liabilities of Site Services Holdings Pty Ltd and Complete Workforce Australia as at 30 June 2021 and the results of all the entities for the year then ended. Site Services Holdings Trust and its subsidiaries, Site Services Holdings Pty Ltd and Complete Workforce Australia Pty Ltd together are referred to in these financial statements as the 'Group'.

Note 1. Significant accounting policies (continued)

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

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

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

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

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

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

Plant and equipment	3-10 years
Motor Vehicles	8-9 years

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

Employee benefits

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

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

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

Note 1. Significant accounting policies (continued)

Issued capital
Ordinary units are classified as equity.

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

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

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

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

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

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

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

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

Earnings per share and unit

Basic earnings per share and unit
Basic earnings per unit is calculated by dividing the profit attributable to the unitholders of Site Services Holdings Group, excluding any costs of servicing equity other than ordinary units, by the weighted average number of ordinary units outstanding during the financial year, adjusted for bonus elements in ordinary units issued during the financial year.

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

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

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

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

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

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

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

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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

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

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Financial reporting by segments

a) Identification of reportable segments

During the 2021 year it was determined that Group operates in two distinct Segments “Safety” and “People”.

The Safety Division delivers a broad range of safety services including security, site and facility safety, road safety, and associated services for the construction, civil, mining, and government portfolios. The Safety Division of the Group comprises customer contracts held by Site Protective Services Group and Site Traffic Management Services Group.

These customer contracts focus on the management of a contracted scope of service delivery for Safety Division customers. Clients who contract with the Safety Division specifically seek delivery of a defined scope of works.

The People Division delivers a broad range of workforce management services including labour hire, recruitment, placement, and associated services for the construction, civil, and mining portfolios. The People Division of the Group comprises customer contracts held by Site Services Contracting and Site Labour Hire Services Group.

These customer contracts usually focus on the supply of a quantity of contracted labour resources. These clients that contract with the People Division specifically seek to engage the Group to supply a quantity of personnel for a scope of works. In the People Division, the client usually retains operational control over the activities of the worker and is responsible for the allocation and supervision of tasks and duties.

b) Segment results

Segment results represent earnings before depreciation, tax and other significant items. Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

Segment revenues, expenses and results exclude transfers between segments. The revenue from the external parties is reported to the Director and is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	Safety		People		Corporate		Total	
Revenue								
Revenue from external customers	61,381,522	12,327,300	9,121,928	2,511,987	-	514,689	70,503,450	15,353,976
Inter-segment revenue	277,411	-	265,000	-	(542,411)	-	-	-
Total Combined revenue	61,658,933	12,327,300	9,386,928	2,511,987	(542,411)	541,492	70,503,450	15,353,976
Results								
Segment results	988,674	180,669	554,934	126,922	858,682	581,292	2,402,290	888,883
Depreciation and amortisation	(68,015)	(31,677)	(5,380)	(57,100)	(182,741)	(129,394)	(256,135)	(218,171)
Finance costs	(562,966)	(251,170)	(89,901)	(78,981)	(51,562)	(48,658)	(704,429)	(378,809)
Income tax expense	-	-	-	-	(153,295)	31,891	(153,295)	31,891
Profit / (loss) for the year	**357,693**	**(102,178)**	**459,653**	**(9,159)**	**471,084**	**435,131**	**1,288,431**	**323,794**
Assets	**9,247,514**	**3,762,855**	**2,153,975**	**1,212,350**	**1,543,679**	**633,707**	**12,945,168**	**5,608,912**
Liabilities	**8,976,673**	**3,849,707**	**2,051,790**	**1,569,819**	**1,402,127**	**600,739**	**12,430,590**	**6,020,265**

Note 4. Revenue

	Combined 2021 $	Combined 2020 $
Revenue from contracts with customers		
Services income	70,503,450	15,553,343
Other revenue		
Management fees	-	(3,865)
Group Distributions	-	(189,649)
Other	-	(5,853)
	-	(187,661)
Total Revenue	70,503,450	15,353,976

Note 5. Other income

	Combined 2021 $	Combined 2020 $
Subsidies, grants and interest	317,498	443,485

Note 6. Income tax

It is noted that the following carried forward losses existed as at 30 June 2020, which have been utilised this financial year:

	Combined 2021 $	Combined 2020 $
The SLHS Trust	-	364,907
The SPS Trust	-	409,925
The STMS Trust	-	196,677
The SSH Trust	-	81,615
Complete Workforce Australia Pty Ltd	-	143,265
	-	1,196,389

Note 7. Cash and cash equivalents

	Combined 2021 $	Combined 2020 $
Current assets		
Cash on hand	100	100
Cash at bank	625,480	277,110
	625,580	277,210

Note 8. Trade and other receivables

	Combined 2021 $	Combined 2020 $
Current assets		
Trade receivables	9,574,395	3,321,195
Other receivables	1,210,007	899,664
	10,784,402	4,220,859

Trade receivables are non-interest bearing with trading terms which vary from 14 days from date of invoice to 45 days from the end of month of invoice date. The majority of the clients are on 30-45 days end of month terms.

As at 30 June 2021 the aging analysis of trade receivables is as follows:

	Total $	0-30 Days $	31-60 Days $	61-90 Days $	+91 Days $
30 June 2021	9,672,363	9,402,189	147,064	74,294	48,816
Expected Credit Loss 2021	(97,968)	(1,520)	(19,458)	(42,110)	(34,880)
	9,574,395	9,400,669	127,606	32,184	13,936
30 June 2020	3,321,195	2,937,907	344,071	38,150	1,067
Expected Credit Loss 2020	-	-	-	-	-
	3,321,195	2,937,907	344,071	38,150	1,067

Note 9. Inventories

	Combined 2021 $	Combined 2020 $
Current assets		
Stock on hand - at cost	-	3,815

Note 10. Property, plant and equipment

	Combined 2021 $	2020 $
Non-current assets		
Leasehold improvements - at cost	478	478
Less: Accumulated depreciation	(24)	(12)
	454	466
Plant and equipment - at cost	486,182	446,385
Less: Accumulated depreciation	(320,383)	(341,918)
	165,799	104,467
Motor vehicles - at cost	361,256	230,000
Less: Accumulated depreciation	(75,890)	(7,384)
	285,366	222,616
	451,619	327,549

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

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2019	478	162,848	323,940	487,266
Additions	-	31,221	230,000	261,221
Disposals	-	(67,126)	(254,504)	(321,630)
Depreciation expense	(12)	(22,476)	(76,820)	(99,308)
Balance at 30 June 2020	466	104,467	222,616	327,549
Additions	-	112,610	131,256	243,866
Disposals	-	(945)	-	(945)
Depreciation expense	(12)	(50,333)	(68,506)	(118,851)
Balance at 30 June 2021	454	165,799	285,366	451,619

Note 11. Right-of-use assets

	2021 $	2020 $
Non-current assets		
Land and buildings - right-of-use	651,949	354,058
Less: Accumulated depreciation	(252,588)	(118,019)
	399,361	236,039

The Company leases land and buildings for its office under an agreement of 3 years with an option to extend.

Note 12. Intangibles

	Combined 2021 $	Combined 2020 $
Non-current assets		
Website - at cost	27,752	10,819
Less: Accumulated amortisation	(5,938)	(3,222)
Goodwill - at cost	396,420	396,230
	418,234	403,827

Refer to note 21 for further information on Goodwill

Note 13. Trade and other payables

	Combined 2021 $	Combined 2020 $
Current liabilities		
Trade payables	4,996,116	1,112,357
ATO payable	1,100,000	676,457
Other payables	1,251,537	1,550,636
Employment liabilities	957,987	71,402
	8,305,640	3,410,852

Refer to note 18 for further information on financial instruments.

Note 14. Borrowings

	Combined 2021 $	2020 $
Current liabilities		
Debtor finance factoring facility (i)	2,677,775	142,000
Other unsecured financial liabilities	361,920	100,000
Hire purchase lease liabilities	122,667	71,644
Right of use lease liabilities	166,779	115,846
	3,329,141	429,490
Non-current liabilities		
Debtor finance factoring facility	-	1,089,584
Other unsecured financial liabilities	-	558,167
Hire purchase lease liabilities	232,675	232,150
Right of use lease liabilities	279,356	160,665
	512,031	2,040,566
	3,841,172	2,470,056

Reconciliation of liabilities arising from financing activities:

	Debtor finance factoring facility $	Unsecured financial liabilities $	HP Lease liabilities $	Right of use Asset Liabilities $	Total $
Balance at 1 July 2020	1,231,584	658,167	303,794	276,511	2,470,056
Repayments from cashflows	-	(824,858)	(95,005)	(128,267)	(1,048,130)
Cash receipt following drawdowns	1,446,191	528,611	-		1,974,802
New leases entered				297,891	297,891
Vehicle acquisition	-	-	146,553	-	146,553
Balance at 30 June 2021	2,677,775	361,920	355,342	446,135	3,841,172

Refer to note 18 for further information on financial instruments.

(i) The Group has a Debtor Finance Factoring Facility with Scottish Pacific Business Finance Pty Ltd ('ScotPac').

The Debtor Factoring Facility has been in existence since 14 July 2017 and was put in place to provide consistent cashflow to the Group given the extensive trading terms that may be associated with contracts. This enables the Group to maintain sufficient working capital to meet its debts as and when they fall due.

The minimum term of the facility is 12 months and the notice period required to end the facility after the end of the minimum term of the facility is 1 month.

The Group Facility Limit on 30 June 2021 was $12.0m (30 June 2020: $2.0m).

ScotPac have a general security agreement over all entities within Group with the directors of Site Services Holdings Pty Ltd, Daniel Cowley-Cooper and Stefan Finney also providing guarantees in their own capacity and through their personal entities Prosperous Capital Pty Ltd as Trustee for Prosperous Capital Trust and Principle Investment Projects Pty Ltd as Trustee for Principle Investment Projects Trust.

Note 15. Provisions

	Combined 2021 $	2020 $
Current liabilities		
Provision for employee entitlements	185,668	97,325
Non-current liabilities		
Provision for employee entitlements	11,266	-
	196,934	97,325

Note 16. Reserves

	Combined 2021 $	2020 $
Share of profits reserve	36,761	36,761

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

Combined	Share of profits reserve $	Total $
Balance at 1 July 2020	36,761	36,761
Movement for the year	-	-
Balance at 30 June 2021	36,761	36,761

Note 17. Retained Profits and undistributed income

	Combined 2021 $	2020 $
Undistributed income at the beginning of the financial year	(448,414)	(961,854)
Profit / (loss) after income tax expense for the year	1,288,431	323,794
Group distributions to beneficiaries	-	189,646
Dividends Paid	(362,500)	-
Undistributed income at the end of the financial year	477,517	(448,414)

Note 18. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

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

Market risk

Foreign currency risk
The Group is not exposed to any significant foreign currency risk.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
Changes in interest rates have an insignificant effect on the Group’s results.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

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

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

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

Note 18. Financial instruments (continued)

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

Combined - 2021	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	4,996,116	-	-	-	4,996,116
ATO payable	1,100,000	-	-	-	1,100,000
Other payables	1,251,537	-	-	-	1,251,537
Employment liabilities	957,986	-	-	-	957,986
Interest-bearing					
Loans/Facilities	2,677,775				2,677,775
Other unsecured financial liabilities	361,920		-	-	361,920
Lease liability	122,667	232,675	-	-	355,342
Right of use asset lease liabilities	166,779	279,356			446,135
Total non-derivatives	11,634,780	512,031	-	-	12,146,811

Combined - 2020	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	1,112,357	-	-	-	1,112,357
ATO payable	676,457	-	-	-	676,457
Other payables	1,550,636	-	-	-	1,550,636
Employment liabilities	71,402	-	-	-	71,402
Interest-bearing					
Loans/Facilities	142,000	1,089,584			1,231,584
Other unsecured financial liabilities	100,000	558,167	-	-	658,167
Lease liability	71,644	232,150	-	-	303,794
Right of use asset lease liabilities	115,846	160,665			276,511
Total non-derivatives	3,840,342	2,040,566	-	-	5,880,908

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

Note 19. Key management personnel disclosures

Directors
The following persons were directors of the entities of Site Services Holdings Group during the financial year:

Daniel Cowley-Cooper (all entities)
Stefan Finney (Site Services Holdings Pty Ltd)

Compensation
Key management personnel services were remunerated through management service agreements. Payments to directors or related entities (see Note 20) we as follows:

	Combined 2021 $	Combined 2020 $
Management Fees Paid Payment for goods and services:		
Daniel Cowley-Cooper and related entities	286,698	213,440
Stefan Finney and related entities	278,223	214,944

Note 20. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 19.

Related Parties

Prosperous Capital Pty Ltd as Trustee for Prosperous Capital Trust is an entity related to Daniel Cowley-Cooper that provides management services to the Group.

Principle Investment Projects Pty Ltd as Trustee for Principle Investment Projects Trust is an entity related to Stefan Finney that provides management services to the Group.

Transactions with related parties
The following transactions occurred with related parties:

	Combined 2021 $	Combined 2020 $
Payment for goods and services:		
Prosperous Capital Pty Ltd as Trustee for Prosperous Capital Trust	286,698	-
Principle Investment Projects Pty Ltd as Trustee for Principle Investment Projects Trust	278,223	117,692
Other transactions:		
Forgiveness of loan – other related parties	52,096	26,856
		-

Note 20. Related party transactions (continued)

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

	Combined	
	2021 $	2020 $
Current receivables:		
Daniel Cowley-Cooper	-	13,969
Current payables:		
Site Integrated Services Group	-	83,347

Terms and conditions
All transactions were made on normal commercial terms and conditions. Amounts are unsecured, non-interest bearing and repayable within 12 months.

Note 21. Business combinations

On 10 February 2020, Site Services Enterprises Pty Ltd (ACN 612 759 850) as Trustee for the Site Facility Management Services Group acquired a labour hire business - Sword Recruitment Specialists (‘Sword’) as a going concern for the total consideration (including duties) of $396,420. As at 30 June 2020, $250,000 consideration had been paid to the vendor with the residual to be paid if certain key performance indicators were met, during the year ended 30 June 2021 a further $132,161 was transferred. Sword was acquired to increase the labour hire division of the Site Facility Management Services Group and create an increased footprint within the industry in Western Australia. The goodwill of $396,420 represents the value associated to the business. No value has been attributed to customer relationships as a result of the short term and infrequent engagement. For the 30 June 2021 year the Labour Hire segment contributed Revenue of $9,118,128 (10 February 2020 to 30 June 2020 $1,653,122) and Profit Before Tax of $84,141 (10 February 2020 to 30 June 2020 $108,154). The values identified in relation to the acquisition of Sword are final with no further payments due Given the results it was determined that the Goodwill did not need to be impaired.

Details of the acquisition are as follows:

	Fair value $
Goodwill	396,420
Acquisition-date fair value of the total consideration transferred	396,420
Representing:	
Cash paid to vendor	382,161
Cash paid to Office of State Revenue WA	14,259
	396,420
Cash used to acquire a business operation as a going concern	
Acquisition-date fair value of the total consideration transferred	396,420
Net cash used	396,420

Note 22. Events after the reporting period

SSH Group Limited ('SSH') formerly known as Jacka Resources Limited ('Jacka') has executed a binding terms sheet agreement to acquire 100% of the entities which constitute the businesses known as Site Services Holdings Group ('SSHG'). The Site Services Holdings Group includes Site Services Holdings Pty Ltd, Complete Workforce Australia Pty Ltd and Site Services Holdings Group. The acquisition of the units in the Site Services Holdings Group occurred on 9 September 2021. Following completion of the acquisition of the SSHG SSH will then finalise the Initial Public Offer ('IPO') on the ASX including a capital raising of $6.25 million. The SSH Prospectus was lodged with ASIC on 23 July 2021 with a confirmed listing date of 17 September 2021.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Combined	
	2021	2020
	$	$
Profit / (loss) after income tax expense for the year	1,288,431	107,340
Adjustments for:		
Depreciation and amortisation	256,135	218,171
Provision for and debts written off	149,564	-
Borrowing Costs written off	6,846	20,439
Net (profit)/loss on disposal of property, plant and equipment	(70)	89,130
Change in operating assets and liabilities:		
Increase in trade and other receivables	(6,444,467)	(2,349,344)
Decrease/(increase) in inventories	3,815	(65,403)
Increase in trade and other payables	4,524,992	1,946,763
Increase in other provisions	128,700	26,210
Net cash used in operating activities	(86,054)	(6,694)

Note 24. Earnings per share / unit

	Combined	
	2021	2020
	$	$
Profit / (loss) after income tax	1,288,431	323,794
	Number	Number
Weighted average number of ordinary shares and units used in calculating basic earnings per unit	300	300
Weighted average number of ordinary shares and units used in calculating diluted earnings per unit	300	300
	$	$
Basic profit / (loss) per unit	4,295	1,079
Diluted profit / (loss) per unit	4,295	1,079

Site Services Holdings Group of Companies
Director's declaration
30 June 2021

In accordance with resolutions as the sole director of SSH Group (WA) Pty Ltd, responsible entity for the Site Services Holdings Group ('the Group') and Complete Workforce Solutions Pty Ltd and in accordance with a resolution of directors of Site Services Holdings Pty Ltd I state that:

(1) In my opinion:

(a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the year ended on that date; and
   (ii) complying with Accounting Standards and Corporations Regulations 2001.
(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
(c) the financial statements also comply with International Financial Reporting Standards as disclosed in note 1.

(2) Signed in accordance with a resolution as sole director pursuant to section 295(5)(a) of the Corporations Act 2001 for the financial period ended 30 June 2021.

Daniel Cowley-Cooper
Director

27 October 2021
Perth

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SITE SERVICES GROUP OF COMPANIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Site Services Group of Companies (“the Combined Entity”), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

a. the accompanying financial report of the Combined Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Combined Entity’s financial position as at 30 June 2021 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Combined Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Combined Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Combined Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SITE SERVICES GROUP OF COMPANIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Site Services Group of Companies ("the Combined Entity"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Combined Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Combined Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Combined Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SITE SERVICES GROUP OF COMPANIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Site Services Group of Companies ("the Combined Entity"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Combined Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Combined Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Combined Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Combined Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Combined Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Combined Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Combined Entity 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 Combined Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Combined Entity'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 Combined Entity 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 Combined Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Combined Entity audit. We remain solely responsible for our audit opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Combined Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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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:

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- 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 Combined Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Combined Entity'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 Combined Entity 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 Combined Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Combined Entity audit. We remain solely responsible for our audit opinion.

Auditor’s Responsibilities for the Audit of the Financial Report

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- 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 Combined Entity’s internal control.

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- 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 Combined Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Combined Entity audit. We remain solely responsible for our audit opinion.

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

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

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated this 27th day of October 2021