



2022
ANNUAL
REPORT

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ABOUT



WestStar Industrial (ASX: WSI) ('WestStar' or the 'Company') is an Australian owned company that through its subsidiaries, SIMPEC and Alltype Engineering, provides industrial project solutions centred around engineering, fabrication, construction and maintenance services within the resources, energy, oil and gas, petrochemical, water and infrastructure sectors.

OPERATING COMPANIES



OUR SERVICES

- Construction Contracting
- Structural Mechanical Piping (SMP)
- Electrical and Instrumentation (E&I)
- Processing & Fabrication of Pipe Plate and Structural Steel
- Non-Process Infrastructure NPI
- Rotating Equipment Installation
- Asset Management Services
- Maintenance Shutdowns and Turnarounds
- Design and Construct / EPC Projects
- Multidiscipline Turnkey Projects

BOARD OF DIRECTORS



Philip Re
Non-Executive Chairman

Mr Philip Re is a Chartered Accountant, Chartered Secretary, and a Member of the Institute of Company Directors who specialises in corporate advisory, corporate governance, mergers and acquisitions and investment banking for ASX listed Companies. Mr Re has held several board positions on various ASX listed companies over the years. Mr Re currently acts as chairman of ASX listed Corella Resources Ltd (ASX: CR9) and as a non-executive director of Emerge Gaming Limited (ASX: EM1).

Special responsibilities: Nil

Other current directorships of Listed companies: Corella Resources Ltd (ASX: CR9); Emerge Gaming Limited (ASX: EM1)

Former directorships of Listed Companies in the last 3 years: The Agency Group Australia Limited (ASX: AU1) (resigned 18 February 2019)



Robert Spadanuda
Group Chief Executive & Managing Director

As the founding Group CEO of WestStar Industrial Limited (ASX:WSI), Mr Spadanuda oversaw the formation of the business and subsequent listing on the ASX in 2016. He has spent the last eight years establishing and successfully implementing the strategic and operational strategy of WSI.

With 30 years industry experience in a variety of construction services roles he brings a wealth of technical and commercial understanding across multiple disciplines, geographies, and market segments.

With the Group's expansive footprint and ever-expanding positive industry reputation, Mr Spadanuda has been instrumental in positioning WSI to meet its objectives and successfully grow within its pre-determined strategic plan

Appointed on 24 September 2021

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil



Lay Ann Ong
Non-Executive Director

Mr Lay Ann Ong is an experienced entrepreneur and executive, having held senior executive positions with both public and private companies globally over the last 18 years.

Mr Ong has interests in various listed and unlisted companies in the property development, technology, commodities, energy, construction, and food and beverage sector in South East Asia and Australia.

Mr Ong has held Chairman and director positions within WestStar Industrial Limited Group and is also director of ISDN Investments a wholly owned subsidiary of ISDN Holdings Limited, a company listed on the SGX.

Mr Ong holds a degree in Law from University of Manchester and a Master's in Business Administration from Manchester Business School.

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil

EXECUTIVE TEAM



Mark Dimasi
Managing Director, SIMPEC

After a highly successful and dedicated 22 years with UGL, a life-long goal was achieved in 2017 when Mark and his younger brother David founded SIMPEC. In the company's short history SIMPEC has successfully secured and completed a variety of projects in the Design and Construction space for projects involving Lithium, Mineral Sands, Iron Ore, Alumina and Communications.

Mark has over 25 years' experience in senior project construction roles within Oil & Gas, Mining, Power & Waste Water industries throughout Australia. He has significant experience across a variety of disciplines, including Civil, Mechanical, Electrical, Instrumentation and Controls

Mark is an inspirational and loyal leader who has a proven track record in developing technical strategy and improving share value by creating highly passionate and engaged teams that deliver excellent outcomes for clients whilst maintaining high standards of safety.



Kelvin Andrijich
Managing Director, Alltype Engineering

Kelvin has 25 years of experience in strategy, leadership, management, project delivery, operations, business development and estimating. He has held multiple directorships and executive roles in companies of varying size, geography and diversity, both in Australia and internationally.

Predominantly having worked within the Oil and Gas Industry, Kelvin also has worked in complimentary industries including Petrochemical, Power Generation, Processing, Marine, Resources and Water Infrastructure.

Kelvin's management knowledge and experience is underpinned by practical multidisciplinary construction and fabrication works, including EPC delivery models, and extends through whole of life service and maintenance businesses including packaged compression, power generation and Oil and Gas processing equipment.



Chris Manea
Group Chief Financial Officer

Mr Manea holds a Bachelor of Business and is a CPA with over 30 years' experience. He has held senior accounting positions in ASX and TSX publicly listed companies having previous commercial accounting experience in Mining & Exploration, Mining Services, Electrical and Fire service Solutions.

GROUP CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR REPORT

Performance Highlights

- Revenue ~\$181.8M, a 153% increase on the previous corresponding period.
- EBITDA of \$9,060,241, a 166% increase on FY21.
- This strong result demonstrated an EBITDA generation of 5.0%.
- NPAT of \$4.31M.
- Contracted revenue awarded during FY22 of \$237M.
- Significant existing order book of \$86M carried forward to FY23.
- Strong Balance Sheet.
- Debt = NIL.
- Strong Tender Pipeline of \$1B.

	Year ended 30 June 2022 \$
Profit before income tax expense	6,030,449
Add back:	
Interest and financing costs	607,295
Depreciation	1,943,633
Share Based Payments	478,864
EBITDA*	9,060,241

*EBITDA is a non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ('AAS')

Revenue

The Company achieved record revenue from ordinary activities of ~\$181.8M, a 153% increase on FY2021 (\$71.8M).

The contribution to total Group revenue by subsidiaries SIMPEC and Alltype Engineering was \$130.7M and \$51.1M respectively. Revenue for 2HFY22 of \$107.1M was 43% higher than 1HFY22 (\$74.7M).

The Company's delivery of second half year revenue of \$107.1M was a record achievement and demonstrates the Group's ability to rapidly deliver large scale revenue. In addition, total FY22 revenue of \$181.8M represents yet another record full year revenue for the Group.

Earnings

The Group delivered record 2HFY22 revenue of \$107.1M and FY22 revenue of \$181.8M, contributing to underlying earnings for the year (EBITDA) of \$9.06M. This strong result produced an EBITDA margin of 5.0%. The Group reported an NPAT of \$4.31 million.

Balance Sheet

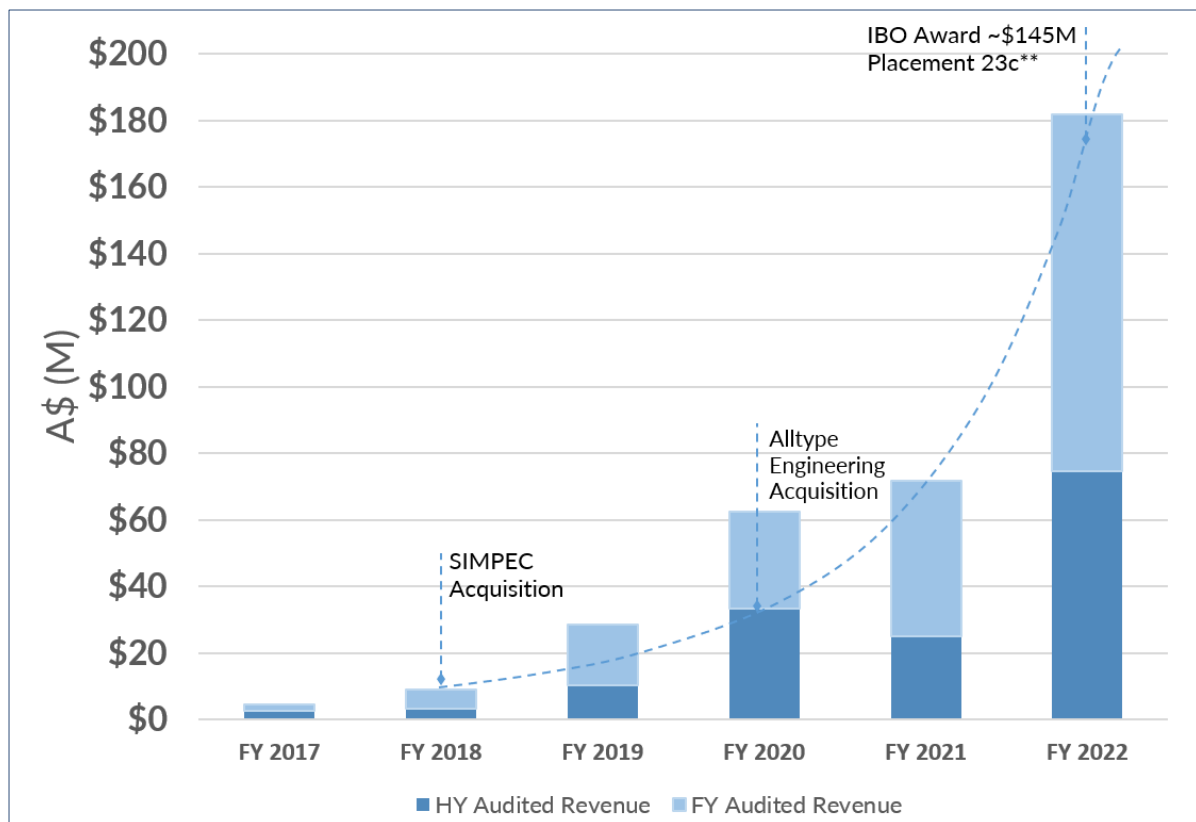
The year-end cash balance of \$20.3M was an increase on the previous corresponding period by \$7.15M (55%).

Term Deposits and Guarantees of \$4.5M increase cash at Bank balance to ~\$25M.

Net Assets of \$23.6M was an \$8.8M (62%) increase on the prior year comparative. The Group remains debt free.

*"Strengthening Balance Sheet is an enabler to growth,
by increasing Bond Facility limits, which delivers greater
contract opportunities to our Group"*

Robert Spadanuda, WestStar Industrial Group Chief Executive Officer / Managing Director



Revenue Growth - Growth Achieved through execution in Strategy

Safety

We strongly believe in embedding a safety culture where our people are empowered to take action to prevent injuries and maintain a safe working environment.

Our Safety Performance during a period of record growth remains the highest priority. We continue to find opportunities and ways to improve upon all aspects of our safety culture.

Outlook and Strategy

The 2022 financial year has been another successful year of both growth and profitability for the Group.

WestStar continues to demonstrate its ability to deliver increased level of construction activity over the financial year despite global logistic challenges and availability of workforce in Western Australia. Despite these challenges WestStar continues to deliver positive results.

Through substantial investment and support, WestStar possesses the capability to tender, execute and deliver specialised multidiscipline engineering and construction solutions across mining, oil and gas, energy, infrastructure and industrial sectors on a significant scale.

The Company notes the current strong macro investment cycle for CAPEX in our target markets presenting a solid pipeline of opportunity for current and future works.

WestStar Industrial is already in possession of significant works under contract and in various stages of completion for delivery in FY23. To date, the company has received ~\$28M of awards for this financial year and combined with its significant order book carried forward from FY22 sees \$86M of Contracted revenue for the year ahead.

Due to the ability to deliver works for several of our completed and current significant flagship projects (Iron Bridge Wet Plant, Talison Greenbushes, Tianqi Lithium, First Quantum Minerals, Lynas Rare Earths, APA Group, AGIG) the Company has seen an acceleration of tendering activities in Western Australia's battery mineral sector (nickel, lithium and rare earth producers).

WestStar continues to strengthen its position, operationally, geographically and financially. Investors can expect the Company to advise the market in the coming months as these contract opportunities are awarded.

The Company continues to evaluate synergistic mergers and acquisitions to continue its strategy of accessing new geographies and industry segments. The Company will update the market should these opportunities become conclusive.

Outlook and Strategy (continued)

WestStar Industrial maintains a strong balance sheet basis, nil debt and access to government export bonding through Export Finance Australia to assist in execution of its growth strategy. The board is continually reviewing all aspects of both balance sheet and capital management in order to deliver best possible outcomes to all stakeholders across the business.

WestStar Industrial Group CEO Mr Robert Spadanuda commented:

"Buoyant economic conditions forecasted for the resources, energy and infrastructure sectors continue to provide the company with an ever-impressive pipeline of opportunities.

During the year we have completed and significantly advanced major milestones on key projects.

SIMPEC continues to advance works on the Iron Bridge Magnetite project with peak manning during the period at ~600 people. This project represents the Group's largest contract win to date and the progress achieved to date on the project for SIMPEC is a remarkable achievement.

Alltype Engineering continues to grow sustainably across multiple industry segments, successfully delivering significantly larger and more complex projects for a broad range of clients, particularly in energy, water and resources. The investment made by WestStar to acquire this business in 2020 prior to the COVID-19 pandemic continues to be rewarded with access to a differing base of core clients and geographical opportunities.

The 2022 financial year has seen a strong increase in construction activity and a strengthening forecast in the 2023 financial year." WestStar Industrial again delivers a strengthened profit and improved Balance sheet position underwritten by the company's ability to win and successfully deliver profitable projects. The Company expects this trend to continue over the coming year.

Our strategic plan to deliver upon the growth strategy across the Group is evident, all whilst successfully navigating COVID-19, tight labour market recruitment challenges and rising prices of materials. Our continuing growth at a profitable rate clearly demonstrates WestStar as a sustainable contracting business.

There is always more work to do with continual improvement in overhead recovery and strengthening margins across the Group through excellent operational execution.

With a strategic focus on access to Critical Mineral tendering activities in Western Australia's battery mineral sector (nickel, lithium and rare earth producer's) and increased capacity to win new contracts, there is no limitation to opportunities.

We continue to develop our reputation as a well-respected, safe, cost competitive Group delivering reliable solutions to our clients.

The coming year will be another exciting year and we look forward to a continued focus on delivering greater results to our shareholders. We will continue to attract and retain an experienced workforce with diverse skillsets in growing markets and aligned cultural outcomes.

The company continues to investigate end-to-end solutions through synergistic mergers and acquisitions to complement the strategy of accessing new geographies and industry segments.

We take this opportunity to acknowledge another successful year in the Groups history and sincerely thank all of our executive management teams and employees across the Group who continue to help deliver our projects in a safe and well-respected manner.

We maintain a strong alignment to shareholders through ownership of Directors and management and remain even more focussed on generating capital growth and income for our investors.

We thank all shareholders for their continued support.

With a record year end order book and strong tender pipeline, I am confident in our ability to deliver another year of growth in revenue and profitability for 2023."



Robert Spadanuda
Group Chief Executive Officer and Managing Director
WestStar Industrial Limited

REVIEW OF OPERATIONS

Alltype Engineering

FY22 was the closing year of the five-year strategic plan for Alltype Engineering.

Alltype Engineering was extremely pleased to deliver on and exceed its five-year strategic plan on a revenue growth, EBIT performance, diversification and geographic expansion basis. The five-year strategic plan has now been reset out to 2027, with further growth and expansion underpinned by the financial, market and corporate support of WestStar Industrial.

Major structural changes in the management organisation were undertaken in FY22, underpinned by expected growth in revenue, the transition from fabrication to construction focus and shift into major contract and project delivery. These changes have delivered better visibility on project progress, planning and scheduling, a reduction in quality related issues and significant reduction in commercial and contractual related items. More excitedly, it positions the organisation to continue to grow sustainably and profitably, with increasing revenue likely to translate into improved EBITDA margins in the future.

The award in FY22 of the two largest contracts in the company's history signified the step change in project size and complexity that Alltype Engineering can execute.

Alltype Engineering delivered segment revenue of \$51.1M for the financial year contribution to the WestStar Industrial Group.

Alltype Engineering overview of operational full year highlights:

- Securing and commencement of execution of the Ambania Compressor Station for circa \$25M, a new two-unit Gas Turbine Centrifugal Gas Compressor Station in the Midwest region of Western Australia, 50km east of Geraldton, as part of the Northern Goldfields Interconnect (NGI) project. The project involves site establishment, camp, earthworks, civil, concrete, structural, mechanical, piping, electrical and instrumentation scopes, for both workshop (structural steel, pipe spooling and skids) and onsite (where the majority of the scope will be undertaken), with remote area working conditions and logistics. At close of financial year, fabrication was close to 100% complete with progress on site including bulk earthworks, camp construction and commencement of concrete foundation installation and pouring. This project is the largest single award in the company's history and is being delivered on schedule and meeting project specific KPI's.
- Securing and commencement of execution of the contract for the high temperature rotary kiln erection and installation at the Lynas Rare Earths Processing Facility in Kalgoorlie valued at circa \$12 million. This major turnkey multidisciplinary project represents a significant milestone for Alltype Engineering, increasing its service offering to incorporate large rotating kiln installations and includes SMP fabrication and construction work and E&I installation with commissioning and performance testing assistance. At the end of FY22, the major kiln segments had been erected onto plinths with mechanical drives and alignment completed, along with shell welding and balance of plant inlet and outlet infrastructure commencement. The complex mechanical assembly scope continues to be delivered on schedule with electrical installation ramping up in activity as access matures.
- Following Early Contractor Involvement (ECI) with Northern Star Resources (NSR), Alltype Engineering secured and delivered on the company's first significant multidiscipline EPC project for the Thunderbox Goldmine near Leinster, Kalgoorlie. The work included a new brownfield gas metering and offtake skid, control room and consumer gas pipeline for the mine power station expansion. Structural steel, gas processing skids and piping were fabricated within the Naval Base fabrication workshop and installed on site to meet tight gas delivery schedules and shutdown windows. A custom built electrical and control room fabrication and fit out scope was also completed. Despite the extremely aggressive timeframe for delivery to meet the critical operational shutdown schedule for tie ins and commissioning, the project team in collaboration with NSR and operator APA Group overcame numerous obstacles to ensure gas was available as promised. The shutdown works were successfully completed earlier than the allocated shut down window allowed.



- Leveraging off the works in FY21, secured, commenced and/or delivered over \$12M of gas transmission infrastructure facilities projects, including gas offtake and metering stations, end of line pig launcher and receiver facilities and pipeline tie in scopes, transmission asset maintenance and modifications over and above the compressor station works. The facilities were spread remotely and geographically throughout the Goldfields, Mid West and Pilbara regions, consisting of civil, concrete, earthworks, structural, mechanical, piping, electrical and instrumentation scopes.
- An increase in secured works and completion of over \$3M in contracts for metropolitan and regional water infrastructure upgrades as part of road and rail infrastructure expansion and regional water supply security for Water Corporation via Tier One and Two Civil Construction Contractor clients.
- As the COVID19 travel bans lifted, continued building company capability awareness, tendering and proposal offerings in the eastern states including upstream gas production in Queensland, gas transmission projects in New South Wales and a Hydrogen production facility project in Victoria.
- Continued to undertake general supply and fabrication contracts for tanks, pressure vessels, structural steel, piping and plate works and expand maintenance and call off project support services amongst a broad range of existing and new clients for SMP and E&I discipline scopes. Works included scopes for offshore and subsea components, reflecting the strength of the quality systems of the company.
- Accumulated a company record backlog of secured pipeline of opportunities heading into FY22 across a broad range of industries including energy, mineral processing, water infrastructure, petrochemical and mining

Alltype Engineering Managing Director; Kelvin Andrijich stated:

"It has been extremely rewarding and exciting to achieve so many milestones in FY22. The tenure, experience and commitment of the team has allowed us to deliver multiple major scopes of work, with larger and more complex requirements whilst retaining and growing our company culture and exceeding our financial targets. It was a year where COVID19 still impacted everyone greatly as the state transitioned out of the pandemic. Considering supply chain impacts including delays, lack of availability of materials and services, cost escalations and a tight labour market, the project delivery and financial success achieved by the team is phenomenal.

I personally would like to thank our clients for providing us an opportunity to work with them and their confidence to award these significant major contracts to Alltype Engineering, which are both assisting with transforming the organisation and providing industry with new Tier Two construction contracting options to consider.

I also want to thank our leadership group and our team of exceptional people who all have delivered and pitched in together to get the job done, safely, despite the numerous challenges faced. The ongoing success and growth of the business is a testament to their professionalism, motivation and team attitude which has attracted more people with the same attributes to join the company at such an exciting time.

Heading into FY23 we have significant work in hand, a record level of secured backlog and a strong pipeline of diverse and exciting project opportunities that our business development and estimating teams continue to source and secure. I am looking forward to sharing more company developments and achievements as the year progresses.

The calibre and increasing value of these major resource clients, Tier One main contractors and projects is further testament to Alltype Engineering's growing reputation, key personnel, market visibility and capabilities.

Alltype Engineering continues to develop and tender a strong pipeline for new work and expects positive outcomes from these tendering activities in due course."



SIMPEC

SIMPEC delivered segment revenue of \$130.7M for the financial year.

SIMPEC overview of operational full year highlights

- First Quantum Minerals (FQM) RNO Shoemaker Levy ~ \$20M - This project continued into FY22 with multidiscipline SMP and E&I trades. The project was a success for the business and our client First Quantum Minerals. The project manning peaked at approximately 150 personnel and SIMPEC remained on site to the commissioning of the works.
- Tianqi TLK Minor Works – The team continues to have a presence on the project site performing an array of engineering, SMP and E&I works.
- Pilbara Minerals Stage 1 Improvement Works ~ \$16M - This project along with our JV partner Iron Merge was completed during the course of the year.
- Acciona Kwinana Avertas Energy project ~ \$10M - This Piping project has reached its final stages of completion and was completed in early July 2022. Through strong execution by our existing team, this project will be expanding to provide our client with support services for the outstanding construction activities on the project. This is expected to continue throughout the course of FY23.
- Iron Bridge Wet Processing Plant ~ \$145M - A major SMP and E&I construction contract valued at \$145M for the construction of the wet process plant for Iron Bridge in the Pilbara region. SIMPEC is supplying vertical construction services for the works, with a current workforce of circa 600 personnel. The company's leadership team on the project are experts in their field and it is this level of experience on major project delivery that will deliver the Iron Bridge Project successfully. The project represents the company's largest contract win to date. This project continues through the FY23 financial year. In considering the project has mobilised over 600 people, with all the necessary plant and equipment required for the execution, the project has a record TRIFR to date.
- The business also completed major projects in the renewable space including projects for Pilbara Minerals, Ngungaju, First Quantum Minerals and Acciona Waste to Energy.

Health and Safety Performance

During the year, SIMPEC achieved 1,042,345 exposure hours where the business sustained zero lost time injuries. We continue to promote positive practices and provide support services to enhance employee wellbeing. To deliver safe and healthy workplaces we implement systems to identify, assess and control health and safety risks to as low as reasonably practicable (ALARP), complying with relevant laws and regulations and applying responsible standards where laws do not exist.

To provide further confidence to our employees, clients and the market, SIMPEC have been certified to ISO 45001 Occupational Health and Safety Management Systems and have commenced the process to achieve certification to the Federal Safety Commission (FSC). Becoming certified to the FSC will allow the business to be a head contractor on government funded projects, meeting one of the business's key strategic objectives.

The SIMPEC business achieved a number of record milestones during the year, with the team achieving circa \$130M in revenue, delivering over 1M manhours across all our project sites, employing over 700 personnel and being awarded our largest project to date, the \$145M Iron Bridge Wet Plant. The award of this Iron Bridge project has allowed the business to expand over the course of the year and achieve its goals in accordance with our 2021/2022 Strategy plan. The project has enabled the business to reach out to a new client base across new sectors and on a national footprint. It is rewarding to see the business maturing to be a true market contender in the SMP and E&I delivery space.

SIMPEC's highest priority during the COVID-19 pandemic has been maintaining the health and safety of our workforce. Our Executive Leadership Team focused on preparing for the changing risk profile across business locations, considering response arrangements including appropriate preventative, mitigative controls, and strategies for business continuity.

SIMPEC responded to COVID-19 challenges including lockdowns and interstate border restrictions. We focused on ensuring sufficient personnel for critical operational roles with our clients and continued to support the health and wellbeing of our workforce using existing frameworks.

People and Culture

SIMPEC recognise that we have a highly capable workforce who we continue to develop and provide growth opportunities for. In addition to this we require new and evolving skills which may not currently exist within our workforce.

This required us to attract people from outside of our business, whose expertise and knowledge is expected to complement our existing capability. This will continue to be an area of focus for us. Furthermore, we are adapting our work structures and practices to challenge how we deliver solutions in the changing environment.

This has been demonstrated through simplification of processes, increased use of digital capability and technology to unlock human capital and adopting agile processes to problem solve and empower teams.

Indigenous Engagement

SIMPEC respectfully acknowledges the Aboriginal people as the Traditional Owners and Custodians of this Country – the lands and seas on which we meet, live, learn and work.

SIMPEC has continued to increase our support of local indigenous people and companies with a committed expenditure to \$7.3m, an increase of \$5m from FY21 and employing 3% of our workforce with strategic planning to support further growth.

We value the relationships we have built with the Indigenous communities across Western Australia. We regularly engage with communities in the Pilbara and Southwest regarding our works and the growth of our business. This engagement showcases our ability to work together to minimise impacts and enhance outcomes in the areas of education, training, employment and business opportunities for Indigenous people.



IronMerge SIMPEC JV Partnership

Gender Balance

SIMPEC has an inclusive work culture, where employees feel valued and respected and possess a sense of belonging. We share diversity and inclusion metrics with our executives and senior leaders monthly, highlighting progress and driving accountability.

There has been some positive movement in the representation of women during FY22, with our corporate office representation increasing to 43% which is a 3% increase from FY21. Greater success has been achieved in our women and trades representation which has increased to 8%.

The actual female representation increased from 8% to 11%, with the objective to increase recruitment, progression and retention of women in our workforce.

SIMPEC Managing Director; Mark Dimasi stated:

"FY23 is looking very encouraging for SIMPEC. Our business strategy is coming to fruition with further development in diversification of our core services providing even greater value to our clients. In addition, our medium to long range project targets are progressing according to plan. This is being achieved through building on existing client relationships and a strong focus on establishing new ones."

Broadening the business, we are now proudly aligned and partnering with Tier 1 Clients across many sectors throughout Australia. With just five years as part of the WestStar Group, the SIMPEC business is anticipating a further increase in revenue over the next financial period. Our team will continue to strengthen and develop significantly in experience and diversity, allowing us to maintain stability and continue to grow in coming years."

I personally would like to thank our clients for providing us the opportunities to work and deliver on their projects. I would also like thank our entire leadership team and all SIMPEC staff across the business for their dedication and contribution to deliver our projects. Your commitment to developing, implementing, maintaining and constantly improving the safety of our operations during a period of significant growth has been excellent."

FINANCIAL REPORT

DIRECTORS' REPORT

The Directors of WestStar Industrial Limited submit the financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The names, qualifications, and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Philip Re **Non-Executive Chairman**

Appointed 28 March 2017

Mr Philip Re is a Chartered Accountant, Chartered Secretary, and a Member of the Institute of Company Directors who specialises in corporate advisory, corporate governance, mergers and acquisitions and investment banking for ASX listed Companies. Mr Re has held several board positions on various ASX listed companies over the years. Mr Re currently acts as chairman of ASX listed Corella Resources Ltd (ASX: CR9) and as a non-executive director of Emerge Gaming Limited (ASX: EM1).

Special responsibilities: Nil

Other current directorships of Listed companies: Corella Resources Ltd (ASX: CR9); Emerge Gaming Limited (ASX: EM1)

Former directorships of Listed Companies in the last 3 years: The Agency Group Australia Limited (ASX: AU1) (resigned 18 February 2019)

Mr Robert Spadanuda **Group Chief Executive Officer and Managing Director**

Appointed 24 September 2021

As the founding Group CEO of WestStar Industrial Limited (ASX: WSI), Mr Spadanuda oversaw the formation of the business and subsequent listing on the ASX in 2016. He has spent the last nine years establishing and successfully implementing the strategic and operational strategy of WSI.

With 31 years industry experience in a variety of construction services roles he brings a wealth of technical and commercial understanding across multiple disciplines, geographies, and market segments.

With the Groups expansive footprint and ever-expanding positive industry reputation, Mr Spadanuda has been instrumental in positioning WSI to meet its objectives and successfully grow within its pre-determined strategic plan.

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil

Mr Lay Ann Ong **Non-Executive Director**

Appointed 10 September 2015

Mr Lay Ann Ong is an experienced entrepreneur and executive, having held senior executive positions with both public and private companies globally over the last 19 years. Mr Ong has interests in various listed and unlisted companies in the property development, technology, commodities, energy, construction, and food and beverage sector in South-East Asia and Australia. Mr Ong has held Chairman and director positions within the WestStar Industrial Limited Group and is also director of ISDN Investments a wholly owned subsidiary of ISDN Holdings Limited, a company listed on the SGX. Mr Ong holds a degree in Law from University of Manchester and a Master's in Business Administration from Manchester Business School.

Special responsibilities: Nil

Other current directorships of Listed companies: Nil

Former directorships of Listed Companies in the last 3 years: Nil

Mr Daniel Coletta **Company Secretary**

Appointed 5 February 2021

Mr Coletta is a Member of the Governance Institute of Australia and a Chartered Accountant specialising in providing company secretarial, corporate governance and CFO services.

INTERESTS IN THE SECURITIES OF THE COMPANY

At the date of this report, the interests of the Directors in the securities of WestStar Industrial Limited are:

Director	Ordinary Shares	Performance Rights
Mr Lay Ann Ong	7,754,369	1,500,000
Mr Philip Re	345,255	1,500,000
Mr Robert Spadanuda	3,430,322	1,500,000

RESULTS OF OPERATIONS

WestStar Industrial Limited posted a net profit after taxation of \$4,310,468 for the year to 30 June 2022 (2021: \$837,477). Based on this profit, the Company posted a strong underlying EBITDA figure of \$9,060,241 (2021: \$3,416,290) as calculated below. Both SIMPEC Pty Ltd ("SIMPEC") and Alltype Engineering Pty Ltd ("Alltype") achieved turnover to support profitable operations for the full year.

	Year ended 30 June 2022 \$
Profit before income tax expense	6,030,449
Add back:	
Interest and financing costs	607,295
Depreciation	1,943,633
Share Based Payments	478,864
EBITDA*	9,060,241

*EBITDA is a non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ("AAS")

The Company achieved record revenue from ordinary activities of ~\$181.8M, a 153% increase on FY2021 (\$71.8M).

The contribution to total Group revenue by subsidiaries SIMPEC and Alltype Engineering was \$130.7M and \$51.1M respectively. Revenue for 2HFY22 of \$107.1M was 43% higher than 1HFY22 (\$74.7M).

The Company's delivery of second half year revenue of \$107.1M was a record achievement and demonstrates the Group's ability to rapidly deliver large scale revenue. In addition, total FY22 revenue of \$181.8M represents yet another record full year revenue for the Group.

The Group delivered record 2HFY22 revenue of \$107.1M and FY22 revenue of \$181.8M, contributing to underlying earnings for the year (EBITDA) of \$9.06M. This strong result produced an EBITDA margin of 5.0%.

CORPORATE

On 10 November 2021, WestStar Industrial Limited received commitments to raise \$3,500,000 from new and existing institutional investors and sophisticated investors for the issue of 15,217,392 fully paid ordinary shares and 7,608,712 free attaching unlisted options (exercisable at \$0.30 expiring 18 months from issue). The shares and options were allotted on 18 November 2021.

On 10 May 2022, the shareholders approved a share consolidation to reduce the number of shares on issue and outstanding on the basis of 1 share for every 10. The share consolidation was completed on 25 May 2022. The number of securities issued and outstanding as at 30 June 2022 in this annual financial report are stated after the share consolidation, unless stated otherwise.

On 24 September 2021, Group CEO Robert Spadanuda was appointed Managing Director of WestStar Industrial Limited and Bert Mondello resigned as Non-Executive Director.

As at 30 June 2022 WestStar had a net cash position of \$20.3 million with no material debt or borrowings.

DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

CORPORATE STRUCTURE

WestStar Industrial Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of companies within the Group during the financial year was the provision of an industrial services company providing engineering, construction and mining services to the resources, energy and infrastructure sectors. The Company's key operating subsidiaries are SIMPEC, a construction contractor with specialist experience in both Structural, Mechanical and Piping (SMP), and Electrical and Instrumentation (E&I) works) and Alltype Engineering offering complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than disclosed elsewhere in this Directors report, there have been no significant changes in the state of affairs of the Group which occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 12 September 2022 the Company announced it had secured new contracts of \$24.5M comprising new awards of ~\$11.2M, contract expansions of ~\$7M and minor awards of ~\$6.3M.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2022.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are set out in the above review of operations in this annual report.

Any future prospects are dependent upon the success of the Company's operational subsidiaries.

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as 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 Company 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 Company or of any related body corporate against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr Lay Ann Ong	5	5
Mr Philip Re	5	5
Mr Robert Spadanuda (appointed 24 September 2021)	4	4
Mr Bert Mondello (resigned 24 September 2021)	1	1

NON-AUDIT SERVICES

No non-audit services were provided by the Company's auditor, Armada Audit & Assurance Pty Ltd.

SHARE OPTIONS

As at the date of this report, the Company had the following options on issue:

Series	Number	Exercise price	Expiry date
WSIAA	3,000,000	\$0.40	29 November 2022
WSIAB	7,608,712	\$0.30	18 May 2023
WSIAC	3,000,000	\$0.30	10 July 2023

PERFORMANCE RIGHTS

On 5 January 2022 shareholders approved the grant of 15,000,000 Performance Rights (pre-consolidation) to Directors (or their nominees) pursuant to the WestStar pursuant to the Performance Rights Plan approved at the annual general meeting held on 30 November 2020. The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument.

The value of performance rights recognised at 30 June 2022 was \$274,420 (2021: \$93,840).

AUDITOR INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the full year financial report. The Independence Declaration forms part of this Directors' Report. A copy of that declaration is included in this annual report.

AUDITED REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of WestStar Industrial Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO / Managing Director
Mr Bert Mondello	Non-Executive Director (resigned on 24 September 2021)
Mr Mark Dimasi	Managing Director (SIMPEC Pty Ltd)
Mr Kelvin Andrijich	Managing Director (Alltype Engineering Pty Ltd)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and, if required, senior executives of the Company ("the Directors and senior executives"). These arrangements will be competitively set to attract and retain appropriately qualified and experienced Directors and senior executives.

The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy. No such advice was obtained during the current year.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake this function as a full Board under the guidance of the charter.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Non-executive Director Remuneration

Non-executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits, where applicable superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholders' approval must be obtained in relation to the overall limit set for the non-executive Directors' fees. The maximum aggregate remuneration approved by shareholders for non-executive Directors is \$300,000 per annum. The Directors set the individual non-executive Director fees within the limit approved by shareholders.

Employment Contracts of Directors and Senior Executives

The employment contracts typically stipulate 3-month resignation periods. The Company may also at its sole discretion terminate an employment contract immediately by making a payment equal to the salary for the relevant period of notice. There are no employment contracts relating to Non-Executive Directors or the Company Secretary other than those outlined above.

Relationship between the remuneration policy and Company performance

The Directors considers that at this time, evaluation of the Company's financial performance using generally accepted measures such as total shareholder return or per Company comparison are not relevant as the Company has a limited trading history and is continuing to establish itself as outlined in the Directors' report. Fees for non-executive directors are not linked to the performance of the Group.

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

WestStar Industrial Limited	2022	2021	2020	2019	2018
Revenue (\$'000)	181,799	71,764	62,473	28,943	9,115
NPAT (\$'000)	4,310	837	3,458	984	(3,067)

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

WestStar Industrial Limited	2022	2021	2020	2019	2018
Dividends	-	-	-	-	-
Basic EPS (cents per share)	4.04	0.09 ¹	0.046 ¹	0.02 ¹	(0.08) ¹

¹ EPS has been restated adjusted for the 10:1 consolidation which occurred on 25 May 2022 as per AASB 133.

Loans to Directors and Executives

There were no loans to directors and executives during the financial year ended 30 June 2022.

Share-based Compensation

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

Options

There were no grants of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year. No options vested, lapsed or were exercised during the year.

Voting and comments made at the company's 2021 Annual General Meeting

WestStar Industrial Limited received more than 99% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.



Remuneration Expense Details for the Year Ended 30 June 2022

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Company. Such amounts have been calculated in accordance with Australian Accounting Standards.

Director		Short Term employee benefits		Post-employment benefits		Share based payments	Total	Percentage related to Performance
		Base Salary & Fees \$	Other \$	Superannuation \$	Termination benefits \$	Shares, Options & Rights \$	\$	
Lay Ann Ong	2022	48,000	-	-	-	53,623 ³	101,623	-
	2021	48,000	-	-	-	31,280 ³	79,280	-
Philip Re	2022	120,000	-	12,000	-	53,623 ³	185,623	-
	2021	92,000	-	8,740	-	31,280 ³	132,020	-
Robert Spadanuda	2022	413,000	24,000	23,556	-	37,584 ³	498,140	-
	2021	350,000	24,000	21,694	-	200,000 ²	595,694	-
Bert Mondello	2022	30,000	-	3,000	-	129,590 ³	162,590	-
	2021	92,000	-	8,740	-	31,280 ³	132,020	-
Management								
Mark Dimasi	2022	539,231	24,000	23,568	-	-	586,799	-
	2021	150,000	24,000	16,530	-	200,000 ¹	390,530	-
Kelvin Andrijich	2022	350,000	-	25,000	-	-	375,000	-
	2021	350,000	-	25,000	-	-	375,000	-
Total	2022	1,500,231	48,000	87,124	-	274,420	1,909,775	
	2021	1,082,000	48,000	80,704	-	493,840	1,704,544	

- Value of shares allotted to Mr Mark Dimasi (or nominee) arising from issue of shares in relation to SIMPEC Earn out.
- On 6 August 2020, Shareholders approved the issue of 26,666,666 Shares to senior management (and their nominees) in lieu of management remuneration for the 2020 financial year.
- Total value of Performance Rights recognised during each financial year as allocated to each key management personnel. On 30 November 2020 shareholders approved the grant of up to 45,000,000 (pre-consolidation) Performance Rights to Directors (or their nominees) pursuant to the WestStar pursuant to the Performance Rights Plan. On 5 January 2022 shareholders approved the grant of a further 15,000,000 Performance Rights (pre-consolidation) to Directors (or their nominees) pursuant to the WestStar pursuant to the Performance Rights Plan. The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The total value of performance rights recognised at 30 June 2022 was \$274,420 (2021: \$93,840).

Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year held by each director of WestStar Industrial Limited, including their personally related parties, is set out below. There were no shares granted during the year as compensation.

Director	Held at 30 June 2021	Granted as compensation	Net change other ¹	Held at 30 June 2022
Lay Ann Ong	77,543,686	-	(69,789,317)	7,754,369
Philip Re	3,452,537	-	(3,107,282)	345,255
Robert Spadanuda	34,303,214	-	(30,872,892)	3,430,322
Bert Mondello (resigned 24 Sep 2021)	3,268,571	-	(2,941,713)	326,858
Management				
Mark Dimasi	28,958,333	-	(26,062,499)	2,895,834
Kelvin Andrijich	64,359,320	-	(57,923,388)	6,435,932

- At the general meeting held on 10 May 2022 shareholders approved a share consolidation which reduced the number of WestStar securities on issue by converting every ten shares to one. This column represents the reduction in Executive KMP ordinary share holding as a result of the consolidation.

For the previous year ended 30 June 2021:

Director	Held at 30 June 2020	Granted as compensation	Net change other	Held at 30 June 2021
Lay Ann Ong	74,343,686	-	3,200,000 ¹	77,543,686
Philip Re	802,676	-	2,649,861 ¹	3,452,537
Bert Mondello (resigned 24 Sep 2021)	-	-	3,268,571 ¹	3,268,571
Management				
Robert Spadanuda ²	-	13,333,333	20,969,881	34,303,214
Mark Dimasi ²	15,625,000	13,333,333	-	28,958,333
Kelvin Andrijich	64,359,320	-	64,359,320	64,359,320

1. Issue of fully paid ordinary shares in lieu of payment of fees as approved by shareholders on 6 August 2020.
2. On 6 August 2020, Shareholders approved the issue of 26,666,666 Shares to senior management (and their nominees) in lieu of management remuneration for the 2020 financial year.

Rights Holdings of Key Management Personnel

On 30 November 2020 shareholders approved the grant of up to 45,000,000 (4,500,000 on a post consolidation basis) Performance Rights to Directors (or their nominees). The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. On 5 January 2022 1,500,000 Performance Rights were issued to Robert Spadanuda resulting in a total balance of Performance Rights being 6,000,000 on a post-consolidation basis.

The table below shows the class and number of Performance Rights issued to each Key Management Personnel during the year ended 30 June 2022. Each Performance Right converts into 1 fully paid ordinary shares upon vesting.

Director	Held at 30 June 2021	Granted as compensation	Net change other	Held at 30 June 2022	Vested and Exercisable at 30 June 2022
Lay Ann Ong	15,000,000	-	(13,500,000) ¹	1,500,000	-
Philip Re	15,000,000	-	(13,500,000) ¹	1,500,000	-
Bert Mondello	15,000,000	-	(13,500,000) ¹	1,500,000	-
Robert Spadanuda	-	15,000,000	(13,500,000) ¹	1,500,000	-
Total	45,000,000	15,000,000	(54,000,000)	6,000,000	-

1. At the general meeting held on 10 May 2022 shareholders approved a share consolidation which reduced the number of WestStar securities on issue by converting every ten shares to one. This column represents the reduction in Executive KMP ordinary share holding as a result of the consolidation.



The terms and conditions for the performance rights issued in current and prior years are as follows:

On 30 November 2020 shareholders approved the grant of up to 45,000,000 (4,500,000 on a post consolidation basis) Performance Rights to Directors (or their nominees).

Class	Performance Condition	Expiry Date	Fair value	Total Value of Tranche
Tranche 1 Performance Rights – 1,500,000	Market Capitalisation - \$30M Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$30 million for a period of ten (10) trading days. ("Tranche 1 Performance Condition")	1 December 2023	\$0.12	\$180,000
Tranche 2 Performance Rights - 1,500,000	Market Capitalisation - \$35M: Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$35 million for a period of ten (10) trading days ("Tranche 2 Performance Condition")	1 December 2023	\$0.11	\$165,000
Tranche 3 Performance Rights - 1,500,000	Market Capitalisation - \$40M: Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$40 million for a period of ten (10) trading days ("Tranche 3 Performance Condition")	1 December 2023	\$0.10	\$150,000

On 5 January 2022 shareholders approved the grant of up to 1,500,000 (on a post consolidation basis) Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan. The principal terms of the Performance Rights are summarised below:

Class	Performance Condition	Expiry Date	Fair value	Total Value of Tranche
Tranche 1 Performance Rights - 500,000	Market Capitalisation - \$30M Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$30 million for a period of ten (10) trading days. ("Tranche 1 Performance Condition")	10 January 2025	\$0.16	\$80,000
Tranche 2 Performance Rights - 500,000	Market Capitalisation - \$35M: Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$35 million for a period of ten (10) trading days ("Tranche 2 Performance Condition")	10 January 2025	\$0.15	\$75,000
Tranche 3 Performance Rights - 500,000	Market Capitalisation - \$40M: Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$40 million for a period of ten (10) trading days ("Tranche 3 Performance Condition")	10 January 2025	\$0.14	\$70,000

For the previous year ended 30 June 2021:

Key Management Personnel	Tranche 1	Tranche 2	Tranche 3	Total Held at 30 June 2021
Lay Ann Ong	5,000,000	5,000,000	5,000,000	15,000,000
Philip Re	5,000,000	5,000,000	5,000,000	15,000,000
Bert Mondello	5,000,000	5,000,000	5,000,000	15,000,000
Robert Spadanuda	-	-	-	-
Mark Dimasi	-	-	-	-
Kelvin Andrijich	-	-	-	-
Total	15,000,000	15,000,000	15,000,000	45,000,000

The following table summarises the total value of Performance Rights recognised from issue date to 30 June 2022, as allocated to key management personnel:

Key Management Personnel	Total Expense Recognised \$
Lay Ann Ong	53,623
Philip Re	53,623
Bert Mondello	129,590
Robert Spadanuda	37,584
Mark Dimasi	-
Kelvin Andrijich	-
Total	274,420

For the previous year ended 30 June 2021:

Key Management Personnel	Total Expense Recognised \$
Lay Ann Ong	31,280
Philip Re	31,280
Bert Mondello	31,280
Robert Spadanuda	-
Mark Dimasi	-
Kelvin Andrijich	-
Total	93,840

Other transactions with Key Management Personnel

Other than as disclosed in Note 17 (a) there were no other transactions with key management personnel.

This Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Philip Re
Non-Executive Chairman
 Perth, Western Australia

30 September 2022

AUDITOR'S INDEPENDENCE DECLARATION



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strength in numbers

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WESTSTAR INDUSTRIAL LIMITED

I declare that to the best of my knowledge and belief, in relation to the audit of WestStar Industrial Limited for the year ended 30 June 2022 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

*Armada Audit
& Assurance*

Armada Audit & Assurance Pty Ltd

Nigel Dias
Director

Dated this 30 September 2022, at Perth Western Australia

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 June 2022 \$	30 June 2021 \$
Revenue	4	181,798,560	71,763,693
Other income	4(b)	1,006,587	419,062
		182,805,147	72,182,755
Expenses:			
Cost of goods sold		(161,663,324)	(60,154,530)
Occupancy expenses		(290,083)	(286,533)
Administration expenses	5(a)	(12,043,247)	(7,885,778)
Depreciation and amortisation	11 (b)	(1,943,633)	(1,405,631)
Loan written off		-	(275,118)
Finance costs	5(b)	(607,295)	(458,585)
Reversal of previously recognised doubtful debts expense		260,951	(217,137)
Share based payments expense	22	(478,864)	(676,253)
Loss on sale of plant and equipment		(9,203)	(8,631)
Expenses		(176,774,698)	(71,368,196)
Profit before income tax		6,030,449	814,559
Income tax expense	6(a)	(1,719,981)	-
Profit after income tax		4,310,468	814,559
Discontinued Operations			
Profit after income tax from discontinued operations		-	22,918
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income		4,310,468	837,477
Earnings per share			
Basic and Diluted Earnings per share for the year attributable to the members of WestStar Industrial Limited (cents per share)	23	4.04	0.09

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 June 2022 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	20,308,635	13,152,258
Trade and other receivables	8(a)	17,957,801	13,546,492
Inventories		681,211	513,801
Financial assets	25	2,114,273	2,195,096
Contract assets	9	6,650,627	4,571,459
Total Current Assets		47,712,547	33,979,106
Non-Current Assets			
Financial assets	25	2,413,665	829,873
Trade and other receivables	8(c)	680,121	373,882
Investments	26	283,075	-
Property, plant & equipment	10	5,184,972	4,551,278
Right of Use Asset	11	1,838,458	2,654,279
Deferred tax asset, net	6(c)	441,349	-
Intangible Assets	12	4,508,116	4,508,116
Total Non-Current Assets		15,349,756	12,917,428
Total Assets		63,062,303	46,896,534
LIABILITIES			
Current Liabilities			
Trade and other payables	13	29,259,457	22,740,588
Income tax payable	6	2,161,330	-
Provisions	14	2,995,242	1,332,759
Borrowings	15	68,216	535,803
Lease liabilities	16	943,926	903,062
Contract liabilities	9	2,168,504	3,969,551
Total Current Liabilities		37,596,675	29,481,763
Non-Current Liabilities			
Provisions	14	194,571	161,503
Lease liabilities	16	1,621,903	2,421,275
Total Non-Current Liabilities		1,816,474	2,582,778
Total Liabilities		39,413,149	32,064,541
Net Assets		23,649,154	14,831,993
EQUITY			
Issued capital	20(a)	24,455,791	20,427,962
Reserves	21	860,394	381,530
Accumulated losses		(1,667,031)	(5,977,499)
Total Equity		23,649,154	14,831,993

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		30 June 2022 \$	30 June 2021 \$
Cash flows from operating activities			
Receipts from customers		191,074,314	72,724,662
Payments to suppliers and employees		(184,631,033)	(62,530,267)
Interest received		8,874	3,512
Interest paid		(461,964)	(309,534)
Other income		997,713	255,111
Net cash flows provided by operating activities	7	6,987,904	10,143,484
Cash flows from investing activities			
Payment for financial assets		(2,317,523)	(3,906,539)
Proceeds from return of financial assets		814,553	942,220
Purchase of property, plant & equipment		(1,625,567)	(262,056)
Proceeds from disposal of property, plant & equipment		-	155,747
Payments for investments		(283,075)	-
Net cash flows used in investing activities		(3,411,612)	(3,070,628)
Cash flows from financing activities			
Proceeds from share issues	20(a)	4,150,000	-
Share issue costs	20(a)	(134,388)	-
Proceeds from borrowings		165,000	-
Amounts loaned		(75,000)	(116,965)
Repayment of borrowings		(525,527)	(445,696)
Net cash provided by/(used in) financing activities		3,580,085	(562,661)
Net increase in cash and cash equivalents		7,156,377	6,510,195
Cash and cash equivalents at the beginning of the period		13,152,258	6,642,063
Cash and cash equivalents at the end of the period	7	20,308,635	13,152,258

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Total \$
At 1 July 2021		20,427,962	(5,977,499)	381,530	14,831,993
Profit for the year		-	4,310,468	-	4,310,468
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	4,310,468	-	4,310,468
Transactions with owners in their capacity as owners					
Issue of shares, net of costs	20	4,027,829	-	-	4,027,829
Options issued	21	-	-	204,444	204,444
Recognition of share-based payments	22	-	-	274,420	274,420
Transactions with owners in their capacity as owners		4,027,829	-	478,864	4,506,693
Balance at 30 June 2022		24,455,791	(1,667,031)	860,394	23,649,154

	Note	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Total \$
At 1 July 2020		19,811,669	(7,299,781)	772,495	13,284,383
Profit for the year		-	837,477	-	837,477
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	837,477	-	837,477
Transactions with owners in their capacity as owners					
Shares issued	20	33,880	-	-	33,880
Transfer of expired options value		-	484,805	(484,805)	-
Recognition of share-based payments	22	582,413	-	93,840	676,253
Transactions with owners in their capacity as owners		616,293	484,805	(390,965)	710,133
Balance at 30 June 2021		20,427,962	(5,977,499)	381,530	14,831,993

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

1. Corporate

The financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 30 September 2022.

WestStar Industrial Limited is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Basis of Preparation and Accounting Policies

(i) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and in compliance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost except for, where applicable, the revaluation of certain classes of plant and equipment and available-for-sale investments which are measured at fair value. The presentation currency is Australian dollars. Except for the cash flow statement, the financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at FV of selected non current assets, financial assets and financial liabilities.

(ii) Going concern

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

The Group posted a net profit after tax for the year ended 30 June 2022 of \$4,310,468 (2021: profit of \$837,477) and net operating cash inflows of \$6,987,904 (2021: \$10,143,484). The Group achieved total net cash inflows of \$7,156,377 (2021: \$6,510,195). The Group had cash of \$20,308,635 (2021: \$13,152,258) and a working capital surplus of \$10,115,872 as at 30 June 2022 (2021: surplus of \$4,497,343).

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern. The directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

(iii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of WestStar Industrial Limited ('the Company') and its subsidiaries as at 30 June each year ('the Group').

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

(iv) Parent Information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in the notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

(v) New, revised or amended Accounting Standards or Interpretations adopted

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

(vi) New accounting standards and interpretations issued not yet effective

The Directors have reviewed all Standards and Interpretations on issue but not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact, of the Standards and Interpretations on issue but not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(vii) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of WestStar Industrial Limited is Australian dollars.

(ii) Transactions and balances

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

(iii) Group entities

On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(viii) Plant and Equipment

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

The depreciable amount of all fixed assets is depreciated both on a diminishing value and straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset Depreciation Rate

Plant and equipment	5% - 50%
Motor Vehicles	12.5% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Derecognition

Plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the profit or loss.

(ix) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

(x) 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.

(xi) 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.

(xii) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, it makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses are recognised in the profit or loss.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(xiii) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Assessments of the collectability of trade receivables, including contract retentions are made on an ongoing basis. An allowance account for impaired trade receivables is made when there is objective evidence that the Group will not be able to collect the amounts owed according to the original terms. When a trade receivable is deemed uncollectible for which an impairment allowance has been recognised, it is written off against the allowance account.

Intercompany loans are impaired based on the ability of the subsidiaries to generate future cash flows to repay the loans. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(xiv) Cash and Cash Equivalents

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

(xv) 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

(xvi) Trade and other payables

Liabilities for trade creditors and other amounts are initially measured at fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group and subsequently measured at amortised cost using the effective interest rate method.

(xvii) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

WestStar Industrial Limited (the 'head entity') and its wholly-owned subsidiaries currently account for their own current and deferred tax amounts. The Company has formed a tax consolidated group which incorporates all entities in the Group. The tax disclosures in this report are prepared on a consolidated basis.

(xviii) Issued Capital

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

(xix) Revenue

Revenue recognition accounting policy

The Group applies two approaches to recognising revenue to contracts with customers: either at a point in time or over time, depending on the manner the customer obtains control of the goods or services. Revenue is recognised over time if one of the following is met:

- The customer simultaneously receives and consumes the benefits as the Group performs;
- The customer controls the asset as the Group creates or enhances it; or
- The Group's performance does not create an asset for which the Group has an alternative use and there is a right to payment for the performance to date.

Revenue from contracts is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services. The following are the steps in determining revenue from contracts as prescribed by Five (5) Step Revenue Recognition Model introduced by AASB 15.

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation. Judgement is required in determining the timing of the transfer of control, at a point in time or over time, as well as in each of the five enumerated steps in the revenue recognition model above.

Performance obligations

Revenue is allocated to each performance obligation and recognised as the performance obligation is satisfied which may be at a point in time or over time. AASB 15 requires a detailed and technical approach to identify the different revenue streams (i.e. performance obligations) in a contract. This is done by identifying the different activities that are being undertaken and then aggregating only those where the different activities are significantly integrated or highly interdependent. Revenue is to be continuously recognised, on certain contracts over time, as a single performance obligation when the services are part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer. The term over which revenue may be recognised is limited to the period for which the parties have enforceable rights and obligations. The Group performs engineering design and project delivery services. These activities tend to be highly integrated and accordingly where appropriate will be accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customised nature of the services provided. The Group recognises revenue for these services over time.

Variable consideration

Variable consideration includes performance or other incentive fees or penalties associated with contracts. If the consideration in the contract includes a variable amount, the Group estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The variable consideration is estimated at contract inception and constrained to the extent that it is highly probable that a significant reversal in the amount recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. All revenue is stated net of the amount of goods and services tax (G

Construction and Engineering revenue

The benefits being provided by the Group's construction work transfer to the customer as the work is performed and as such revenue is recognised over the duration of the project based on percentage complete. Percentage complete is generally measured according to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs (input method). If this would not be representative of the stage of completion, then it is measured by reference to surveys of work performed (output method). When it is probable that total contract costs will exceed total contract revenue, the unavoidable loss is recognised as an expense immediately.

Contract modifications

Revenue in relation to modifications, such as a change in the scope or price (or both) of the contract, are to be included in the contract price when it is approved by the parties to the contract and the modification is enforceable. Approval of a contract modification can be in writing, by oral agreement or implied by customary business practices. Revenue estimated and recognised in relation to claims and variations is only included in the contract price to the extent that it is highly probable that a significant reversal in the amount recognised will not occur. In making this assessment the Group considers a number of factors, including the nature of the claim, formal or informal acceptance by the customer of the validity of the claim, the stage of negotiations, assessments by independent experts and the historical outcome of similar claims to determine whether the enforceable and "highly probable" thresholds have been met.

Services revenue

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 income

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.

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Contract assets

Contract assets represents the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage completion method and is determined using the costs incurred to date and the total forecast contract costs. The timing of cash inflows for contract assets is dependent on the status of processes underway to gain acceptance from customers as to the enforceability of recognised modifications resulting from contractual claims and variations. The Group pursues various options with customers to accelerate the inflow of cash including, but not limited to, negotiations, security of payment adjudications and arbitration involving the support of legal counsel and external consultants. Accordingly, there remains a risk that settlement of contract assets takes longer than 12 months.

Contract liabilities

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

(xx) Segment Reporting

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

(xxi) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(xxii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis and the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(xxiii) Inventories

Inventories are measured at the lower of cost and net realisable value on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

(xxiv) Investment in Associates

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised. Details of the Group's investments in associates are provided in notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

(xxv) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at fair value through profit and loss (FVtPL), are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approach to impairment, as applicable under AASB 9: *Financial Instruments*:

- the simplified approach

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Financial liabilities are recognised initially at fair value plus any directly

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FOR THE YEAR ENDED 30 JUNE 2022

attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. The Group's non-derivative financial liabilities comprise Lease liability, Deferred acquisition consideration and Trade and other payables.

(xxvi) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of WestStar Industrial Limited ('market conditions'). The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

(xxvii) Critical accounting estimates and judgements

Revenue from Contracts with Customers

Construction contracts are assessed to identify the performance obligations contained in the contract. The total transaction price is allocated to each individual performance obligation. Work is performed on assets that are controlled by the customer or on assets that have no alternative use to the Company, with the Company having right to payment for performance to date. Therefore, in accordance with AASB15, the revenue is recognised over time. As performance obligations are satisfied over time, revenue is recognised over time using an input method being resources consumed, labour hours expended, material costs incurred, time elapsed relative to the total expected inputs to the satisfaction of that performance obligation. Variable consideration if the consideration in the contract includes a variable amount, the Company estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The Company includes some or all of this variable consideration in the transaction price only to the extent it is highly probable that a significant reversal of the cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Impairment assessment of goodwill and other intangibles

The key judgements in goodwill impairment include estimation of the forecast cash flows, discount rates, growth rates and the estimation of the terminal value

Management is required to make significant judgements concerning future cash flows, including changes in competitive positions, expectations of growth cost of capital and the determination of fair values when assessing the recoverable amounts of assets (or groups of assets). Inputs into these valuations require assumptions and estimates to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful lives and residual values.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

The judgements, estimates and assumptions used in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognitions of impairment changes in future periods.

Additionally, management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

- trade and other receivables, refer note 2 (xiii);
- recovery of deferred taxes, refer note 2 (xvii); and
- revenue recognition, refer note 2 (xix).

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

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.

Lease term

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

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.

(xxviii) Business combinations

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

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

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

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

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

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

(xxix) Non-current assets (or disposal Groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal Groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

Notes to the Consolidated Financial Statements

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When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal Groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

(xxx) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent nonconvertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(xxxi) Parent entity financial information

The financial information for the parent entity, WestStar Industrial Limited, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

3. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is two relevant business segments being:

- SIMPEC Pty Ltd is a construction contractor with specialist experience in both Structural Mechanical and Piping and Electrical and Instrumentation works;
- Alltype Engineering Pty Ltd provides workshop, site installation, construction and maintenance services to the oil and gas, water, power generation, infrastructure, mining, resources, utility, petrochemical and defence industries.

Segment reporting	SIMPEC \$	Alltype \$	Group \$
Year ended 30 June 2022			
Segment revenue	130,667,316	51,131,244	181,798,560
Segment operational expense	(120,250,583)	(41,412,741)	(161,663,324)
Segment gross margin	10,416,733	9,718,503	20,135,236
Segment overheads	(5,412,493)	(7,127,570)	(12,540,063)
Segment operating profit (loss)	5,004,240	2,590,933	7,595,173
Other income - operational	718,600	287,976	1,006,576
Net Operating Profit (Loss) before Tax & Corporate Admin. expenses	5,722,840	2,878,909	8,601,749
Other Income			11
Corporate & administration			(2,571,311)
Net operating Profit (Loss) before Tax			6,030,449
Income tax expense			(1,719,981)
Net operating Profit (Loss) after Tax			4,310,468
Year ended 30 June 2021			
Segment revenue	38,688,340	33,075,353	71,763,693
Segment operational expense	(34,876,033)	(25,288,791)	(60,164,824)
Segment gross margin	3,812,307	7,786,562	11,598,869
Segment overheads	(3,438,771)	(5,197,628)	(8,636,399)
Segment operating profit (loss)	373,536	2,588,934	2,962,470
Other income - operational	51,583	361,693	413,276
Net Operating Profit (Loss) before Tax & Corporate Admin. expenses	425,119	2,950,627	3,375,746
Other Income			5,786
Corporate & administration			(2,566,973)
Discontinued Operations			22,918
Net operating Profit (Loss) before Tax			837,477
Income tax expense			-
Net operating Profit (Loss) after Tax			837,477
Year ended 30 June 2022			
Segment assets	30,474,871	22,728,197	53,253,068
Segment liabilities	(20,055,905)	(16,163,403)	(36,219,308)
Segment asset & liabilities	10,418,966	6,564,794	16,983,760
Cash and corporate assets			9,859,235
Corporate liabilities			(3,193,841)
Total asset & liabilities			23,649,154
Year ended 30 June 2021			
Segment assets	21,205,885	20,692,917	41,898,802
Segment liabilities	(14,984,857)	(15,198,227)	(30,186,084)
Segment asset & liabilities	6,221,028	5,699,416	11,715,718
Cash and corporate assets			5,152,526
Corporate liabilities			(1,803,544)
Discontinued Operations			(232,707)
Total asset & liabilities			14,831,993

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

4. Revenue and Other Income

	2022 \$	2021 \$
(a) Revenue		
Construction and Engineering services	181,798,560	71,763,693
	181,798,560	71,763,693

	2022 \$	2021 \$
Disaggregated revenue information per AASB 15 as follows:		
Timing of revenue recognition		

Construction and Engineering services transferred over time	181,798,560	71,763,693
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Contract amounts to be delivered in future years

Construction and Engineering services	93,208,904	34,176,188
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	2022 \$	2021 \$
(b) Other Income		
Interest Income	8,874	3,512
Scrap metal sales	147,179	162,077
Insurance recoveries	763,825	-
Sundry Income	86,709	153,473
Government grants	-	100,000
	1,006,587	419,062

5. Expenses

	2022 \$	2021 \$
(a) Administrative expenses		
- Employee wages and salaries (i)	7,898,429	4,758,160
- Professional services and consultant fees	2,159,169	1,657,162
- Insurance	590,446	740,965
- Motor vehicle costs	39,961	81,972
- ASX and Share registry fees	78,074	60,750
- General administrative costs	1,277,168	586,769
	12,043,247	7,885,778
Finance costs		
- Interest and associated borrowing costs to unrelated third parties	607,295	458,585
	607,295	458,585

- (i) For the year ended 30 June 2021 an amount of \$1,193,538 in Government grants (Job Keeper) has been applied against wages and salaries. For the year ended 30 June 2021 \$1,361,062 in Government grants (Job Keeper) has been applied against Cost of Goods sold.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

6. Income Tax

	2022 \$	2021 \$
(a) Income tax expense		
Major component of tax expense for the year		
Current tax	1,931,956	198,005
Deferred tax	(211,975)	(198,005)
	<u>1,719,981</u>	<u>-</u>
(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:		
Profit / (Loss) from continuing operations before income tax expense	6,030,449	837,477
Tax at the group rate of 30% (2021: 30%)	1,809,135	251,243
Other non-deductible expenses	162,911	201,597
Prior period under/(over) provision	33,582	-
Deferred tax assets not previously recognised	(285,647)	-
Recoupment of prior period losses	-	(452,840)
Income tax expense	<u>1,719,981</u>	<u>-</u>
(c) Income tax liability		
Current tax payable	2,161,330	-
(d) Deferred tax		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:		
<i>Liabilities</i>		
Net deferred income	168,617	-
Plant and Equipment	769,839	443,992
Debt Write-Off	336,767	267,006
Deferred tax liability not recognised	<u>1,275,223</u>	<u>710,998</u>
<i>Assets</i>		
Losses available to offset against future taxable income	336,763	267,006
Provisions & accruals	1,348,032	721,885
Net deferred income	-	107,884
Capital raising costs	11,736	46,469
Borrowing costs	473	-
Lease Asset	19,568	13,012
Deferred tax asset not recognised	<u>1,716,572</u>	<u>1,156,256</u>
Net deferred tax asset recognised ¹	<u>441,349</u>	<u>198,005</u>
Net deferred tax asset not recognised	<u>-</u>	<u>247,253</u>

1. During the year ended 30 June 2021, the deferred tax asset recognised offset the income tax expense.

The benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Group continues to comply with conditions for deductibility imposed by tax legislation in Australia; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

7. Cash and Cash equivalents

	2022 \$	2021 \$
Cash at bank and on hand	20,308,635	13,152,258

Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	2022 \$	2021 \$
Profit after income tax	4,310,468	837,477
Non Cash Items		
Depreciation and amortisation expenses	1,943,633	1,411,634
Loan written off	-	1,025,868
Share-based payments	478,864	676,253
Reversal of previously recognised doubtful debts expense	(260,951)	223,995
Loss / (Profit) on sale of plant and equipment	9,203	(1,615)
<i>(Decrease) / increase in working capital</i>		
(Increase) / decrease in receivables	(3,148,637)	(1,229,014)
(Increase) / decrease in contract assets	(2,079,168)	2,441,082
(Increase) / decrease in deferred tax asset	(441,349)	-
Increase / (decrease) in payables	4,120,007	6,160,459
Increase / (decrease) in income tax payable	2,161,330	-
Increase / (decrease) in contract liabilities	(1,801,048)	(1,897,590)
Increase / (decrease) in provisions	1,695,552	494,934
Net cash inflow/(outflow) from operating activities	6,987,904	10,143,484

8. Trade and Other Receivables

(a) Trade receivables (Current)

	2022 \$	2021 \$
Trade receivables	15,191,532	12,362,477
Less Allowance for doubtful debts	(2,567)	(317,692)
	15,188,965	12,044,785

(b) Other receivables (Current)

	2022 \$	2021 \$
Retentions	2,702,876	1,407,847
Other receivables	23,214	21,018
Prepayments	42,746	72,842
	2,768,836	1,501,707
	17,957,801	13,546,492

	2022 \$	2021 \$
<30 days	12,196,911	9,855,437
30-60 days	957,551	2,132,326
60-90 days	105,464	50,924
90+ days	1,929,039	6,098
Total (Note 8 (a))	15,188,965	12,044,785

(c) Other receivables (Non-Current)

	2022 \$	2021 \$
Retentions	605,121	373,882
Loan receivable	75,000	-
	680,121	373,882

The Group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

9. Contract Assets and Liabilities

The "Contract asset" value below represents under AASB 15, the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage completion method and is determined using the costs incurred to date and the total forecast contract costs.

	2022 \$	2021 \$
Contract Assets		
Contract assets	6,650,627	4,571,459
	6,650,627	4,571,459

The "Contract liabilities" value below represents under AASB 15, unearned revenue the Group has invoiced the client in advance of performing the contracted services. Contract liabilities fluctuate based on progress of completion of contracts.

	2022 \$	2021 \$
Contract Liabilities		
Contract liabilities	2,168,504	3,969,551
	2,168,504	3,969,551

10. Property, Plant and Equipment

	2022 \$	2021 \$
Gross carrying value at cost	7,249,941	5,497,536
Accumulated depreciation	(2,064,969)	(946,258)
Net carrying value at cost	5,184,972	4,551,278

	Note	Plant & Equipment \$	Motor Vehicles \$	Total \$
Gross carrying value at cost				
1 July 2020		4,575,141	340,913	4,916,054
Additions		517,175	557,046	1,074,221
Disposals		(457,739)	(35,000)	(492,739)
At 30 June 2021		4,634,577	862,959	5,497,536
Accumulated depreciation				
At 1 July 2020		(563,340)	(14,062)	(577,402)
Disposals		308,223	1,663	309,886
Depreciation	11(b)	(572,333)	(106,409)	(678,742)
At 30 June 2021		(827,450)	(118,808)	(946,258)
Total At 30 June 2021		3,807,127	744,151	4,551,278

		Plant & Equipment \$	Motor Vehicles \$	Total \$
Gross carrying value at cost				
1 July 2021		4,634,577	862,959	5,497,536
Additions		1,628,785	141,920	1,770,705
Disposals		(18,300)	-	(18,300)
At 30 June 2022		6,245,062	1,004,879	7,249,941
Accumulated depreciation				
At 1 July 2021		(827,450)	(118,808)	(946,258)
Disposals		9,102	-	9,102
Depreciation	11(b)	(959,744)	(168,069)	(1,127,813)
At 30 June 2022		(1,778,092)	(286,877)	(2,064,969)
Total At 30 June 2022		4,466,970	718,002	5,184,972

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

11. Right of Use Asset

	Note	2022 \$	2021 \$
(a) Right of Use Asset			
Lease asset		4,041,736	4,041,736
Accumulated depreciation		(2,203,278)	(1,387,457)
		1,838,458	2,654,279

		Right of Use Asset \$
Gross carrying value		
At 1 July 2020		2,899,444
Additions		490,066
Adjustments		652,226
At 30 June 2021		4,041,736

Accumulated depreciation		
At 1 July 2020		(644,321)
Depreciation charge	11(b)	(743,136)
At 30 June 2021		(1,387,457)

		Right of Use Asset \$
Gross carrying value		
At 1 July 2021		4,041,736
Additions		-
At 30 June 2022		4,041,736

Accumulated depreciation		
At 1 July 2021		(1,387,457)
Depreciation charge	11(b)	(815,820)
At 30 June 2022		(2,203,278)

(b) Depreciation and Amortisation expense		2022 \$	2021 \$
Depreciation expense - Property, Plant & Equipment (i)	10	1,127,813	662,495
Amortisation - Right of Use Assets	11(a)	815,820	743,136
		1,943,633	1,405,631

(i) For the year ended 30 June 2021 depreciation expense of \$16,247 was included in Discontinued Operations.

12. Intangible assets

	2022 \$	2021 \$
Goodwill - Alltype Engineering Pty Ltd	3,515,918	3,515,918
Goodwill - SIMPEC Pty Ltd	992,198	992,198
	4,508,116	4,508,116

Impairment testing for cash-generating units containing goodwill. For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The two CGU's tested for impairment are:

- SIMPEC Goodwill
- Alltype Engineering Goodwill

The aggregate carrying amounts of goodwill allocated to each segment are as follows:

- SIMPEC Goodwill : \$992,198
- Alltype Engineering Goodwill : \$3,515,918

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

12. Intangible assets (cont....)

The CGU are not larger than any of the segments as classified under *AASB 8 Operating Segments*.

The recoverable amounts of the above segments were based on their value in use with the Group performing its annual impairment test in June 2022. The carrying amount of the operating segments were determined to be lower than their recoverable amounts and therefore no impairment charge has been recognised. The Group has paid particular attention to those indicators impacted by the Coronavirus pandemic. We have considered the effect of the pandemic on our clients' activities which may include resources commodity prices, commercial construction activity, awards of new contracts, deferrals of existing contracts, disruptions to supply chain and disruptions to existing operations. The management team continues to monitor and manage the impacts and risks arising from the global pandemic.

Value in use was determined by preparing five year discounted cash flow forecasts, and extrapolating the cash flows beyond the terminal year using a terminal growth-rate. The calculation of value in use was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and independent research on the markets in which the segments operate.
- The five-year cash flow estimates used in assessments for all CGU's were based on Board approved budgets for the year ending 30 June 2023.
- Growth assumptions thereafter are Alltype Engineering 2%; SIMPEC 2% per annum for each future year.
- The terminal value assumes perpetual growth of 2.0% (2021: 2.0%).
- The margins included in the projected cash flow are the same rate that has been achieved by projects commencing in 2022.
- A pre-tax discount rate between 18% and 19% for SIMPEC and Alltype respectively, was applied. This discount rate was estimated based on past experience and industry average weighted cost of capital.

13. Trade and Other Payables

	2022 \$	2021 \$
Trade payables	18,942,784	14,386,671
Other creditors and accruals	10,316,673	8,353,917
	29,259,457	22,740,588

14. Provisions

	2022 \$	2021 \$
Current		
Annual Leave	2,239,697	1,151,127
Long Service Leave	130,680	181,632
Other provisions	624,865	-
	2,995,242	1,332,759
Non-Current		
Long Service Leave	194,571	161,503
	194,571	161,503

15. Borrowings

	2022 \$	2021 \$
Financing Facility	-	300,000
Short term loan Facility (i)	68,216	235,803
	68,216	535,803

- (i) Short term loan facilities were provided during the year. The loans are unsecured and payable in equal instalments by September 2022 bearing interest at between 6.3% p.a. and 7.75% p.a.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

16. Lease Liabilities

	2022 \$	2021 \$
Current		
Right of Use Lease liability	818,965	793,972
Other lease liabilities	124,961	109,090
	943,926	903,062
Non-Current		
Right of Use Lease liability	1,084,715	1,903,680
Other lease liabilities	537,188	517,595
	1,621,903	2,421,275

Interest expense on leases for the year ended 30 June 2022 amounted to \$96,062 (2021: \$135,764).

17. Related Party Transactions and Key Management Personnel

(d) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of the Group the key management personnel of the Group for the year ended 30 June 2022 are as follows:

Mr Philip Re	Non-Executive Chairman
Mr Lay Ann Ong	Non-Executive Director
Mr Robert Spadanuda	Group CEO / Managing Director
Mr Bert Mondello	Non-Executive Director (resigned on 24 September 2021)

Mr Mark Dimasi	Managing Director (SIMPEC Pty Ltd)
Mr Kelvin Andrijich	Managing Director (Alltype Engineering Pty Ltd)

The total shares and performance rights held by Key Management personnel are disclosed in the director's remuneration report. The table below discloses the details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year as follows:

	2022 \$	2021 \$
Short term employee benefits	1,548,231	1,130,000
Post-employment benefits	87,124	80,704
Share based payments	274,420	493,840
	1,909,775	1,704,544

The consolidated financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

Name	Country of Incorporation	Principal Activities	% Equity Interest	
			2022	2021
SIMPEC Pty Ltd	Australia	Construction contracting	100%	100%
Alltype Engineering Pty Ltd	Australia	Fabrication & Construction	100%	100%
Icon Gold Pty Ltd	Australia	Mineral exploration	100%	100%

(e) Transactions with related parties

Dimasi Family Trust

During the year, The Dimasi Family Trust, an entity related to Mr Mark Dimasi, was paid \$99,339 (2021: \$85,095) in relation to provision of administrative services for the Group.

Directors Fees

As at 30 June 2022 the amount outstanding from the Company to Mr Bert Mondello and Mr Phillip Re in relation to Directors' fees was Nil (2021: \$115,500) and \$33,000 (2021: \$44,000) respectively.

(f) Outstanding balances with related parties

	2022 \$	2021 \$
Amount owing to Director related entities	33,000	159,573
	33,000	159,573

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

18. Parent Entity Information

The following detailed information related to the parent entity, WestStar Industrial Limited, at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2022 \$	2021 \$
Current Assets	2,438,615	312,477
Non-current Assets	7,609,362	7,340,776
Total Assets	10,047,977	7,653,253
Current Liabilities	2,603,369	3,319,430
Non-current Liabilities	494,325	416,854
Total Liabilities	3,097,694	3,736,284
Contributed equity	44,272,258	40,244,429
Reserves	784,428	381,530
Accumulated Losses	(38,106,403)	(36,708,991)
Total Equity	6,950,283	3,916,968
Total Comprehensive Profit / (Loss) for the Year	(2,040,909)	(643,497)

The Parent Entity has no contingent liabilities and commitments under Regulation 2M.3.01(1).

19. Auditor's Remuneration

The auditor of WestStar Industrial Limited is Armada Audit & Assurance Pty Ltd. In 2021 the auditor of WestStar Industrial Limited was Criterion Audit Pty Ltd.

	2022 \$	2021 \$
Auditor of the Company		
Audit and review of the financial report	72,500	60,750
	72,500	60,750

20. Issued Capital

(a) Issued and paid up capital

	2022 \$	2021 \$
Ordinary shares fully paid	24,455,791	20,427,962

(b) Movements in shares on issue

	Year to 30 June 2022	
	No.	\$
<i>Movements in ordinary shares on issue</i>		
Opening balance	975,476,549	20,427,962
Details of the Company shares issued during the period:		
Shares issued, net of issue costs (i)	152,173,913	3,377,829
Controlled Placement Agreement utilised (ii)	-	650,000
Controlled Placement Agreement terminated (iii)	(20,000,000)	-
Consolidation (iv)	(996,885,223)	-
Closing balance	110,765,239	24,455,791

- (i) Placement of 152,173,913 shares to institutional and sophisticated investors at an issue price of \$0.023 per share. Share issue costs include \$12,217 in GST.
- (ii) Set-off of 24,000,000 shares under Controlled Placement Agreement at a deemed price of \$0.027 share, refer ASX Announcement dated 16 December 2021.
- (iii) On termination of the Controlled Placement Agreement with Acuity Capital, 20,000,000 collateral shares were cancelled for nil consideration as approved by shareholders on 10 May 2022. Refer Note 20 (e).
- (iv) Consolidation of capital on the basis of 1 for 10

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

20. Issued Capital (cont...)

(b) Movements in shares on issue(cont...)

	Year to 30 June 2021	
	No.	\$
<i>Movements in ordinary shares on issue</i>		
Opening balance	936,846,296	19,811,669
Details of the Company shares issued during the period:		
Shares issued in lieu of Management remuneration (i)	26,666,666	400,000
Shares issued in lieu of Directors & Consulting fees (ii)	10,423,587	182,413
Shares issued in lieu of advisor fees (iii)	1,540,000	33,880
	<u>38,630,253</u>	<u>616,293</u>
Closing balance	<u>975,476,549</u>	<u>20,427,962</u>

- (i) On 6 August 2020, Shareholders approved the issue of 26,666,666 Shares to senior management (and their nominees) in lieu of management remuneration.
(ii) On 6 August 2020, Shareholders approved the issue of 9,118,432 Shares to the Directors (and their nominees) in lieu of directors' fees and 1,305,155 Shares in lieu of consulting fees.
(iii) On 13 January 2021, 1,540,000 Shares were issued to an unrelated party in lieu of payment for advisory services.

(c) Share options

(i) Movements in options on issue

	Year to 30 June 2022	
	No.	\$
<i>Movements in options on issue</i>		
Opening balance	30,000,000	-
Issued during the year (refer (c) (ii) 2 & 3)	106,086,946	-
Consolidation (i)	(122,478,234)	-
Closing balance	<u>13,608,712</u>	<u>-</u>

- (i) Consolidation of capital on the basis of 1 for 10

Movements in options on issue

	Year to 30 June 2021	
	No.	\$
<i>Movements in ordinary shares on issue</i>		
Opening balance	30,000,000	-
Issued during the year	-	-
Closing balance	<u>30,000,000</u>	<u>-</u>

(ii) Options issued

The following options were issued during the year:

Series	Number ¹	Exercise price ¹	Expiry date	Grant date	Vesting date
WSIAB ²	7,608,712	\$0.30	18 May 2023	18 November 2021	18 November 2021
WSIAC ³	3,000,000	\$0.30	10 July 2023	10 January 2022	10 January 2022

- ¹ The Number and Exercise Price in the table above have been restated following the 1 for 10 consolidation completed 25 May 2022 .
² Issue one (1) free attaching unlisted option (exercisable at \$0.03 expiring 18 months from issue) for every two (2) shares subscribed under the Placement by institutional and sophisticated investors. As 76,086,946 free attaching options (pre-consolidation) were issued as part of the placement of 152,173,913 shares (per, the deemed value of option series WSIAB has been included in the increase to Share Capital of \$3,377,829 before costs pertaining to the Placement in Note 15(b) above.
³ 30,000,000 unlisted options (pre-consolidation) exercisable at \$0.03 expiring 18 months from issue, issued as consideration for corporate advisory services approved by shareholders on 5 January 2022. The deemed value of option series WSIAC has been included in share based payments expense of \$204,444 was recognised.

(iii) Options on issue

The following options were on issue at the end of the financial year:

Series	Number ¹	Exercise price ¹	Expiry date
WSIAA	3,000,000	\$0.40	29 November 2022
WSIAB	7,608,712	\$0.30	18 May 2023
WSIAC	3,000,000	\$0.30	10 July 2023

- ¹ The Number and Exercise Price in the table above have been restated following the 1 for 10 consolidation completed 25 May 2022.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

20. Issued Capital (cont...)

(d) Performance shares

Movements in performance rights on issue

	Year to 30 June 2022	
	No.	\$
<i>Movements in performance rights on issue</i>		
Opening balance	45,000,000	-
Issued during the year (i)	15,000,000	-
Consolidation (ii)	(54,000,000)	-
Closing balance	6,000,000	-

- (i) On 5 January 2022 shareholders approved the grant of up to 15,000,000 (1,500,000 on a post consolidation basis) Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan.
- (ii) Consolidation of capital on the basis of 1 for 10

Movements in performance rights on issue

	Year to 30 June 2021	
	No.	\$
<i>Movements in performance rights on issue</i>		
Opening balance	-	-
Issued during the year (i)	45,000,000	-
Closing balance	45,000,000	-

- (i) On 30 November 2020, Shareholders approved the grant of up to 45,000,000 performance rights to Directors or their nominees.

On 30 November 2020 shareholders approved the grant of up to 45,000,000 (4,500,000 on a post consolidation basis) Performance Rights to Directors (or their nominees).

Class	Performance Condition	Expiry Date	Fair value
Tranche 1 Performance Rights - 1,500,000	Market Capitalisation - \$30M Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$30 million for a period of ten (10) trading days. ("Tranche 1 Performance Condition")	1 December 2023	\$0.12
Tranche 2 Performance Rights - 1,500,000	Market Capitalisation - \$35M: Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$35 million for a period of ten (10) trading days ("Tranche 2 Performance Condition")	1 December 2023	\$0.11
Tranche 3 Performance Rights - 1,500,000	Market Capitalisation - \$40M: Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$40 million for a period of ten (10) trading days ("Tranche 3 Performance Condition")	1 December 2023	\$0.10

On 5 January 2022 shareholders approved the grant of up to 15,000,000 (1,500,000 on a post consolidation basis) Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan. The principal terms of the Performance Rights are summarised below:

Class	Performance Condition	Expiry Date
Tranche 1 Performance Rights	Market Capitalisation - \$30M Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$30 million for a period of ten (10) trading days. ("Tranche 1 Performance Condition")	10 January 2025
Tranche 2 Performance Rights	Market Capitalisation - \$35M: Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$35 million for a period of ten (10) trading days ("Tranche 2 Performance Condition")	10 January 2025
Tranche 3 Performance Rights	Market Capitalisation - \$40M: Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$40 million for a period of ten (10) trading days ("Tranche 3 Performance Condition")	10 January 2025

The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The fair value ascribed to each Tranche 1, 2 and 3 Performance Right on a post-consolidation basis was \$0.16, \$0.15 and \$0.14 respectively.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

20. Issued Capital (cont...)

The table below shows the class, number and fair value ascribed to Performance Rights on issue (on a post-consolidation basis) at 30 June 2022 and the following. The following assumptions were used in the valuation of these performance rights

Details	Tranche 1	Tranche 2	Tranche 3
Number of Rights	500,000	500,000	500,000
Fair value on Grant Date	\$0.16	\$0.15	\$0.14
Share Price	\$0.02	\$0.02	\$0.02
Volatility	85.4%	85.4%	85.4%
Risk Free Rate	1.02%	1.02%	1.02%

The total value of Performance Rights expensed during the year ended 30 June 2022 was \$274,420 (2021: \$93,840).

Each Performance Right converts into 1 fully paid ordinary share upon vesting.

(e) Controlled Placement Facility

On 28 April 2020, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital. The CPA provided WestStar with up to AUD\$2.5 million of standby equity capital via placement for a 24 month period. To secure the CPA, WestStar placed 44,000,000 fully paid ordinary shares (pre-consolidation) from its ASX Listing Rule 7.1 capacity, at nil consideration to Acuity Capital (Collateral Shares). WestStar may, at any time, cancel the CPA and buy back the Collateral Shares for nil consideration (subject to shareholder approval).

On 16 December 2021, the Company announced it had utilised part of the Controlled Placement Agreement ("CPA") with Acuity Capital to raise \$650,000 (inclusive of costs) through the set-off of 24,000,000 Collateral Shares (pre-consolidation) at a deemed price of \$0.027. The Company terminated the CPA and as a result, Acuity Capital returned the remaining 20,000,000 shares (pre-consolidation) held as collateral to the Company at zero consideration. The remaining 20,000,000 Collateral Shares (pre-consolidation) were returned and subsequently cancelled following shareholder approval at a general meeting held on 10 May 2022.

21. Reserves

The share-based payment reserve is used to record the value of share based payments provided to directors and employees, including Key Management Personnel and suppliers which are not recorded directly in equity.

	2022 \$	2021 \$
Share based payments reserve	860,394	381,530
	860,394	381,530

Movement in reserves

Share based payments reserve

Opening balance	381,530	772,495
Transfer of expired options value (i)	-	(484,805)
Performance Rights expensed (Refer Note 20 (d))	274,420	93,840
Options issued (ii)	204,444	-
	860,394	381,530

(i) During 2021, 20,000,000 options expired out of the money. The value recognised for options issued in this expired class was transferred to accumulated losses (\$484,805)

(ii) On 5 January 2022 shareholders approved the issue of 3,000,000 Options (post consolidation) to corporate advisors.

22. Share Based Payments

During the year, the following share-based payments were made and recognised in equity and the share based payments reserve.

	2022 \$	2021 \$
Shares issued in lieu of Management remuneration (i)	-	400,000
Performance rights recognised (iii) (Refer Note 20c)	274,420	93,840
Shares issued in lieu of Directors & Consulting fees (ii)	-	182,414
Options issued (iv)	204,444	-
	478,864	676,254

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

- (i) On 6 August 2020, Shareholders approved the issue of 26,666,666 Shares to senior management (and their nominees) in lieu of management remuneration for the 2020 financial year.
- (ii) On 6 August 2020, Shareholders approved the issue of 9,118,432 Shares to the Directors (and their nominees) in lieu of directors' fees and 1,305,155 Shares in lieu of consulting fees.
- (iii) On 5 January 2022 shareholders approved the grant of up to 15,000,000 Performance Rights to Directors (or their nominees) under the WestStar Performance Rights Plan. Refer to Note 20 (d) for further details
- (iv) On 5 January 2022 shareholders approved the issue of 30,000,000 Options to corporate advisors.

23. Reconciliation of Earnings / (Loss) Used in Calculating Earnings / (Loss) Per Share

	2022 \$	2021 \$
Earnings attributable to owners of the Company	4,310,468	837,477
	Number of Shares	Number of Shares
Weighted average number of ordinary shares for the purposes of basic and diluted Earnings / (loss) per share	106,623,552	96,395,352

¹ EPS has been restated adjusted for the 10:1 consolidation which occurred on 25 May 2022 as per AASB 133.

Of the Company's options on issue, there were no in-the-money options as at 30 June 2022. Therefore, no options have been included in the calculation of diluted earnings per share.

24. Contingent Liabilities & Commitments

During the financial year ended 30 June 2022 the Group entered into ~\$7.5M bond facilities ("the Facilities") with Export Finance Australia. As at 30 June 2022 \$7.5M of these bond facilities had been used.

25. Financial Assets

As at 30 June 2022, the Group has provided bank guarantees which are held in term deposits of \$4,527,938 (2021: \$3,024,969) to various customers and suppliers of which \$2,114,273 is in current assets and \$2,413,665 is in non-current assets.

26. Investments

The Group holds a 5% interest in Olympic Domain Pty Ltd ("Olympic Domain"). Olympic Domain was the holder of mining tenements in the prospective Olympic Domain district of South Australia. As at 30 June 2021 the investment in Olympic Domain Pty Ltd was fully impaired. Olympic Domain's tenements are currently the subject of a farm-in joint venture with Cohiba Minerals Limited (ASX:CHK).

During the year ended 30 June 2022 the Company contributed \$283,075 representing its share of exploration expenditure in accordance with the farm in agreement.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

27. Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments. The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	2022 \$	2021 \$
Financial assets – Current		
Cash and cash equivalents	20,308,635	13,152,258
Trade and other receivables	17,915,055	13,473,650
Financial assets	2,114,273	2,195,096
Contract assets	6,650,627	4,571,459
	<u>46,988,590</u>	<u>33,392,463</u>
Financial assets – Non-Current		
Financial assets	2,413,665	829,872
Trade and other receivables	680,121	373,882
Investments	283,075	-
	<u>3,376,861</u>	<u>1,203,754</u>
	2022 \$	2021 \$
Financial liabilities – Current		
Trade and other payables	29,220,172	22,737,173
Borrowings	68,216	535,803
Lease Liabilities	943,926	903,061
Contract liabilities	2,168,504	3,969,551
	<u>32,400,818</u>	<u>28,145,588</u>
Financial liabilities – Non-Current		
Lease Liabilities	1,621,903	2,421,275
	<u>1,621,903</u>	<u>2,421,275</u>

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors. Alternatives for sourcing future capital needs include the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for the Group's capital needs. We expect that, absent a material adverse change in a combination of the Group's sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet the Group's expected capital needs.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables and short-term borrowings. The following table discloses the contractual maturity analysis at the reporting date:

2022	Up to 6 months \$	6 months to 1 year \$	Over 1 to 5 years \$	More than 5 years \$	Total \$
Financial assets					
Cash and cash equivalents	20,308,635	-	-	-	20,308,635
Trade and other receivables	17,915,055	-	605,121	-	18,520,176
Loan receivable	-	-	75,000	-	75,000
Financial assets	2,114,273	-	2,413,665	-	4,527,938
Contract assets	6,650,627	-	-	-	6,650,627
	46,988,590	-	3,093,786	-	50,082,376
Financial liabilities					
Trade and other payables	28,380,529	559,762	279,881	-	29,220,172
Borrowings	68,216	-	-	-	68,216
Lease Liabilities	471,208	472,718	1,621,903	-	2,565,829
Contract liabilities	2,168,504	-	-	-	2,168,504
	31,088,457	1,032,480	1,901,784	-	34,022,721
2021	Up to 6 months \$	6 months to 1 year \$	Over 1 to 5 years \$	More than 5 years \$	Total \$
Financial assets					
Cash and cash equivalents	13,152,258	-	-	-	13,152,258
Trade and other receivables	13,473,650	-	373,882	-	13,847,532
Financial assets	2,195,096	-	829,872	-	3,024,968
Contract assets	4,571,459	-	-	-	4,571,459
	33,392,463	-	1,203,754	-	34,596,217
Financial liabilities					
Trade and other payables	20,778,005	559,762	1,399,406	-	22,737,173
Borrowings	535,803	-	-	-	535,803
Lease Liabilities	446,614	456,447	2,421,275	-	3,324,336
Contract liabilities	3,969,551	-	-	-	3,969,551
	25,729,973	1,016,209	3,820,681	-	30,566,863

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The following table sets out the carrying amount of the financial instruments exposed to interest rate risk:

	2022 \$	2021 \$
Financial assets		
Interest bearing		
Cash and cash equivalents	20,308,635	13,152,258
Weighted average interest rate	0.01%	0.01%

The following table summarises the sensitivity of financial assets held at balance date to interest rate risk, following a movement of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Consolidated Post-tax gain (loss)/ equity increase (decrease)

	2022 \$	2021 \$
+1% (100 basis points)	203,086	131,522

(c) Credit Risk Exposures

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

There is no concentration of credit risk with respect to current and non-current receivables as the Group has a number of large customers which are Australian listed as well as internationally dispersed. Group policy is that sales are only made to customers that are credit worthy. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

agencies. The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group holds financial instruments with credit worthy third parties.

Trade receivable and contract assets

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

	Carrying amount 2022 \$	Carrying amount 2021 \$
Australia	25,288,549	18,491,833
	25,288,549	18,491,833
	Carrying amount 2022 \$	Carrying amount 2021 \$
Contract assets – not past due	6,650,627	4,571,459
Trade receivables		
Not past due	-	-
Past due 0 – 30 days	12,220,125	9,876,455
Past due 30 – 60 days	957,551	2,450,019
Past due 60 days and less than 1 year	4,782,692	1,494,919
More than 1 year	680,121	416,675
Allowance for impairment	(2,567)	(317,692)
	18,637,922	13,920,374
	25,288,549	18,491,833

(d) Foreign Currency Risk

At 30 June 2022, based on its review the Group has no significant exposure to foreign currency risk.

(e) Carrying Value of Financial Instruments

At 30 June 2022, the carrying value of all financial assets and liabilities is considered to approximate their fair values.

28. Company details

The registered office of the business is:

52 Hope Valley Road, Naval Base, WA 6165

The principal places of business are:

52 Hope Valley Road, Naval Base, WA 6165
3/21 Kintail Road, Applecross, WA 6153

29. Events after Reporting Date

On 12 September 2022 the Company announced it had secured new contracts of \$24.5M comprising new awards of ~\$11.2M, contract expansions of ~\$7M and minor awards of ~\$6.3M.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2022.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of WestStar Industrial Limited, I state that:

1. In the Directors' opinion, the financial statements and accompanying notes set out on pages 24 to 53 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date;
2. 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;
3. The remuneration disclosures included in pages 17 to 22 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2022, comply with section 300A of the Corporations Act 2001; and
4. The Directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer required by section 295A of the Corporations Act 2001.

On behalf of the Board



Philip Re
Non-Executive Chairman
Perth, Western Australia

30 September 2022

INDEPENDENT AUDITOR'S REPORT



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strength in numbers

Independent Auditor's Report To the Members of WestStar Industrial Limited

Report on the audit of the financial report

Opinion

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

In our opinion, the accompanying financial report of WestStar Industrial Limited 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 2022, 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to directors of the Group, 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. 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 separated opinion on these matters.

Key Audit Matter

Revenue from Contracts with Customers (Revenue, Contract Assets and Contract Liabilities)

Recognition of contract revenue is a key audit matter due to the:

- Significance of revenue to the financial statements; and
- Large number of customer contracts with numerous estimation events that may occur over the course of the contract's life. This results in complex and judgemental revenue recognition from rendering of engineering services and construction contracts.

Therefore, significant audit effort is required to gather sufficient appropriate audit evidence for revenue recognition.

How our audit addressed the key audit matter

Our Procedures, amongst others, included:

- Understanding the Group's contract revenue accounting process and testing that the revenue recognition process was in accordance with AASB 15 *Revenue from Contracts With Customers*

For a sample of customer contracts:

- We read the contracts and other underlying documentation such as customer correspondence to evaluate the inputs to the Group's calculation of revenue;
- We verified the revenue to contracts, and approved purchase orders from the customer;
- We assessed the Group's estimation of variations and claims by examining underlying evidence such as customer correspondence, approved variation orders, assessment by independent experts, legal correspondence, historical outcomes of similar claims. We recalculated the amount of revenue including the modifications to the contract. We compared the recalculated amounts against the amounts recorded by the Group;
- We agreed contract costs on a sample basis to supporting documentation;



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E info@armada.com.au

strength in numbers

- We assessed the total expected cost estimates by (1) obtaining an understanding of the activities required to complete the customer contract from the Group's contract teams (2) testing a sample of committed expenditure to underlying documentation such as purchase orders, supplier quotes and other supporting documents (3) We evaluated the accuracy of the estimated cost to complete process by comparing the estimated costs and contract margins on previously completed projects to the actual results;
- We examined contract revenue, contract costs and margins subsequent to the reporting date to test the accuracy of managements estimates of the contract revenue and margins at the reporting date; and
- We checked the appropriateness of the disclosures in the financial report.

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Impairment Testing of Goodwill – Note 12

This has been assessed as key audit matter due to the size of the goodwill balance and because the directors' assessment of the "value in use" of each cash generating unit ("CGU") involves significant estimation and judgement about the probability of future contracts to be secured, profit margin on contracts, growth rates, terminal values and the discount rates applied to them.

Our Procedures, amongst others, included:

- Considering the Group's determination of the level at which goodwill is tested based on our understanding of the operations of the Group's business and how independent cash inflows were generated, against the requirements of the accounting standards;
- Comparing the forecast cash flows in each CGU against the secured order book of work. We compared the forecast cash flows to historical evidence and results for each cash generating unit. We compared the growth rates to historical evidence and industry trends. We compared the terminal value growth rate to market evidence.
- We compared the financial results for each CGU in the current financial year to previous forecasts and budgets. We applied increased scepticism to current period forecasts in areas where previous forecasts were not achieved and/or where future uncertainty is greater or volatility is expected.
- Engaging an independent third party valuation specialist to calculate the discount rate range;
- Evaluating the independence, expertise and qualifications of the expert.
- Performing a sensitivity analysis of the impairment models by varying key assumptions, such as profit margins, growth rates, terminal growth rates and discount rates, within a reasonably possible range.
- Assessing the Group's disclosures of the quantitative and qualitative considerations in relation to the valuation of goodwill, by comparing these disclosures to our understanding obtained from our testing and the requirements of the accounting standards.

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

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 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 Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the year ended 30 June 2022.

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



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Responsibilities

The directors of the Group 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.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD

Nigel Dias
Dated this 30 September 2022, at Perth Western Australia

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ADDITIONAL ASX INFORMATION

Additional information required by the Australian Stock Exchange and not shown elsewhere in this report is as follows. This information is prepared as at 20 September 2022.

Distribution of Shareholders	Number of Holders	Fully Paid Ordinary Shares	
		Number of Shares	% Issued Share Capital
1 – 1,000	124	12,081	0.01%
1,001 – 5,000	207	727,769	0.66%
5,001 – 10,000	147	1,186,502	1.07%
10,001 – 100,000	341	13,019,895	11.75%
100,001 – and over	157	95,818,992	86.51%
Total	976	110,765,239	100.00%

Assuming a price of \$0.19 there were 185 holders of ordinary shares holding less than a marketable parcel.

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All fully paid ordinary shares carry one vote per share without restriction.

Substantial Shareholders as at 20 September 2022

The names of substantial shareholders the Company is aware of from the register, or who have notified the Company in accordance with Section 671B of the Corporations Act are:

Substantial Shareholder	Holding	% held
Mr Colin Stanley Heitman <The C & D Heitman A/C>	11,033,024	9.96%
Mr Lay Ann Ong and associated entities	7,754,369	7.00%
Econ (WA) Pty Ltd <Rechichi Family A/C>	7,563,547	6.83%
Mr Kelvin Geoffrey Andrijich <LCS A/C>	6,435,932	5.81%

Top twenty shareholders of ordinary shares:

	Holder Name	Holding	% IC
1	COLIN STANLEY HEITMAN <THE C & D HEITMAN A/C>	11,033,024	9.96%
2	ECON (WA) PTY LTD <RECHICHI FAMILY A/C>	7,563,547	6.83%
3	MR KELVIN GEOFFREY ANDRIJICH <LCS A/C>	6,435,932	5.81%
4	WESTSTAR PRECAST PTE LTD	6,000,000	5.42%
5	FRANK JOHAN GRAN <THE F&C GRAN A/C>	3,677,676	3.32%
6	MR MARK DIMASI & MRS JULIANNE DIMASI <THE DIMASI FAMILY A/C>	2,895,834	2.61%
7	PASSPA PTY LTD <THE PS UNIT A/C>	2,000,000	1.81%
8	MR JON PAUL RE <J P RE FAMILY A/C>	1,662,022	1.50%
9	HUNTER CAPITAL ADVISORS P/L	1,500,000	1.35%
10	INVESTSHARE NOMINEES PTY LTD <INVESTSHARE NOMINEES A/C>	1,481,357	1.34%
11	BOLT CONSULTING PTY LTD	1,473,828	1.33%
12	LAY ANN ONG	1,434,369	1.30%
13	PS CORPORATE PTY LTD	1,430,322	1.29%
14	LIGURIAN HOLDINGS PTY LTD	1,316,987	1.19%
15	DAVID DIMASI <DAVID DIMASI FAMILY A/C>	1,250,000	1.13%
16	MR JOHN ANTHONY ANDREW <INEFFABLE A/C>	1,200,000	1.08%
17	FARRIS CORPORATION PTY LTD <FARRIS FAMILY A/C>	1,000,000	0.90%
17	OCEAN REEF HOLDINGS PTY LTD	1,000,000	0.90%
17	MR NATHAN CARATTI	1,000,000	0.90%
17	DIAMOND CONSTRUCT PTY LTD	1,000,000	0.90%
17	V & F TRUDA PTY LTD <VINCE TRUDA SUPER FUND A/C>	1,000,000	0.90%
18	JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	850,000	0.77%
19	ST KILDA LAND PTY LTD	800,000	0.72%
20	ON TIME TAXIS PTY LTD	795,648	0.72%
	Total	59,800,546	53.99%
	Total issued capital – Fully Paid Ordinary Shares	110,765,239	100.00%

Unquoted Equity Securities

The following unlisted options were on issue as at 20 September 2022:

WSIAA - 3,000,000 unlisted options exercisable at \$0.40 each on or before 29 November 22 held by 9 option holders;

WSIAB - 7,608,712 unlisted options exercisable at \$0.30 each on or before 18 May 2023 held by 96 option holders; and

WSIAC - 3,000,000 unlisted options exercisable at \$0.30 each on or before 10 July 2023 held by 1 option holder being Jindabyne Capital which amounts to 100% of the WSIAC on issue.

Distribution of Shareholders	WSIAA			WSIAB			WSIAC		
	Number of Holders	Number of Options	% Issued Capital	Number of Holders	Number of Options	% Issued Capital	Number of Holders	Number of Options	% Issued Capital
1 – 1,000	-	-	-	-	-	-	-	-	-
1,001 – 5,000	-	-	-	1	5,000	0.07%	-	-	-
5,001 – 10,000	-	-	-	1	7,609	0.10%	-	-	-
10,001 – 100,000	1	100,000	3.33%	74	3,992,838	52.48%	-	-	-
100,001 – and over	8	2,900,000	96.67%	20	3,603,265	47.36%	1	3,000,000	100.00%
Total	9	3,000,000	100.00%	96	7,608,712	100.00%	1	3,000,000	100.00%

Holders with greater than 20% of issued WSIAA unlisted options:

Holder Name	Holding	% held
ISLAND LIFE EQUITIES PTY LTD	1,025,000	34.17%
BOLT CONSULTING PTY LTD	750,000	25.00%

There are nil holders with greater than 20% of issued WSIAB unlisted options.



OPERATING DIVISION SERVICES



OPERATING DIVISION SERVICES

Alltype Engineering

Alltype Engineering leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction, and maintenance services, across almost every industry in Australia.

Supported by its team of experienced multi-disciplinary project personnel, Alltype delivers consistent quality products and services that underpin its commitment to its vision “to be recognised as the preferred partner in delivering integrated fabrication, site and maintenance services with reliable, innovative and cost-effective solutions”.



“To be an industry leading partner delivering turnkey project solutions via integrated multidisciplined fabrication, construction and maintenance services.”

Our Difference



Speed to market, flexibility, local compliance, local content, and a single source solution – these attributes are what constitutes the Alltype Engineering difference.

For over 35 years, Alltype Engineering has provided fabrication, site installation and maintenance services to the oil and gas, resources, water, infrastructure, mining, power, utility, petrochemical and defence industries.

We are an experienced Western Australian owned and operated business who not only fabricate, but provide complete site installation, construction and maintenance services, across both SMP and E&I disciplines.

Full supply chain control allows us to execute projects for our clients with interface risk

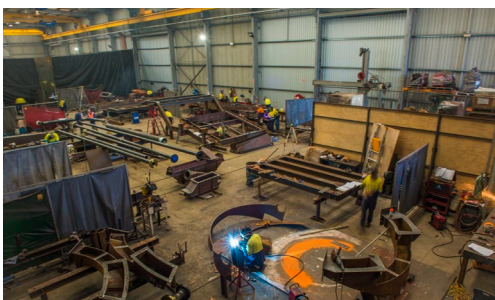
elimination, quickly and cost competitively.

Our experience across a wide array of industry, products and services minimises delivery risk and allows us to share our knowledge and ideas with our clients who typically need a technical solution, or their engineered designs brought into reality.

Alltype Engineering's head office and manufacturing facilities are located in Naval Base, Western Australia, providing excellent proximity to rail, road and port transport infrastructure and ready access to supply chain support and services.

Alltype Engineering has provided fabricated products and services nationally by taking advantage of back load freight cost competitiveness to cost effectively deliver to the eastern states of Australia and has also successfully exported fabricated components and kit form assemblies internationally to countries in Africa and Asia for incorporation into mining operations and oil production platforms.

Office, Workshop and Site Capability



Alltype Engineering head office and manufacturing facilities are located in Naval Base, 30 minutes south of the Perth CBD, Western Australia, with an oversize load corridor and unrestricted access to port infrastructure.

Alltype Engineering has one of the best-in-class medium sized fabrication and project delivery support facilities in Australia.

Some of our key capacity data is listed below.

- Site Area 23,300m²
- Office facility 750m²
- 6,680m² Workshop Area with 12,000m² Laydown and Hardstand Area
- Workshop Bay 1 and 2: Dual bays 23.5m width x 90m length, 9m under hook 4 x gantry cranes, 17.5 tonne capacity; 4 x gantry cranes, 40 tonne capacity
- Workshop Bay 3: 23.5m width x 71m length, 9m under hook 3 x gantry cranes, 20 tonne capacity
- Workshop Bay 4: 12m width x 90m length dedicated servicing and site services support facility

Workshop, Processing and Fabrication Services



Alltype Engineering can offer the complete supply chain solution in house, incorporating procurement, automated processing, fabrication, site construction and multidiscipline installation services.

Key benefits of this seamless delivery capability are the elimination of interface risks, supply chain control and certainty, efficient project execution and elimination of “margin on margin” costs for clients.

Alltype Engineering saves our clients’ money and reduces indirect client costs, providing the best overall project value solution whilst maximizing Australian content.

Our key capabilities are:

- Process Piping, Fabrication and Testing
- Mild Steel Cement Lined (MSCL) Piping Systems and Fittings
- Tanks, Silos and Hoppers
- Fabricated Structural Steel and Plate – Structures / Frames / Platforms
- Process Skids and Modules - Multidiscipline
- Pressure Vessels
- Exotic Material Fabrication - Inconel, Chrome Moly, Stainless Steel, Duplex and Super-Duplex
- Turnkey / Design and Fabricate Projects

Structural, Mechanical, Piping (SMP) Installation and Construction



Alltype Engineering provides cost effective project and multidiscipline solutions, including self-executed installation services. Our skilled, certified, and trained personnel have extensive experience in Structural, Mechanical and Piping installation scopes and can be quickly mobilised to any site in Australia, both onshore and offshore.

Our key capabilities are highlighted in projects completed including:

- Oil and Gas Production Facilities, Offshore Platforms, Subsea and FPSO Works
- Pipeline Facilities, Main Line Valves and Meter Stations
- Water Infrastructure and Pump Station Installation Works
- Mechanical Equipment Installation
- Steel Structures, Bridge and Gantry Erection
- Tank Erection
- Mineral Processing Equipment, Silos, Chutes, Hoppers and Tank Installation
- Petrochemical Plant Modifications and Debottlenecking

Maintenance



With our foundation in power station maintenance at the base load Kwinana and Muja Power Generation Stations in Western Australia, Alltype Engineering provides industrial maintenance services including pipe and mechanical fitting, welding, electrical and instrumentation works including planned and emergency shutdowns, repair and overhaul works, both workshop and site based.

We provide clients with custom solutions and provide 24-hour support for all maintenance projects and shutdown / turnaround requirements.

Electrical and Instrumentation Services (E&I)



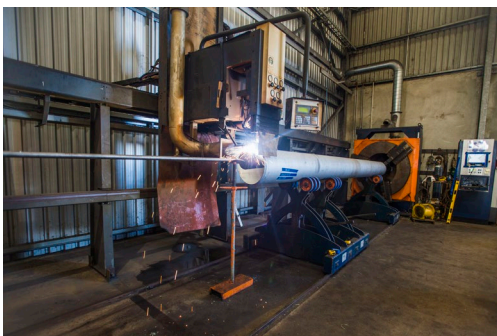
In 2017 Alltype Engineering established a niche Electrical and Instrumentation (E&I) service capability and hold Electrical Contractors Licence EC13220.

The services we offer our clients include:

- Early Contractor Involvement and E&I feasibility studies project development
- E&I installation works in metropolitan and remote areas
- Workshop fit out of control rooms, skids and MCC's
- AS3000 wiring and OEM compliance works
- Onsite supervision and inspections
- Onsite control system hardware and infrastructure upgrades
- Pre-commissioning and testing
- Hazardous Area inspections
- Commissioning

Alltype Engineering combines our workshop and site SMP and E&I capabilities to work with known pipeline and civil contractors for delivery of multidisciplinary turnkey construction services, seamlessly and cost effectively. This "end to end" solution for our clients can be undertaken on a construct only or design and construct basis and has proven popular with many projects secured and successfully delivered.

Automated Steel, Plate and Pipe Processing



Alltype Engineering was an early industry adopter of robotic, CNC and automated processing equipment for plate, pipe, module and structural steel in Western Australia. We have significant proven experience in operation of these processes across a range of material grades and alloys.

An in-house suite of automated processing technology enhances our ability to deliver complex fabrication and welding projects for a range of materials, specifications, and quality requirements, cost effectively, reliably and quickly whilst maintaining the licensed Sintakote product warranty and technology integrity.

Alltype Engineering has provided Mild Steel Cement Lined (MSCL) pipe and fittings for over 25 years. As the exclusive WA Agent for Steel Mains, Alltype Engineering is licensed to apply SINTAKOTE® to MSCL pipe fittings.



SINTAKOTE® is a fusion bonded polyethylene corrosion protection coating system applied directly to steel pipes internal or externally with over 40 years of proven operating experience above and below ground. From a wide variety of aggressive soil conditions to exposure to direct sunlight, the excellent chemical resistance of SINTAKOTE® provides protection without any significant deterioration or requirement for ongoing coating maintenance.

SIMPEC

SIMPEC delivers high quality construction and engineering services with specialisation in structural mechanical and piping (SMP), electrical and instrumentation (E&I), concrete products and civil services.



"In this ever-changing industry, the most influential and resilient brands are built from the heart. They are real and sustainable. Their foundations are stronger because they are built on integrity, hard work, determination, passion and by empowering people." Mark Dimasi, Managing Director

SIMPEC has successfully secured and completed a variety of projects in the Design and Construction space for numerous projects across the country.

SIMPEC's core capabilities provide clients with a fully integrated solution. Encompassing multi-disciplined experience from design, fabrication, site installation, commissioning and asset management services, and providing skills to deliver projects for all infrastructure, mining and oil and gas projects in the following facets of expertise:

- Management of Design Engineering in Civil, SMP & E&I
- SMP Major Construction
- E&I Major Construction
- In situ concrete, and grouting
- Capital construction project delivery
- Asset Management Services with a key focus on Oil & Gas and Mining
- Earthworks

STRUCTURAL, MECHANICAL & PIPING



SIMPEC specialises in SMP delivery and has extensive experience in providing integrated customer support in this field. We offer the resources and skillset to execute a wide range of projects.

Our expertise in Oil and Gas, Mining and Infrastructure include:

- Project management;
- Fabrication and Installation of Structural Steel;

Mechanical – all Static and Rotating equipment installation experience, including:

- Compressors, Turbines, Power generation, Screens, Conveyors, Pumps; and
- Stacks, kilns, vessels, tanks and column fit outs, etc.

Fabrication and installation of all piping class systems, including:

- Stick built installation, module tie in and hook-ups, exotics, compressor spools, and cryogenic systems.
- Management of overseas module fabrication;
- Installation of large-scale modules including all logistics and handling;
- NDT, pressure testing, flushing and Lube Oil flushing;
- Pre-commissioning;
- Equipment preservation; and
- Commissioning support.

ELECTRICAL & INSTRUMENTATION



(Electrical Contractors Licence Number – EC 007766)

SIMPEC's highly qualified Electrical and Instrumentation (E&I) division installs, commissions and maintains greenfield and major brownfield upgrade projects in remote and challenging environments.

We offer flexible services in innovative ways that ensures we exceed our customer's needs and requirements. Our expertise also includes consultancy services to assist customers to bridge any gaps and achieve commercial viability.

Our comprehensive experience has given us E&I capabilities in the following areas:

- Control Systems
- Instrumentation
- Instrumentation Services
- High Voltage
- Hazardous Areas

NON-PROCESS INFRASTRUCTURE (NPI)



SIMPEC has design, fabrication, installation and maintenance experience of Non-Process Buildings and Infrastructures. Our broad exposure to NPI has allowed us to work closely with our clients to provide best delivery and practice solutions.

Extensive exposure to:

- Camp Buildings and Installation;
 - Control Buildings;
 - Warehouses;
 - Workshops;
 - Offices;
 - Fuel Storage facilities;
- Compounds; and
 - Cost effective Solutions in Modularisation, Precast, Steel Frame including ground services etc.

ASSET MANAGEMENT SERVICE



Our Asset Management Services division provides for a "one stop shop" integrated solution with multi-disciplined experience in brownfields operational support, scheduled shutdown management, programmed and breakdown maintenance and sustaining capital project development to the Oil and Gas, Mining and Infrastructure sectors.

We offer end to end solutions for design, construction, asset life cycle management, procurement, inspection and testing services. Safety, quality and efficiency are the key focus for our Asset Management Services division, and we pride ourselves on successful outcomes for all projects.

SIMPEC works with our customers adopting a 'One Team' attitude ensuring project objectives are achieved. Along with our values 'Lead Positively, Create Teams and Be Like No Other', we strive to provide the best value solution for our customers. ."

Our specialities include:

- Shutdowns;
- Inspections;
- Testing;
- Replacement of Assets;
- Plant Upgrades and Capital works;
- Concrete Repairs;
- General Maintenance and Building refurbishment;
- Painting and Protective coatings.



OUR PROJECTS

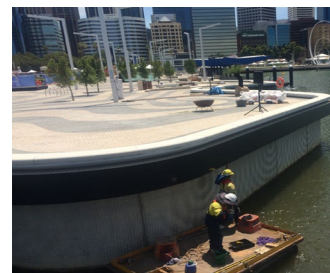
Infrastructure



Alltype Engineering was contracted by SmartWays Alliance (SWA) for supply and fabrication of 14 gantries, as part of the Main Roads Western Australia (MRWA) Kwinana Northbound Smart Freeway Project. The scope of work included the supply of specialist materials, fabrication, surface treatment, offsite assembly, and delivery to site for night installation during Freeway Shutdowns under traffic control.



Alltype Engineering was contracted by SRG Global to fabricate and install Mild Steel Cement Lined Piping systems and structural steel as part of the Water Corporation Merredin water storage tank upgrade project.



Alltype Engineering was contracted by CPB Contractors to fabricate structural steel components as part of the Elizabeth Quay development. The installed steel work continues to be a key component of the recreational area.



SIMPEC was contract CPB Contractors to perform the electrical completions and pre-commissioning works for the WestConnex new M5 Tunnel in Sydney.



SIMPEC was contract CBH Group for the Electrical AC Supply and Install for the Cathodic Protection Project along with the removal of redundant electrical systems across the wharf. The project was completed in Q1, 2021.



Alltype Engineering was contracted by MEJV to carry out fabrication, preassembly and testing of the MSCL piping for the Mitchell Freeway Extension in Alkimos. The works were undertaken in careful coordination with multiple contractors and heavy earthmoving machinery.

Oil & Gas and Petrochemical



Alltype Engineering was contracted by APA Group on the Ambania Compressor Station east of Geraldton part of the Northern Goldfields Interconnect (NGI) project. The scope includes workshop piping and skid fabrication and complete turnkey construction on site, including camp, civil, structural, piping, mechanical and electrical instrumentation works.



Alltype Engineering was contracted by AGIG to provide shop fabrication services and turnkey site multidiscipline construction works for the Solomon Gas Offtake and Treatment Facilities Upgrade as part of the mine site power station upgrade. The project was completed successfully in stages under live operational and shut down conditions.



Alltype Engineering was contracted by Coogee Chemicals to supply Chloralkali storage vessels for their Kemerton Chemical Manufacturing Plant. Alltype Engineering have manufactured pressure vessels for all industries including petrochemical, mining, water and minerals processing, in a variety of carbon, stainless and exotic materials.



Alltype Engineering was contracted by Dampier Bunbury Pipeline (DBP) for the Pluto Compressor Station SMPEI Works on the Burrup Peninsula near Karratha, Western Australia. Working in a tight elevated limited plot plan, careful planning and sequencing of the works was critical to install all equipment and balance of plant, whilst not disturbing operational assets nearby.



Alltype Engineering was contracted to provide engineering, detailed design, supply, fabrication and delivery for over 100 large duplex, super duplex and stainless steel API650 tanks, both lagged and unlagged, for the Albemarle Kemerton Lithium Plant near Bunbury and the Tinaqi Lithium Processing Plant in Kwinana.



Alltype Engineering was engaged by to provide workshop fabrication of steel, piping, tanks and vessels and subsequent construction works for the Xyris Processing Facility Upgrade near Dongara, Western Australia. The project was successfully executed during the COVID19 outbreak and ensuing pandemic constrained environment.

Mining and Minerals



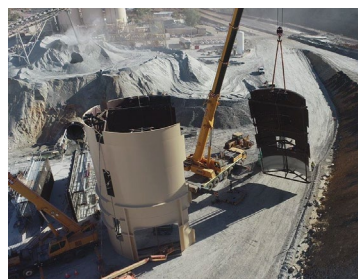
SIMPEC was contracted to construct the greenfield wet process plant for the Iron Bridge Magnetite Project, located approximately 145km south of Port Hedland, WA. This major SMP and E&I vertical construction contract commenced in 2021 and continues through to completion ready for start up in FY23.



Alltype Engineering was contracted by Lynas Rare Earths to complete workshop fabrication and subsequent SMP construction and E&I installation as part of the critical rotary kiln erection and installation works at the Kalgoorlie rare earths processing plant. This project contract commenced in 2021 and continues through to completion ready for start up in FY23.



SIMPEC was contracted by First Quantum Minerals to perform electrical, instrumentation and structural/mechanical installation works at Shoemaker Levy Project at Ravensthorpe, WA.



Alltype Engineering was contracted by Agnew Gold Mine to supply, fabricate and deliver a fine ore bin to the mine in Leinster, WA. A complex design, construct and challenging delivery to site, this contract was completed under a tight schedule using innovative constructability input by the Alltype Engineering team.



SIMPEC was contracted by Pilbara Minerals for civil, structural, mechanical, electrical and instrumentation works for the Stage 1 Improvement at the Pilgangoora Operations.



Alltype Engineering was contracted by Laing O'Rourke Australia to complete a structural, mechanical and piping package for Rio Tinto Koodaideri Mine Project in the Pilbara region of WA. Over 650 tonnes of structural steel, plate work (chutes), conveyor components and frames were fabricated for immediate installation on site.

Energy



SIMPEC was contracted by Acciona Group to perform mechanical, structural, and piping installation for Boilers and Balance of Plant (BOP) on the Kwinana Waste to Energy Project.



Alltype Engineering was contracted by Northern Star Resources to complete a fast tracked multidiscipline EPC project for the Thunderbox Goldmine near Leinster, Kalgoorlie. The work included new gas metering and offtake skid, control room and consumer gas pipeline to the mine power station. The shutdown works were completed ahead of schedule.



Alltype Engineering was contracted Contract Power to provide shop fabrication of structural steel, pipework and vessels for various power stations being installed for various mining clients in Western Australia. Through successful delivery, multiple orders for multiple end sites were secured and works are ongoing.



Alltype Engineering was contracted by Keppel Seghers to provide shop fabrication and site services for structural steel, pipework, and modifications for the Kwinana Waste to Energy Plant.



SIMPEC was engaged by Energy Power Systems Australia Pty Limited (EPSA) to provide civil, electrical, and mechanical installation for the Fortescue Eliwana Power Generation Package.



Alltype Engineering was contracted by Solar Turbines perform inspection, NDT and refurbishment / replacement works on the Centaur Solar Turbine Power Generation packages at the Esperance power station.

CORPORATE DIRECTORY

WESTSTAR INDUSTRIAL LIMITED

ABN 38 119 047 693

DIRECTORS

Mr Philip Re	Non-Executive Chairman
Mr Robert Spadanuda	Group CEO & Managing Director
Mr Lay Ann Ong	Non-Executive Director

COMPANY SECRETARY

Mr Daniel Coletta

REGISTERED OFFICE

52 Hope Valley Road
Naval Base WA 6165

PRINCIPAL PLACE OF BUSINESS

52 Hope Valley Road, Naval Base WA 6165
3/21 Kintail Road, Applecross, WA 6153

AUDITOR

Armada Audit & Assurance Pty Ltd
8 Sangiorgio Court
Osborne Park WA 6017

ASX CODE

WSI

SHARE REGISTRY

Automic Registry Services Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000

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