GENUS

2023 annual report

connecting the future

Built on a bedrock of three generations of accumulated family expertise, today the GenusPlus Group is a leading ASX-listed provider of critical infrastructure services to a blue-chip client base.

We provide an integrated service delivered through key complementary businesses to our clients in the resources, power, utilities, and telecommunications sectors across Australia.

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GENUS

About Genus

connecting the future

GenusPlus Group (ASX:GNP) is an end to end service provider for essential power and communications infrastructure.

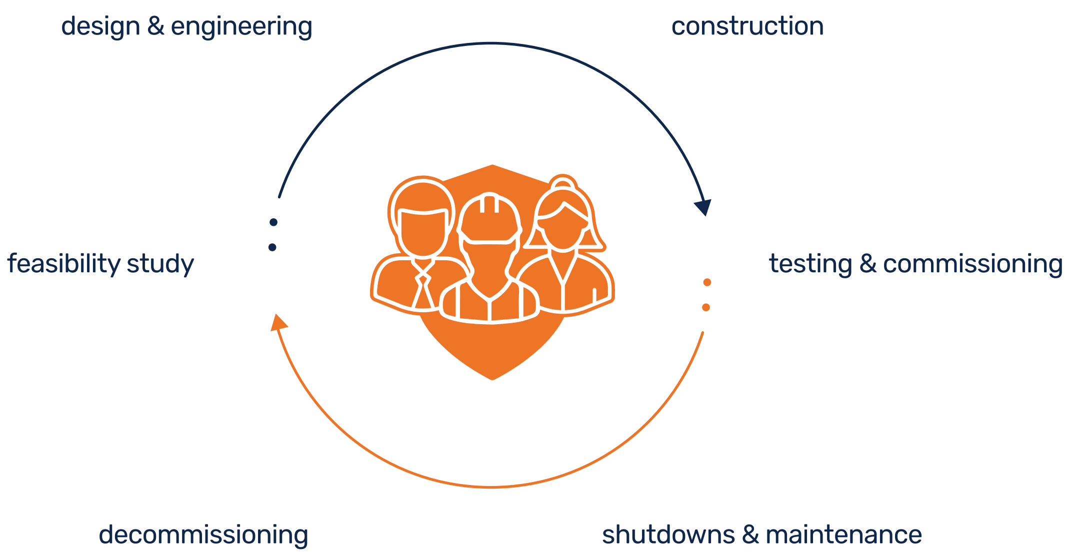
We provide an integrated service delivered through key complementary businesses to our clients in the resources, power, utilities, and telecommunications sectors across Australia.

Built on a bedrock of three generations of accumulated family expertise, today the GenusPlus Group is a leading ASX-listed provider of critical infrastructure services to a blue-chip client base. We enable customers to integrate new generation technology into traditional networks and support emerging networking solutions, meeting the demands of a carbon neutral economy; and helping to lead the transition to Australia's clean future through delivering complex, nationally-significant projects.

Powering Up Australia.

Our Services

We cover the full project life-cycle, from design and engineering to commissioning and decommissioning of power infrastructure assets. Our expertise crosses multiple sectors and our teams are experienced operators in both brownfield and greenfield sites across Australia.



connecting the future through innovative power solutions

2023 highlights

we're a team of dedicated industry professionals

$444 million

Revenue of $444 million

$36.8 million

Normalised EBITDA of $36.8 million

$46.7 million

Cash balance of $46.7 million
Up 67% on PCP

$15.7 million

NPAT-A of $15.7 million
Up 7.6% on PCP

$392 million

Orderbook of $392 million and strong tendered pipeline of $1.86 billion

Genus & our capabilities

power infrastructure capabilities

from the generating source to connection, we tick every box.

Our team optimises every stage of an asset's lifecycle, ensuring certainty with the lowest risk and whole-of-life cost. We draw on experience to continually develop advanced solutions which position projects to transition as technology develops.

Our clients include Australia's largest electricity utilities, infrastructure developers, telecommunications networks and major mining companies. We have delivered projects throughout Australia and across metropolitan, regional & remote areas.

1 Generating Source

- Power Station/ E&I Construction
- Solar
- Wind
- Battery Storage/ Hybrid Solutions

2 Terminal Substations

- Terminal Substations

3 Transmission Infrastructure

- Overhead Transmission Infrastructure
- Underground Transmission Infrastructure

4

Zone Substations

Zone Substations

5

Distribution Infrastructure

Overhead Distribution Infrastructure

Underground Distribution Infrastructure

6

Primary Customer Connection

Primary Customer Connection

communications infrastructure capabilities

end-to-end communications capability.

Our turnkey communications solutions span the full asset lifecycle from feasibility, engineering design, site acquisition, logistics, procurement, construction and integration through to operations and maintenance.

We focus on improving asset performance and reducing the risk associated with disruption to operations.

Networks: From Concept To Construction

- Complete network designs
- Line route selection & optimisation
- Experienced field delivery capability
- Field services from planning & design through to construction & maintenance

Civil & Infrastructure Construction

- Direct ploughing & optic fibre installation
- Directional drilling
- Trenching
- Cable hauling & cable jointing
- Pit & pipe installation
- Asset installation

Mobile & Wireless Infrastructure

- Field services covering site acquisition, engineering & and design (SAED), construction & install
- Extending mobile construction capability to grow into mobile blackspots, 5G and beyond

Digital Solutions

- Dedicated Workforce Operations Centre and field management platform (WFM)
- Data analytics toolsets
- Virtual assessment, technician mobility apps
- Proprietary app connecting to customers

chairman's review

A strong result as industry tailwinds increase

Genus produced a strong financial result this year, in the face of some enforced project delays and both inflationary & skilled labour-related challenges. Our diversification and growth strategy remains firmly on track, and our record order book and tender pipeline provide a solid base for future organic growth.

Revenue for the year stood at **$444 million** while normalised EBITDA increased by **4.8%** to **$36.8 million**, which was above market guidance and a record for the Company to date. This result reflects solid performances across all our business segments, given market conditions.

Pleasingly we continued to grow our market presence on the East Coast with operations in the region now representing **34% of group revenue** at a time of increasingly rapid infrastructure development. This expansion marks the achievement of a number of key strategic goals – with strong growth expected in the medium term leveraging a large pipeline of renewables and transmission projects to drive long term growth in the business.

Strategic acquisitions

A key enabler of our ability to build a truly national offering across our three segments has been a carefully executed combination of pursuing organic growth whilst also acquiring and integrating strategically positioned companies, which were brought into the Group because they complement our operating model and fit the Genus way of doing business.

This year has shown our ability to maximise the capabilities of previously stand-alone operations in target markets which showed value and scalability.

The restructuring of our Industrial Services business in FY2022 saw improved results from this segment. Industrial Services is well placed to capitalise on future opportunities, particularly in the renewable energy sector.

Restructuring of the Communications acquisition in the first half of FY2023 has seen a measurable improvement to operational and financial results in the second half of FY2023.

Overall, this approach combined with cementing our existing relationships with key clients, has elevated Genus' capacity to deliver while allowing us to pursue far bigger contracts.

As Australia's energy networks continue to evolve, we have developed a strong platform for growth – ensuring we are well positioned to be an active participant in the renewables transition; and the rewiring of the nation.

Australia’s networks are evolving. We’re ready.

We have continued to secure key contract wins in line with our strategy across our three segments of Infrastructure, Industrial Services and Communications.

As we announced in March, we are progressing contract negotiations to begin work on a Joint Venture partnership on the HumeLink transmission project. This is a new **500kV** transmission line in Southern NSW which will connect Snowy Hydro's 2.0 expansion to the network; as part of a **$10 billion transmission upgrade** helping to drive the National Energy Market’s renewables transition.

While this has taken longer than anticipated, what this clearly demonstrates is the market recognising Genus’ ability to consistently provide the skills and expertise required to complete complex energy projects at a time when our clients and the country need it the most.

Other key contract wins through the year include a $30 million award to deliver **nbn Co’s N2P Evolution Module** as part of a 3-year Master Module Agreement; a contract to develop transmission infrastructure for **Fortescue’s Project Energy Connect;** and a **$30 million award to complete infrastructure work** for Rio Tinto’s Western Range Project.

During the year we completed Stage One of the Kwinana Battery Energy Storage System (KBESS1) for Synergy, which positions us well for more utility-scale battery opportunities across the nation.

Think Safe. Work Safe. Home Safe.

Our focus on safety and the conducting of safety-awareness initiatives throughout the year have continued to strengthen our safety culture and deliver improvements in our performance. This is demonstrated by our Total Recordable Injury Frequency Rate (“TRIFR”) per million man-hours worked of **2.4** at 30 June 2023 – surpassing our internal target of **3.5**. The Group’s Lost Time Injury Frequency Rate (“LTIFR”) was again zero, which is a direct result of the tireless effort displayed by our outstanding operational teams.

Our expanding workforce continues to be built on experienced professional staff, highly skilled trades people, a network of trades-based workshops and specialised subcontractors.

Today the Group directly employs nearly **900 people including 87 apprentices/ trainees**. We believe that our commitment to employing our own people plays a large part in maintaining the proactive culture of Genus, which is one of our key strategic pillars.

Positioned for strong growth

We ended the year in a strong financial position with a cash balance of **$46.7 million and net cash of $22.4 million**, with the Group’s cash position increasing **67%** compared to the previous year.

The continued strength of our balance sheet positions us for organic and strategic acquisition opportunities focused on increasing our existing scale and geographic reach, and further developing our east coast presence.

Continuing to deliver for shareholders

The Board has declared a fully franked final dividend of **2.0 cents per share (cps)**, up from **1.8 cps** last year

As was the case in the previous financial year, we remain focused on maintaining a strong balance sheet to support growth both organically and by strategic acquisition where we see good value.

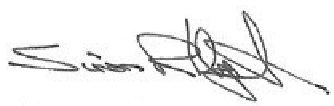
Looking to the future

With an extremely strong tender pipeline of **$1.86 billion;** an order book standing at **$392 million;** budget and opportunity leads in excess of **$3 billion;** and a workforce approaching **900**, our growing and diversified company is well placed to reach new heights in the years to come.

We are confident that our growth strategy positions us well to play an active and major role in the expanding pipeline of infrastructure opportunities across Australia, as the country continues its crucial energy transition.

Our talented people and their commitment and dedication always have and always will form the bedrock of our business. To each and every one – thank you.

Finally, I again would like to thank you, our shareholders, for continuing to be an integral part of our growth ambitions - and I trust you will continue to share in our future success.



Simon High
Chairman

managing director's report

The diversification we have built into the business has helped maintain strong profitability throughout the Group; this platform means that we can consistently provide the expertise required to complete complex projects at a time when our clients and the country need it the most.

A Strong Growth Platform

FY2023 was a strong year for Genus, considering a healthy forward-looking focus on the integration of acquisitions and consolidation of internal management systems, procedures and organisational structures; this creates a solid platform for future strong growth, with significant progress made to position the Group to be an active and major participant in the transition to renewable energy.

The diversification that we continue to build into the business has helped us maintain strong profitability. East coast revenue has grown to **34%** during 2023 (2022: 22%) and the Group delivered EBITDA margin improvement in FY2023 to **8.3%**, up from **7.8%** in FY2022.

The Group's focus on both acquisitive and organic growth along with diversification of recurring revenue streams underpin the benefits we can deliver to clients and our shareholders, predominantly through increased capacity, financial strength and security.

This expansion in capability and access to a greater forward pipeline has driven a strong order book, which is again supplemented by the traditionally robust recurring revenue base that we generate across the business.

A performance underpinned by strong operational success

As the Chairman notes, this past year saw Genus shortlisted to tender for delivery of part of the **$3.3 billion Transgrid's HumeLink 500kV Transmission Project** in NSW while other major project activity included completion of Stage 1 of Synergy's **Kwinana Battery Energy Storage System (KBESS)** Project - in the process delivering WA's first utility-scale BESS - along with key electrical infrastructure package awards from Rio Tinto and for Fortescue's milestone **Pilbara Generation Project**. Anticipated recurring works for major utilities across Australia will continue to provide ongoing revenue in the years ahead.

Against this backdrop, the Group was able to deliver a year of robust growth despite the prevailing environment. From **Revenue of $444 million, normalised EBITDA was up 4.8%** to **$36.8 million**. Net assets increased by **$11.6 million** which reflects earnings in the year net of dividend payments.

Our Communications team was awarded a 3-year Master Module Agreement with nbn under which Genus will deliver the **N2P Evolution Module** to deploy additional fibre infrastructure; including the provision of specialist planning, design and construction of nbn broadband infrastructure. This is a key opportunity alongside our ongoing contract with Telstra to grow the Communications business. The foundations of the division are in place to enable Genus to take advantage of significant forecast spend in the communications industry.

The Group has a strong cash position increasing Cash at bank to **$46.7 million** at 30 June 2023, up from **$27.9 million** in FY2022. Net cash is up to **$22.4 million** compared to **$6.8 million** in 2022.

	FY2023 $	FY2022 $	Change %
Revenue	444,178,894	450,936,669	(1.5%)
EBITDA[1]	33,666,128	32,994,800	
Non-recurring transactions[2]	3,124,369	2,114,658	
Normalised EBITDA[3]	36,790,497	35,109,458	4.8%
Depreciation & Amortisation[4]	(11,875,275)	(10,363,641)	
Normalised EBIT-A[5]	24,915,222	24,745,816	0.7%
Amortisation of acquisition intangibles	(3,337,917)	(1,538,290)	
EBIT	18,452,936	21,089,128	
Profit for the year	13,405,524	13,556,474	
NPAT-A[6]	15,742,065	14,633,277	7.6%

Note The table contains non-IFRS measures that are unaudited but derived from auditor reviewed FY23 Financial Statements. These measures are presented to provide further insight into the Group's performance.

1 EBITDA is earnings before interest, tax, depreciation and amortisation.

2. Non-recurring transactions relate to Acquisition costs, ECM Claim costs and Restructuring costs.

3. Normalised EBITDA is EBITDA plus Non-recurring transactions

4. Depreciation & amortisation excludes amortisation of acquisition intangibles.

5. Normalised EBIT-A is Normalised EBITDA less depreciation and amortisation (excluding amortisation of acquisition intangibles).

6. NPAT-A is Profit for the year plus amortisation of acquisition intangibles adjusted for tax effect at 30 June.

Our people

As ever, our success is dependent on the effort, capability and commitment of our people. Their dedication and support enables us to continue to deliver smart, innovative solutions across our diverse sectors, which forms a significant part of Genus' competitive advantage.

Investing in the next generation of employees is integral to the continued success of our business and the wider industry. Our successful apprenticeship program has expanded as we continue to invest in the growth, development, education and training for young graduates, apprentices and trainees. We currently support the career ambitions of **87 apprentices** and trainees, which is building a strong foundation of future skilled tradespeople.

Formalising our commitment to reconciliation

This year we were very proud to finalise and publish GenusPlus Group's first Reflect Reconciliation Action Plan (RAP). Through this Plan, we reaffirm our commitment to actively work toward reconciliation with Aboriginal and Torres Strait Islander peoples.

We are committed to measuring and understanding the impact of our activities. This includes ensuring that we remain focused on creating positive and tangible outcomes for our Aboriginal and Torres Strait Islander colleagues, partners and communities.

Our RAP includes practical actions that will drive Genus' contribution to reconciliation both internally and in the communities in which we operate.

Powering Up Australia

With industry tailwinds gaining momentum, Genus expects to capitalise on this underlying momentum to deliver high single to low double-digit growth in EBITDA in FY2024. We expect to return to strong growth in the medium term with a large pipeline of renewables and transmission projects to drive the business.

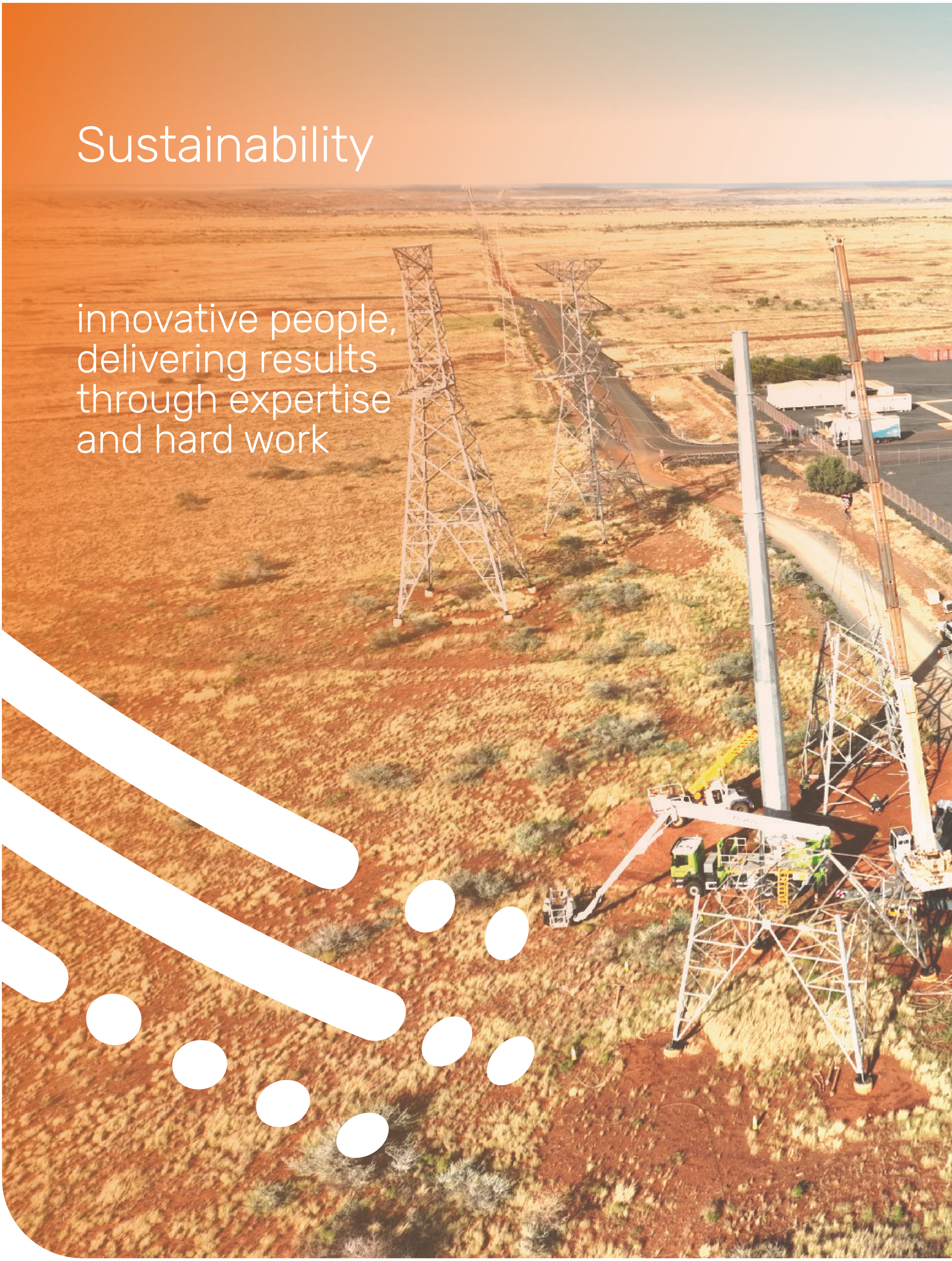
We expect to see continued growth from our east coast operations and a related increase in services revenue in FY2024. The increased focus on the power network around Australia should see significant opportunities present during the coming 10- 20 years as the system goes through a substantial transition from traditional energy sources to generation from new and renewable technologies.

Whilst we continue to derive the majority of earnings from the core business in Western Australia, we continue to make substantial progress in expanding the business into the much larger east coast markets.

David Riches
Managing Director

Sustainability

innovative people, delivering results through expertise and hard work



Sustainability

We will continue to implement health and safety initiatives which provide the foundation for a sustainable safety culture.

SHEQ

With nearly 900 people working across Australia, it is essential for Genus to have a robust approach to health, safety and environment.

Our goal is to ensure that those influenced by our work (including employees, subcontractors, and the general public) go home safely, every day. This approach to health and safety is embodied in the Group's "Think Safe. Work Safe. Home Safe." message.

We have established and implemented an integrated safety, health, environment, and quality (SHEQ) management system that provides the framework for how these areas are managed.

In the years ahead we will continue to maintain our triple-ISO Management System certification (45001, 14001 & 9001) and further streamline our Group-wide SHEQ management system.

We will also continue to implement health and safety initiatives that will provide the foundation for sustainable safety performance across Genus.

Our main scope of work is predominantly high risk. To mitigate the structural challenges of rapid growth, our SHEQ team is focused on identifying our critical risks based on our Safety Non-Negotiables.

These Safety Non-Negotiables were established to increase awareness and understanding of critical risks and control measures; provide a clear set of standards that are easily understood by all; and ultimately create an awareness to help prevent serious workplace injury and fatality. These safety non-negotiables are communicated at inductions, and regularly referred to during toolboxes, health and safety communications and during incident investigations.

Milestones achieved during FY23 include:

0

LTIFR at 30 June 2023

2.4

TRIFR at 30 June 2023
(exceeding our internal target of less than 3.5)

Our dedication goes beyond local sourcing, reflecting our commitment to nurturing the growth and well-being of the communities we serve.

Community

We are dedicated to supporting the progress of the communities in which we operate by extending aid through contributions, grants, and sponsorships to organisations that play a pivotal role in their development.

Our dedication goes beyond local sourcing, reflecting our commitment to nurturing the growth and well-being of the communities we serve. Through our financial contributions, we actively participate in initiatives that make a meaningful difference in these communities' development and prosperity.

Some of the organisations we've been proud to support include:

- Warwick Senators Under-14 Girls' basketball team
- Darkness Into Light Perth walk
- Under 10 team at Oran Park Rovers FC in NSW
- Pannawonica Primary School, WA
- Ronald McDonald House – Up All Night
- Lions Cancer Institute inc 'Special Children's' Christmas Big Day Out'
- Cancer Council Victoria
- Australasian Institute of Policing
- Rockingham Lakes Primary School Sporting Team
- Royal Flying Doctors' Service WA
- NSW Rural Fire Service
- Multiple Sclerosis Research Australia

We foster employee engagement in local community endeavours by encouraging participation in volunteer activities and endorsing attendance at community events. Over the past year, our employees have actively engaged in a range of community initiatives, including:

- **Collaborating with the Starlight Children's Foundation Australia:** Our team had the privilege of visiting the remarkable Starlight Experience Room at Perth Children's Hospital. This organization tirelessly operates life-changing programs, offering support, connection, empathy, and positive distractions to seriously ill children and their families. We take pride in supporting these dedicated individuals who uphold the Foundation's mission of brightening the lives of young patients, recognizing that childhood experiences have lasting impacts.
- **Engaging with the Early Learning Centre in Parkhurst, Queensland:** During Community Helpers Week, the children at the center had an immersive experience as honorary members of the GNIQ team. They donned Genus helmets and line gloves and explored a truck, learning about its mechanics and safety features. The children were fascinated by the lights and stabilizers, and we left them a piece of conductor as a memento. The visit was a resounding success, with the centre's staff expressing delight and anticipation for future engagements, including a planned visit with a Crane Borer!

Our commitment to these community involvements reflects our dedication to making a positive impact in the places we operate and supports our ethos of enriching lives and fostering connections.

Sustainability

Employing our own people and trades improves safety, quality and productivity and enables us to deliver smart, innovative solutions across our diverse sectors.

People

The foundation of our success is the effort, capability and commitment of our people.

Our unique culture underpinned by core values of safety, integrity, collaboration and mateship is a crucial piece of the Group's competitive advantage.

Genus' business is built on the efforts and capability of its employees and we firmly believe that support and development of our workforce remain a priority in delivering our critical services.

Investing in the future generation of employees is integral to our continued success. Genus believes in realising and developing talent with a structured and supported Apprenticeship Program. We currently support the career ambitions of 87 apprentices and trainees across the business who will form the foundation of our future skilled tradespeople.

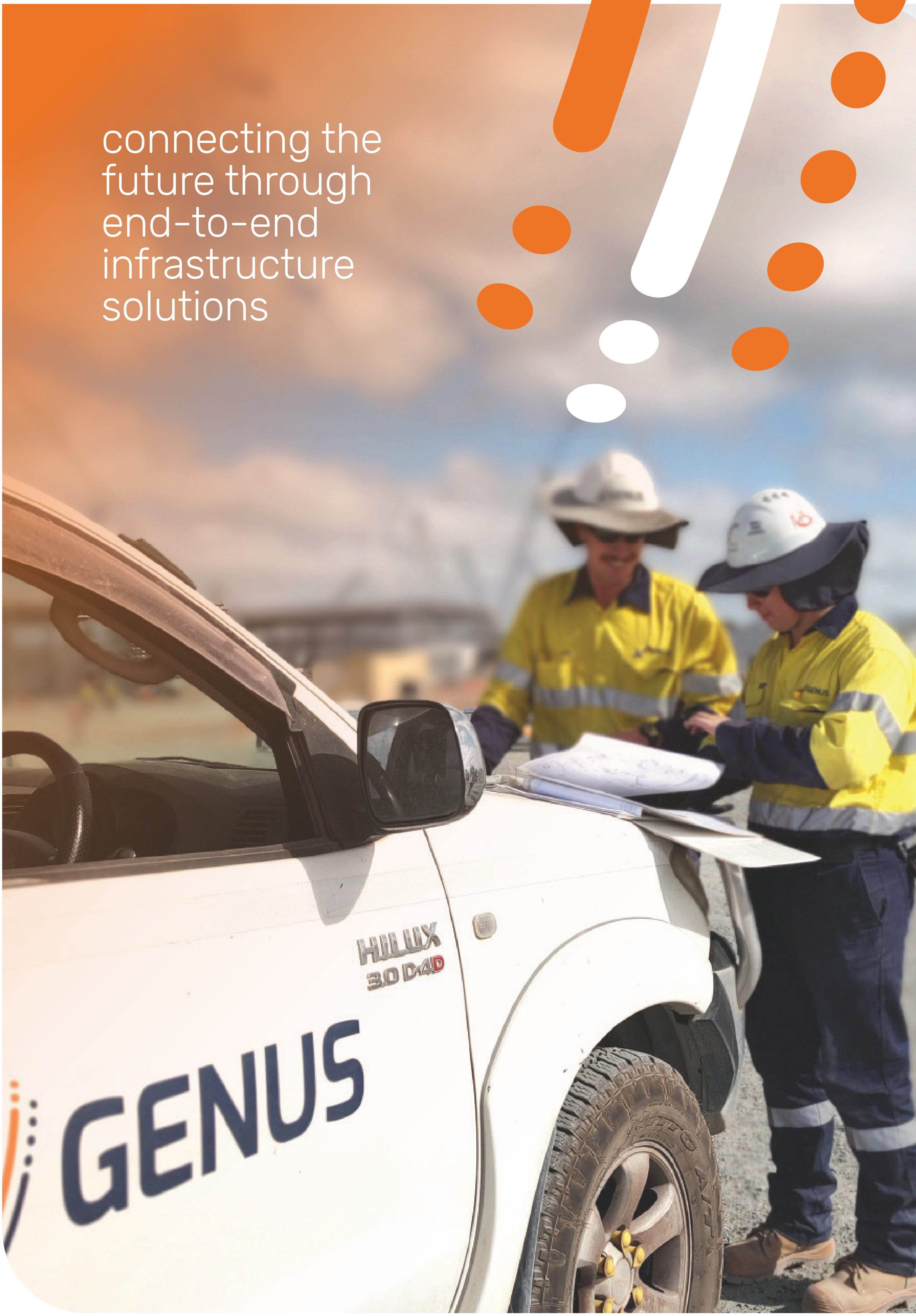
The attraction of high calibre employees is an ongoing challenge and there continues to be a very competitive employment market for skilled professionals. Combined with a continued focus on people-related productivity improvements, Genus will continue to invest in the development and retention of key capability and talent to enable the Company to successfully achieve its vision and to maintain this vital competitive advantage.

We remain committed to investing in our employees through generating opportunities to grow on personal and professional levels, through varied learning and development programmes for apprentices, trades, operational, professional and managerial employees. This creates a significant pipeline of talent throughout the Company.

Our diversity policies promote respect and fair treatment for all employees, and we seek to create an all-inclusive workplace where our people are encouraged regardless of age, gender, ethnicity, disability, sexual orientation or religion.

Our commitment to building a diverse workforce is evident in all aspects of employee engagement including recruitment, professional development, promotion and remuneration.

connecting the future through end-to-end infrastructure solutions



financial report 2023

connecting
the future.

contents

Powering up Australia -
from inspiration to operation

Directors' Report

The directors present their report together with the financial statements on the consolidated entity, consisting of GenusPlus Group Ltd and its controlled entities (the Company or Group) for the year ended 30 June 2023.

Directors' details

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors of the Company were in office for the entire period unless otherwise stated.

Mr David Riches

David Riches is the Managing Director and CEO of the Group. David is the founder of Powerlines Plus Pty Ltd and is a third-generation recognised industry expert. David has led the business growth with a successful year on year track record.

During the past three years he has not served as a director of any other listed companies.

Mr Paul Gavazzi

Paul Gavazzi is a Non-Executive Director and the Chair of the Audit and Risk Committee, and a member of the Remuneration and Nominations Committees. Paul has over 40 years' experience as a practising lawyer in commercial law, specialising in construction, projects and infrastructure. Paul was formerly senior partner of a large national law firm, and founder of the firm's Construction, Projects and Infrastructure Group. He is also the founder & Managing Director of Solve Global Pty Limited, a company that plans, manages, predicts and solves high-stakes commercial disputes using data-based analytics and strategic problem solving. Paul is an associate of the Chartered Institute of Arbitrators (UK), member of the Society of Construction Lawyers and member of the Australian Institute of Company Directors.

During the past three years he has not served as a director of any other listed companies.

Mr Simon High

Simon High is the Non-Executive Chairman of the Group. Simon is a qualified Civil Engineer, Fellow of the Institute of Engineers Australia and Fellow of the Australian Institute of Company Directors.

Simon has over 45 years' experience globally in the Oil & Gas, Mining and Industrial Infrastructure industries. Simon held Senior Executive roles with Kvaerner Oil & Gas, United Construction, Clough Ltd, Southern Cross Electrical Engineers and Ausgroup Ltd.

During the past three years he has not served as a director of any other listed companies.

Mr José Martins

José Martins is a Non-Executive Director and a member of the Audit and Risk Committee and Chair of the Remuneration and Nominations Committee. He brings over 25 years' experience in the financial management of public and private companies. Jose is a former CFO of ASX listed Ausdrill Ltd, Macmahon Holdings Ltd and Alliance Mining Commodities.

During the past three years he has also served as a director of the following listed companies:
Atlas Pearls Ltd (ASX: ATP).

Company Secretaries

Damian Wright is the Chief Financial Officer and Joint Company Secretary of GenusPlus Group Ltd. Damian has held senior finance positions including CFO and Company Secretary for private and ASX listed entities. Damian holds a Degree in Commerce, and is a fellow of CPA Australia and a fellow of the Governance Institute of Australia.

Strati Gregoriadis (BA, LLB, MBA) is the General Counsel and Joint Company Secretary of GenusPlus Group Ltd since commencing with the Group in January 2023. Strati has previously, for a number of years, held General Counsel & Company Secretary roles with ASX listed entities.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of GenusPlus Group Ltd were:

Director	Number of ordinary shares	Interest in options
David Riches	92,583,947	-
Simon High	304,167	-
José Martins	100,000	-
Paul Gavazzi	204,167	-

Principal activities

The principal activities of the Group during the financial year were the installation, construction and maintenance of power and communication systems.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

A review of the operations of the Group during the financial year and the results of those operations saw a decrease in contract revenue from $450,936,669 to $444,178,894. The profit of the Group for the financial year after providing for income tax amounted to $13,405,524 (FY2022: $13,556,475).

The Group reported a normalised EBITDA of $36.8 million for FY2023 ($35.1 million in FY2022), a strong year despite a year focused on the integration of acquisitions, consolidation of internal management systems, procedures and organisational structures in order to create a solid platform for future strong growth with significant progress made to position the Group to be an active participant in the transition to renewable energy. The Group successfully managed delays in project awards on a number of key projects, significant cost inflation and skilled labour pressures to deliver the strong results.

Despite these challenges, the diversification that is being built into the business has helped maintain strong profitability of the Group. East coast revenue has grown to 34% during 2023 (2022: 22%) and the Group delivered EBITDA margin improvement in FY2023 to 8.3%, up from 7.8% in FY2022.

The Group has a strong cash position increasing Cash at bank to $46.7 million at 30 June 2023, up from $27.9 million in FY2022. Net cash is up to $22.4 million compared to $6.8 million in 2022.

The Group's net assets increased by $11,553,060 which reflects earnings in the year net of dividend payments.

The acquisitions which occurred during the year are in line with the Group's strategy to strengthen its geographical position to take advantage of significant infrastructure investment in new markets. Refer to Note 37.

A comparison of the Group's performance from continuing operations is set out below:

	FY2023 $	FY2022 $	Change %
Revenue	444,178,894	450,936,669	(1.5%)
EBITDA[1]	33,666,128	32,994,800	
Non-recurring transactions[2]	3,124,369	2,114,658	
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NPAT-A[6]	15,742,065	14,633,277	7.6%

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2 Non-recurring transactions relate to Acquisition costs, ECM Claim costs and Restructuring costs.

3 Normalised EBITDA is EBITDA plus Non-recurring transactions

4 Depreciation & amortisation excludes amortisation of acquisition intangibles.

5 Normalised EBIT-A is Normalised EBITDA less depreciation and amortisation (excluding amortisation of acquisition intangibles).

6 NPAT-A is Profit for the year plus amortisation of acquisition intangibles adjusted for tax effect at 30%.

Pipeline

The Group continues to achieve significant growth in its business underpinned by existing contracted work, recurring revenue from regular clients, and anticipated revenue from its existing tender pipeline of works.

Revenue from recurring works including long term customer/panel revenue and revenue from long term supply & maintenance contracts has grown to a forecast of $200 million in FY 2024 with a project orderbook of $192 million revenue.

The Group has a current $1.863 billion tender pipeline providing a strong platform for continued growth.

In addition to the tendered pipeline there are further significant budgets and opportunities in progress in excess of $3 billion. Work on initial budgets for clients, which are not yet at formal tender stage, is common in our industry.

Genus is seeing the pipeline for the transition of the Australian transmission network grow substantially. In addition to the major investment in the transmission network and battery storage around Australia, Genus is well positioned to construct connections to the new transmission network from new energy power sources and renewable energy zones.

Outlook

With industry tailwinds gaining momentum FY2024, Genus expects to capitalise on this underlying momentum to deliver high single to low double-digit growth in EBITDA. Genus expects to return to strong growth in the medium term with a large pipeline of renewables and transmission projects to drive medium to long term growth in the business.

The Group expects to see continued growth from its east coast operations and increase in services revenue in FY2024. The increase focus on the power network around Australia should see significant opportunities present during the coming 10-20 years as the network goes through a substantial transition from traditional energy source of coal to generation from new and renewable energy.

Growth Strategy

Significant investment has been put into growing the east coast presence of Genus to be positioned for the substantial investment required to the power network over the next 10-20 years. Whilst the Group continues to derive the majority of earnings from the core business in Western Australia, substantial progress has been made expanding the business into the much larger east coast markets, which now represents 34% of revenue of the business.

During the year the company acquired the assets of ETS Tasmania and L&M Powerlines in Queensland expanding the Genus infrastructure services in the east coast.

Genus Communications was awarded a 3-year Master Module Agreement with NBN pursuant to which NBN has awarded the N2P Evolution Module to deploy additional fibre infrastructure for nbn which includes the provision of specialist planning, design and construction of nbn broadband infrastructure. This is a key opportunity alongside our contract with Telstra to grow the Communications business. The foundations of the business are in place to enable the Genus to take advantage of the large ongoing spend in the communications industry.

The Group is focused on replicating its Western Australian business model into the larger east coast market which is dependent on the Group's ability to continue to grow the new operations or execute and integrate further strategic bolt-on acquisitions.

Significant changes in the state of affairs

During the year, the following changes occurred within the Group:

Capital structure

Issued shares

In accordance with the acquisition agreement for Blue Tongue Energy Pty Ltd (Blue Tongue), deferred consideration that was due and payable to the previous owners of Blue Tongue was settled by way of equity allotment on 15 December 2022. 972,528 shares were transferred to the previous owners at a market value of $923,902 on that date.

Dividends

The Board has resolved to declare a dividend in respect of the year ended 30 June 2023 of 2.0 cents per share fully franked for a total of $3,554,499. (30 June 2022: $3,181,544). The ex-Dividend Date for this dividend will be 3 October 2023, the Record Date is 4 October 2023 and the Payment Date will be 3 November 2023.

Events arising since the end of the reporting period

On 31 July 2023, GenusPlus Group completed the acquisition of 100% of BlueTongue Energy Pty Ltd by acquiring the remaining 50% stake of the business for total consideration of $500,000. The acquisition will enable GenusPlus to expand its capability to fully service the Australian renewable energy market through BlueTongue's hybrid energy solutions particularly in the Battery Energy Storage (BESS) market.

On 21 August 2023, the Directors declared a final fully franked dividend of 2.0 cents per share with a record date of 4 October 2023 and a payment date of 3 November 2023. The total dividend payable is an aggregate of $3,554,499.

Other than the matter mentioned above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments

The Group will continue to seek opportunities to provide its services in installation, construction and maintenance of power and communication systems across Australia.

The Group's strategy includes:

- Continuing to replicate its successful business model to penetrate the large east coast markets, including growing its strategic acquisitions in Tasmania, NSW and QLD;
- Pursue substation and battery energy system projects, utilising the ability to be more selective on projects given the strength of the Genus brand;
- Taking advantage of the expected growth in electrical network infrastructure spending by public and private utility companies in Australia;
- Taking advantage of the expected growth in resources sector activity and related electrical network infrastructure construction;
- Continuing to grow the Communications business in the large telecommunications sector;
- Continuing to maintain and develop new customer relationships;
- Continuing to maintain Genus' culture and significant investment into staff training;
- Continuing to maintain its diversification between the Government utilities and the private sectors; and
- Continuing to maintain and grow its recurring works including long term customer/panel revenue and revenue from long term supply & maintenance contracts to provide a stable base line of year on year revenue.

Risk Management

In managing risk, Genus has adopted a proactive approach aligned with ISO31000 and the Corporate Governance Principles and Recommendations 4th Edition of the ASX Corporate Governance Council.

Genus endeavours to strike the correct balance between managing risks and making effective risk-reward decisions. Given the breadth, scale and geographies of Genus' operations, Genus is exposed to a wide range of factors which have the potential to impact it. It has controls in place to attempt to manage and mitigate risks where it is practicable and efficient to do so, although there is no guarantee that these efforts will be successful. Below is an overview of:

(i) some key material risks Genus is exposed to which could potentially have a material adverse impact on the financial condition and results of Genus' operations; and

(ii) how it manages those risks. These risks are not set out in any particular order and are not intended as an exhaustive list of all the uncertainties and risks Genus is or may be exposed to.

Winning New Work

Genus' performance is impacted by its ability to win and complete new contracts. Any failure by Genus to continue to win new contracts will impact its financial performance and position.

Genus endeavours to secure and sustain high-quality projects supported by strong financial and commercial practices. Nevertheless, there exists inherent unpredictability in pricing projects due to the risks prevalent in our operating environment.

Financial

Maintaining financial stability is crucial for Genus' long-term success, and a failure by Genus to maintain this financial stability could adversely impact its operations and financial performance.

Genus actively monitors and manages financial risks through prudent financial planning, budgeting, and risk assessment processes. Genus continuously evaluates market conditions, manages currency risks, and maintain robust financial controls and reporting mechanisms. By adhering to these procedures, Genus aims to safeguard its financial performance and ensure the sustainable growth of its business.

Liquidity Risk

This refers to the potential inability of Genus to meet its financial obligations when they become due. This risk can arise from factors such as counterparty risk, underperforming projects, and challenges in efficiently managing cash.

Genus manages this risk by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business, and with a comprehensive insurance program providing protection against key risks and losses.

Further information can be found in Note 39 of this Annual Financial Report.

Financing Risk

Genus has financing facilities with external financiers. A default under any of these facilities could result in withdrawal of financial support or an increase in the cost of financing. Genus manages this risk by monitoring banking covenants regularly and reporting to the financiers quarterly. Regular meetings are held with the financiers to keep them abreast of the Group performance where existing and new facility requirements are discussed.

Bank Guarantee and Insurance Bond Facilities

Genus' customers often require Genus to provide security in the form of bank guarantees or insurance bonds. As Genus wins more and larger contracts, its bank guarantee and insurance bond facilities are reduced and this could constrain or inhibit Genus in taking on new work.

Genus manages this risk through early engagement and negotiation with the providers of its facilities, seeking new or additional facilities as required, and actively managing the return of outstanding guarantees and bonds.

Project Delivery, Margins and Operations

Execution and delivery of projects involves judgement regarding the planning, development and operation of complex operating facilities and equipment. Genus' operations, cash flows and liquidity could be affected if the resources or time needed to complete a project are miscalculated, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. Cost overruns, unfavourable contract outcomes, serious or continued operational failure, adverse industrial relations outcomes, disruption at key facilities, disruptions to information and communication systems or a safety incident have the potential to have an adverse financial impact. Genus is also exposed to input costs through its operations, such as the cost of fuel and energy sources, equipment and personnel. To the extent that these costs cannot be passed on to customers in a timely manner, or at all, Genus' financial performance could be adversely affected.

Genus employs project management methodologies to ensure timely and efficient completion of projects while maintaining high-quality standards. It continuously evaluates project risks, employs project risk mitigation strategies, and monitors project progress closely. By implementing effective project controls and optimising operational efficiencies, Genus aims to deliver projects within budget and protect its margins.

Labour Cost and Availability

Genus' growth and profitability may be limited by loss of key operating personnel, inability to recruit and retain skilled and experienced employees or by increases in compensation costs. The growth of activity in the power sector has increased demand for quality resources, creating a tightening market and upward pressures to secure skilled leaders, professionals and personnel.

The Group mitigates these risks by taking a proactive and adaptable approach. The Group regularly plans workforce requirements, utilising human resource management software to streamline processes to track workforce data, and through contingency planning, and training and internal promotion.

Contract Pricing Risk

If relevant internal processes are not complied with or if Genus materially underestimates the cost of providing services, equipment, or plant, there is a risk of a negative impact on its financial performance.

Genus has strong internal tendering and commercial review processes aimed at ensuring relevant costs and commercial risks are identified and priced into its bids.

Health and Safety

Genus may experience incidents, including life-changing events which have the potential to cause physical or psychological harm. This could result in the loss of a contract, have an adverse impact to Genus’ reputation, and potentially difficulty in winning new work.

Genus is committed to providing a systematic process to manage risks around health and safety. Health and Safety is the first item discussed at Board and other internal meetings, regular safety audits are undertaken, and it has ongoing employee engagement initiatives to promote a strong safety culture. Genus has established a Health, Safety, Environment and Quality (SHEQ) management system aligned with the Australian standards [insert ISO accreditations]. The systems encompass various key aspects:

- Integration of psychosocial hazards into operational risk management practices, ensuring comprehensive identification and mitigation of potential risks.
- Provision of appropriate training, supervision, and resources to promote a safe working environment.
- Implementation of High-Risk Standards and verification processes to establish a framework for managing high-risk incidents that could lead to severe injuries or fatalities.
- Regular review and audit of SHEQ processes and controls to ensure ongoing effectiveness and compliance.
- Monitoring of periodic SHEQ reporting and SHEQ bulletins at the Group level to identify trends, areas for improvement, and to take prompt action when necessary.

Cyber Security

The potential for cyber security attacks, misuse and release of sensitive information are ongoing and real risks to Genus.

Genus has been reviewing and in the process of implementing and upgrading a number of cybersecurity measures to protect its IT infrastructure, networks, and sensitive data. These measures include investing in systems and infrastructure, firewalls, encryption protocols, regular vulnerability assessments, and employee training on data security best practices, and implementing:

- Information security management systems to ensure comprehensive protection and management of information assets.
- Utilisation of anti-malware and endpoint detection and response software to detect and prevent malicious activities on our systems.
- Implementation of multi-factor authentication to add an extra layer of security by requiring multiple forms of identification for access.
- Developing business resilience plans that specifically address cyber-related scenarios to ensure continuity of operations in the event of an incident.

Climate Change and Carbon Emissions

The regulation and focus in these areas has increased significantly, with growing pressure on companies to disclose their measures for identifying and managing climate related risks.

Genus will seek continual improvements in energy efficiency across its business to understand and reduce the carbon intensity of operations, and is reviewing and gathering data required for reporting.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Board Meetings		Audit and Risk Committee		Remuneration and Nominations Committee	
Board Member	A	B	A	B	A	B
David Riches	17	17	n/a	n/a	2	2
Simon High	17	17	3	3	n/a	n/a
Paul Gavazzi	17	16	3	3	2	2
José Martins	17	16	3	3	2	2

Where:

Column A: is the number of meetings the Director was entitled to attend

Column B: is the number of meetings the Director attended

Options

No options over issued shares or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Remuneration Report (audited)

The Directors of GenusPlus Group Ltd (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001.*

The Remuneration Report is set out under the following main headings:

a Principles used to determine the nature and amount of remuneration

b Details of remuneration

c Share-based remuneration; and

d Bonuses included in remuneration

e Shares held by key management

f Other transactions with key management personnel and their related parties

a Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent

GenusPlus Group Ltd has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The Committee has engaged independent remuneration consultants to provide any necessary information to assist in the discharge of its responsibilities (refer to the disclosures below).

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI)

GenusPlus Group Ltd performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (KPIs) for the Executive Team are summarised as follows:

Performance areas

- **financial:** operating profit and earnings per share; and
- **non-financial:** strategic goals set by each individual business unit based on job descriptions

The STI Program incorporates only cash components for the Executive Team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Voting and comments made at the Company's last Annual General Meeting

GenusPlus Group Ltd held its Annual General meeting held on 28 November 2022. There were no adverse comments from the vote on the Remuneration Report for the financial year ending 30 June 2022.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous two financial years:

Item	2023	2022	2021
EPS (cents)	7.6	8.4	8.6
Dividends (cents per share)	2.0	1.8	1.8
Net profit ($'000)	13,405	13,556	13,349
Share price ($)	1.12	1.27	0.94

Remuneration Report (audited) (continued)

b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (KMP) of GenusPlus Group Ltd are shown in the table below:

Director and other Key Management Personnel		Short-term employee benefits			Post-employment benefits	Long-term benefits				
Employee	Year	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Long service leave	Termination benefits	Share-based payments	Total	Performance based % of remuneration
Executive Directors		$	$	$	$	$	$	$	$	
David Riches CEO and Managing Director	2023	335,908	-	-	25,292	10,750	-	-	371,950	-
	2022	335,306	-	-	23,568	(9,380)	-	-	349,494	-
Non-executive Directors										
Simon High Chairman	2023	102,500	-	-	10,763	-	-	-	113,263	-
	2022	102,500	-	-	10,250	-	-	-	112,750	-
José Martins Independent	2023	65,000	-	-	6,825	-	-	-	71,825	-
	2022	65,000	-	-	6,500	-	-	-	71,500	-
Paul Gavazzi Independent	2023	65,250	-	-	6,851	-	-	-	72,101	-
	2022	65,000	-	-	6,500	-	-	-	71,500	-
2023 Total	2023	568,658	-	-	49,731	10,750	-	-	629,139	-
2022 Total	2022	567,806	-	-	46,818	(9,380)	-	-	605,244	-

Remuneration Report (audited) (continued)

b Details of remuneration (continued)

Director and other Key Management Personnel		Short-term employee benefits			Post-employment benefits	Long-term benefits				
Employee	Year	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Long service leave	Termination benefits	Share-based payments	Total	Performance based % of remuneration
Other Key Management Personnel		$	$	$	$	$	$	$	$	
Damian Wright CFO & Joint Company Secretary	2023	272,921	99,254	-	25,292	8,835	-	-	406,302	24.4%
	2022	247,164	60,000	-	23,396	4,301	-	-	334,861	17.9%
Michael Green EGM Corporate Services	2023	259,582	94,800	-	25,280	11,141	-	-	390,803	24.3%
	2022	235,675	60,000	-	23,046	8,236	-	-	326,957	18.4%
George Lloyd, EGM National Business Development	2023	297,144	107,193	-	25,292	7,976	-	-	437,605	24.5%
	2022	279,998	60,000	-	23,568	4,795	-	-	368,361	16.3%
Strati Gregoriadis [1] General Counsel & Joint Company Secretary	2023	138,654	-	-	12,646	-	-	-	151,300	-
	2022	-	-	-	-	-	-	-	-	-
Hasan Murad EGM Commercial	2023	320,000	114,554	-	25,292	-	-	-	459,846	24.9%
	2022	320,000	60,000	-	26,030	-	-	-	406,030	14.8%
2023 Total	2023	1,288,301	415,801	-	113,802	27,952	-	-	1,845,856	22.5%
2022 Total	2022	1,082,837	240,000	-	96,040	17,332	-	-	1,436,209	16.7%

1 Strati Gregoriadis was appointed to the Company on 19 January 2023.

Remuneration Report (audited) (continued)

b Details of remuneration (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Employee	Fixed remuneration	At risk: Short Term Incentives (STI)	At risk: options
Executive Directors			
David Riches	43	57%	–
Other Key Management Personnel			
Damian Wright	61	39	–
Michael Green	61	39	–
George Lloyd	61	39	–
Strati Gregoriadis	72	28	–
Hasan Murad	61	39	–

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base salary (incl super)	Term of agreement	Notice period
David Riches	361,200	Unspecified	Six months
Damian Wright	298,214	Unspecified	Three months
Michael Green	284,863	Unspecified	Three months
George Lloyd	322,436	Unspecified	Six months
Strati Gregoriadis	350,000	Unspecified	Three months
Hasan Murad	345,292	Unspecified	Three months

c Share-based remuneration

No member of the Key Management Personnel has an entitlement to be paid in shares.

d Bonuses included in remuneration

Details of the short-term incentive cash bonuses awarded as remuneration to each key management personnel, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonus is payable in future years.

Employee	Included in remuneration ($)	Percentage vested during the year	Percentage forfeited during the year
Executive Directors			
David Riches[1]	–	–	–
Other Key Management Personnel			
Damian Wright	99,254	55.95	44.05%
Michael Green	94,800	56.18	43.82%
George Lloyd	107,193	55.50	44.50%
Strati Gregoriadis[2]	–	–	–
Hasan Murad	114,554	55.07	44.93%

1 David Riches has elected not to receive a performance-based incentive in relation to the year ended 30 June 2023.

2 Strati Gregoriadis was appointed to the Company on 19 January 2023.

Remuneration Report (audited) (continued)

e Shares held by key management personnel

The number of ordinary shares in the Company during the 2022 reporting period held by each of the Group's key management personnel, including their related parties, is set out below:

Employee	Balance at start of year	Granted as remuneration	Other changes	Held at the end of reporting period
Year ended 30 June 2023				
David Riches	92,583,947	-	1,000,000	93,583,947
Simon High	304,167	-	-	304,167
José Martins	100,000	-	-	100,000
Paul Gavazzi	204,167	-	-	204,167
Damian Wright	72,917	-	-	72,917
Michael Green	130,208	-	-	130,208
George Lloyd	1,626,042	-	-	1,626,042
Strati Gregoriadis	-	-	-	-
Hasan Murad	72,917	-	-	72,917

None of the shares included in the table above are held nominally by key management personnel.

Loans to key management personnel

The Group allows its employees to take up limited short-term loans to fund merchandise and other purchases through the Group's business contacts. This facility is also available to the Group's key management personnel. No member of the key management personnel received a loan during the reporting period.

The Group does not have an allowance account for receivables relating to outstanding loans and has not recognised any expense for impaired receivables during reporting period.

There were no individuals with loans above $100,000 during the financial year.

f Other transactions with key management personnel and their related parties

Details and terms and conditions of other transactions with KMP and their related parties:

Purchases

Property leases

During 2023, the Group rented various properties from David Riches and his related parties as part of normal business operations. The amount for which each property was leased was negotiated on commercial terms in accordance with lease agreements verified by the board. During 2023 $680,012 was recognised in the operating result for the year in relation to these properties. NIL was un-paid as of the reporting date.

Engineering services

During 2023, the Group utilised the engineering services of Partum Engineering Pty Ltd, of which David Riches is also a Director, for design and other work. $9,893,117 was recognised as an expense in relation to these services. $994,898 was un-paid as of the reporting date.

Transportation and logistical services

During 2023, Pastoral Plus, of which David Riches is a Director, provided transportation and logistical services to the Group in circumstances where independent commercial transport services were unavailable to meet the business' requirements. $565,626 was recognised as an expense for these services, of which $49,161 was unpaid as of the reporting date.

Injury management

During 2023, Edge People Management Pty Ltd, in which David Riches holds an interest, provided injury management services to the Group. $108,833 was recognised as an expense in relation to these services. $15,623 was un-paid as of the reporting date.

End of audited Remuneration Report.

Environmental regulations

The Group's operations are subject to the environmental regulations that apply to our clients.

There have been no significant breaches during the period covered by this report.

Indemnities given to, and insurance premiums paid for, auditors and officers

Insurance of officers

During the year, GenusPlus Group Ltd paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

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

Indemnity of auditors

The Group has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Non-audit services

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 34 to the financial statements.

Proceedings on behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 35 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

D. Riches

David Riches
Director, XX August 2023

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of GenusPlus Group Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of GenusPlus Group Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 22 August 2023

Corporate Governance Statement

The Corporate Governance Statement is available on GenusPlus Group's website at [www.genus.com.au/who-we-are/corporate-governance.](www.genus.com.au/who-we-are/corporate-governance)

Corporate Governance Principles And Recommendations

The ASX Corporate Governance Council sets out best practice corporate governance recommendations, including practices and suggested disclosures. Listing Rule 4.10.3 requires disclosure for companies on the extent to which they comply with these recommendations, and if not, to give reasons for not following them.

Unless otherwise indicated, the best practice recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, have been adopted by Genus for the year ended 30 June 2023.

Corporate Governance

Genus is committed to a governance culture that aims to protect shareholder rights, effectively manage risk, enhance disclosure and transparency (both within the company and to external stakeholders) and facilitate the effective functioning of the board.

We believe that by operating with a strong focus on corporate governance, we will enhance Genus' sustainable long-term performance and value creation for all stakeholders. The Board of Directors is responsible for Genus' corporate governance framework, which ensures that the Company's obligations and responsibilities to its various stakeholders are fulfilled. The Company's 2023 Corporate Governance Statement, to be released to shareholders towards the end of September 2023, will report on Genus' governance practices. Genus has in place charters, policies, and procedures (published on our website) which are reviewed and revised as appropriate to reflect changes in law and developments in corporate governance.

The Board's Risk & Audit Committee is responsible for monitoring the effectiveness of the Group's risk management framework.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue	6	444,178,894	450,936,669
Other income	7	3,690,452	1,962,423
Employee expenses	28	(140,657,388)	(137,197,766)
Raw materials and consumables expenses		(125,597,200)	(139,298,892)
Contractors and labour hire expenses		(119,167,019)	(114,602,305)
Motor vehicle expenses		(13,969,192)	(16,037,478)
Depreciation expense	22	(15,213,191)	(11,901,931)
Other expenses	10	(14,812,420)	(12,771,590)
Operating profit		18,452,935	21,089,130
Share of results of joint ventures	8	(212,093)	63,346
Share of results of associates	9	(401,442)	401,393
Finance income	12	186,990	8,550
Other gains and losses	11	215,401	(461,000)
Finance costs	12	(1,548,058)	(1,077,105)
Profit before income tax		16,693,733	20,024,314
Income tax expense	13	(3,288,210)	(6,467,839)
Profit for the year		13,405,524	13,556,475
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on monetary items denominated in foreign currency (net of tax)		(146,908)	160,117
Total comprehensive income for the year		13,258,616	13,716,592
Profit for the year attributable to			
Owners of the company		13,258,616	13,716,592
Earnings per share			
Basic earnings per share (cents)	14	7.56	8.36
Diluted earnings per share (cents)	14	7.56	8.36

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	2023 $	2022 $
Current assets			
Cash and cash equivalents	15	46,737,238	27,882,473
Trade and other receivables	16	56,948,784	68,872,911
Contract assets	17	37,595,573	45,734,278
Inventories	19	3,796,472	3,728,803
Financial assets	20	326,741	-
Current tax asset	13	–	4,569,537
Other assets	21	5,439,866	1,582,879
Total current assets		150,844,674	152,370,881
Non-current assets			
Financial assets	20,18	1,130,376	993,833
Interests in joint ventures	8	2,874,206	3,086,299
Investment in associates	9	–	401,442
Property, plant and equipment	22	18,247,524	17,675,106
Right-of-use assets	23	23,258,391	23,283,092
Intangible assets	24	31,063,401	34,173,243
Total non-current assets		76,573,898	79,613,015
Total assets		227,418,572	231,983,896
Current liabilities			
Trade and other payables	25	50,993,122	72,608,068
Contract liabilities	26	16,876,882	12,752,963
Financial liabilities	27	1,580,000	6,869,953
Lease liabilities	23	9,007,690	7,765,884
Current tax liabilities	13	6,725,475	-
Employee benefits	28	8,607,305	6,487,235
Provisions	29	50,000	1,221,721
Total current liabilities		93,840,474	107,705,824
Non-current liabilities			
Financial liabilities	27	4,280,000	3,924,000
Lease liabilities	23	12,861,963	14,232,018
Deferred tax liabilities	13	10,550,113	10,148,438
Employee benefits	28	909,889	2,550,543
Total non-current liabilities		28,601,965	30,854,999
Total liabilities		122,442,439	138,560,823
Net assets		104,976,133	93,423,073
Equity			
Issued capital	30	55,265,025	53,789,037
Reserves	31	(490,350)	(343,442)
Retained earnings		50,201,458	39,977,478
Total equity		104,976,133	93,423,073

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	Share capital $	Retained earnings $	Corporate Restructure Reserve $	Foreign currency translation reserve $	Total $
Balance at 1 July 2021		28,925,754	29,288,015	(511,834)	8,275	57,710,210
Profit for the year		–	13,556,475	–	–	13,556,475
Other comprehensive income		–	–	–	160,117	160,117
Total comprehensive income for the year		–	13,556,475	–	160,117	13,716,592
Transactions with owners in their capacity as owners:						
proceeds from capital raising	30	20,000,000	–	–	–	20,000,000
share issues pursuant to a business combination	30,37	6,023,589	–	–	–	6,023,589
cost of share issues	30	(1,160,306)	–	–	–	(1,160,306)
dividend paid	32	–	(2,800,619)	–	–	(2,800,619)
		24,863,283	(2,800,619)	–	–	22,062,664
Changes in ownership interests:						
disposal of Burton Training & Consultancy Pty Ltd		–	(66,393)	–	–	(66,393)
Sub-total		24,863,283	10,689,463	–	160,117	35,712,863
Balance at 30 June 2022		53,789,037	39,977,478	(511,834)	168,392	93,423,073
Balance at 1 July 2022		53,789,037	39,977,478	(511,834)	168,392	93,423,073
Profit for the year		–	13,405,524	–	–	13,405,524
Other comprehensive income		–	–	–	(146,908)	(146,908)
Total comprehensive income for the year		–	13,405,524	–	(146,908)	13,258,616
Transactions with owners in their capacity as owners:						
share issues pursuant to a business combination	30,37	923,902	–	–	–	923,902
deferred tax adjustments in Equity		558,074	–	–	–	558,074
dividend paid	32	–	(3,181,544)	–	–	(3,181,544)
share issue costs		(5,988)	–	–	–	(5,988)
		1,475,988	(3,181,544)	–	–	(1,705,556)
Sub-total		1,475,988	10,223,980	–	(146,908)	11,553,060
Balance at 30 June 2023		55,265,025	50,201,458	(511,834)	21,484	104,976,133

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Operating activities			
Receipts from customers		507,229,739	465,134,004
Payments to suppliers and employees		(477,044,403)	(451,425,418)
Income tax refund / (paid)		8,966,552	(2,243,853)
Net cash provided by operating activities	33	39,151,888	11,464,733
Investing activities			
Proceeds from sale of property, plant and equipment		2,712,638	1,386,650
Purchase of property, plant and equipment		(5,697,192)	(4,870,466)
Net loans paid by / (loans to) associated and joint venture entities		(195,165)	28,168
Proceeds from disposal of investments		-	170,000
Acquisition of investment in associate		-	(1,000,000)
Acquisition of subsidiaries (net of cash)	37	(4,132,995)	(19,963,360)
Net cash used in investing activities		(7,312,714)	(24,249,008)
Financing activities			
Proceeds from borrowings		2,900,000	-
Repayments of borrowings		(2,210,000)	(1,670,000)
Receipts of sub-lease instalments		289,335	-
Payment of lease liabilities principal		(9,274,224)	(6,975,397)
Proceeds from issue of share capital	30	-	20,000,000
Transaction costs for issued share capital	30	-	(1,160,306)
Dividends paid		(3,181,544)	(2,800,619)
Interest received		186,990	8,550
Finance costs		(1,548,058)	(1,077,105)
Net cash provided by / (used in) financing activities		(12,837,501)	6,325,123
Net change in cash and cash equivalents held		19,001,673	(6,459,152)
Cash and cash equivalents at beginning of financial year		27,882,473	34,181,508
Effect of exchange rate fluctuations on cash held		(146,908)	160,117
Cash and cash equivalents at end of financial year	15	46,737,238	27,882,473

This statement should be read in conjunction with the notes to the financial statements.

1. Nature of operations

GenusPlus Group Ltd and its subsidiaries' (the Group) principal activities include the construction and maintenance of transmission and distribution power lines and substations servicing the Western Australian, Queensland, New South Wales and Tasmanian power networks as well as providing specialist engineering, testing and commissioning services to the electrical and communications industries.

2. Basis of preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). GenusPlus Group Ltd is a for-profit entity for the purpose of preparing the financial statements.

GenusPlus Group Ltd is the Group's Ultimate Parent Company. GenusPlus Group Ltd is an ASX listed Public Company (ASX Code: GNP) incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Level 1, 63 – 69 Abernethy Road, Belmont, Australia.

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors on 21 August 2023.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

3. Changes in accounting policies

3.1 New standards adopted as at 1 July 2022

The Group has adopted all 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 2022.

AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018–2020 and Other Amendments

Annual Improvements

The application of the amendments did not have a material impact on the Group's consolidated financial statements, as the amendments either do not affect the Group's existing accounting policies, or apply to situations, transactions and events that the Group does not undertake.

Amendments to AASB 3 Business Combinations

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. The application of the amendments in the current period have not impacted the accounting for business combinations which have occurred during the current period.

Onerous Contracts – Cost of Fulfilling a Contract

The application of the amendments did not have a material impact on the Group's consolidated financial statements.

Certain new accounting standards and interpretations have been published that are mandatory for 30 June 2023 reporting periods and have not been adopted by the Group. The Group's assessment of the impact of these new standards do not have a material impact on the entity in the current reporting periods.

3.1 New standards adopted as at 1 July 2022 (continued)

AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The editorial corrections in AASB 2021-7 are effective for either annual periods beginning on or after 1 January 2023 (those in respect of AASB 17 Insurance Contracts) or 1 January 2022.

The application of the amendments did not have a material impact on the Group's consolidated financial statements.

3.2 Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

The following new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods, have not been early adopted by the Group, and are as follows:

i) Amendments to AASB 101: Classification of Liabilities as Current or Non-current

The amendment specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group's assessment of the impact of the new standard is not expected to have a material impact on the entity in future reporting periods.

4. Statement of accounting policies

Parent entity information

In accordance with the *Corporations Act 2001,* these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 42.

Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2023. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combination

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

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

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

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

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

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

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

4. Statement of accounting policies (continued)

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group Entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Segment reporting

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

Revenue from contracts with customers

The Group recognises revenue when a customer obtains control of the goods or services, in accordance with AASB 15 *Revenue from contracts with customers*. Revenue is measured at the fair value of the consideration received or receivable. Determining the timing of the transfer of control: either at a point in time or over time requires judgement.

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.

To determine whether to recognise revenue, the Group follows the 5-step revenue recognition model introduced by AASB 15 *Revenue from contracts with customers*:

1. Identifying the contract(s) with a customer
2. Identifying the performance obligations in the contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations in the contract
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position (see Note 26). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4. Statement of accounting policies (continued)

Revenue from contracts with customers (continued)

Construction Contracts

Revenue from construction contracts is recognised when the benefits transfer to the customer as the work is performed and as such revenue is recognised over the duration of the project according to the percentage of costs completed, or input method. Under this method revenue is calculated based on the proportion of the contract costs incurred for work performed to date relative to the estimated total contract costs. Revenue recognised under this method is derived from projects containing one performance obligation.

Services revenue

Revenue from the provision of services is recognised as the service is provided. Typically, under the performance obligations of a service contract, the customer consumes and receives the benefit of the service as it is provided. As such, service revenue is recognised over time as the services are provided, with each service deemed a separate performance obligation. The transaction price is allocated to each obligation based on standalone selling prices.

Work order revenue generated in the Communications division is recognised at a point in time as the customer receives the benefit once the work has been completed. The transaction price is calculated based on a schedule of rates which define the price of the ticket of work.

Transaction price and contract modifications

The transaction price is the amount of consideration to which the company expects to be entitled to under the customer contract and which is used to value total revenue and is allocated to each performance obligation. The determination of this amount includes "fixed remuneration", (for example lump sum) and "variable consideration".

The main variable consideration elements are claims (contract modifications) and consideration for optional works and provisional sums each of which needs to be assessed. Contract modifications are changes to the contract approved by the parties to the contract.

The Group applies the guidance given in AASB 15 in relation to variable consideration. The estimate of variable consideration can only be recognised to the extent that it is highly probable that there will not be a significant reversal of revenue in the future.

The measurement of additional consideration arising from claims is subject to a high level of uncertainty, both in terms of the amount that customers will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial/arbitration bodies. The Group considers all relevant aspects in circumstances such as the contract terms, business in negotiating practices of the sector, the Group's historical experiences with similar contracts and consideration of those factors that affect the variable consideration that are out of control of the Group or other supporting evidence when making the above decision.

Loss making contracts

A provision is made for the difference between expected cost of fulfilling a contract and expected on and portion of the transaction price whether forecast costs are greater than forecast revenue. The provision is recognised in full in a period in which the loss-making contract is identified under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Under AASB 137, the assessment of whether a provision needs to be recognised takes place at the contract level and there are no segmentation criteria to apply. In addition, when two or more contracts entered into at or near the same time are required to be combined for accounting purposes, AASB 15 requires the Group to perform the assessment of whether the contract is onerous at the level of the combined contracts. The Group also notes that the amount of loss accrued in respect of a loss contract under AASB 137 takes into account an appropriate allocation of construction overheads.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, other than those from investments in associates, are recognised at the time the right to receive payment is established.

Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Borrowing costs

Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs' (see Note 12).

4. Statement of accounting policies (continued)

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Business Combinations (above) for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to impairment testing Note 24 for a description of impairment testing procedures.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost, less any recognised impairment loss.

Properties held for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Class of fixed asset	Depreciation rate
Buildings:	10%
Leasehold improvements:	10% - 33%
Plant and equipment:	10% - 33%
Furniture, fixtures and fittings:	10% - 33%
Tools and low value assets	18.8% - 33%
Software and technology	33%
Motor vehicles	10% - 25%

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. Statement of accounting policies (continued)

Leased assets

The Group as lessee

For any new contracts entered into, the Group considers whether a contract is or contains a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

In respect of leased assets, at lease commencement date the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). All other leased assets are recorded under property, plant and equipment according to the category of asset.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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

4. Statement of accounting policies (continued)

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement

Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented, the Group does not have any financial assets categorized as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

4. Statement of accounting policies (continued)

Financial instruments (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in Volt Power Pty Ltd at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within scope included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

4. Statement of accounting policies (continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with 'AASB 5 - *Non-current assets held for sale and discontinued operations*'.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies AASB 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying AASB 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by '*AASB 128 – Investments in associates and joint ventures*' (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with AASB 128).

4. Statement of accounting policies (continued)

Investments in associates and joint ventures (continued)

Trade and other receivables and contract assets and liabilities

Contract assets

A contract asset is initially recognised for revenue earned from construction and maintenance services when the receipt of consideration is conditional on client acceptance of the successful completion or installation of the underlying contractual obligation. Upon such notification, the amount recognised as contract assets is reclassified as trade receivables.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer.)

Impairment of contract assets and liabilities and trade receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 39 for a detailed analysis of how the impairment requirements of AASB 9 are applied.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. Statement of accounting policies (continued)

Taxation

Tax consolidation

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

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Adjustments are made for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the Company or that have a different tax consequence at the level of the entity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Adjustments are made for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the Company or that have a different tax consequence at the level of the entity.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Management has applied a risk weighted measurement to the tax treatments used in the Group and has determined that there is no change required under *IFRIC 23 Uncertainty over Income Tax Treatments.*

4. Statement of accounting policies (continued)

Cash and cash equivalents

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

Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- **Corporate restructure reserve:** comprises amounts recognised upon the introduction of a new ultimate parent entity.
- **Foreign currency translation reserve:** comprises amounts recognised upon translation of amounts denominated in foreign currencies ($USD) into the presentation currency ($AUD)

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been declared by the Board prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

Employee benefits

Short-term and long-term employee benefits

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Share-based payment transactions

The Group provides remuneration to certain employees, including Directors, of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are vested. The fair value is measured using a variation of the binomial option pricing model that takes into account the terms and conditions on which the instruments were granted and the current likelihood of achieving the specified target. Further, the cost of equity-settled transactions is recognised, on the date on which they become fully entitled to the award ('vesting date').

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

4. Statement of accounting policies (continued)

Goods and services tax

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

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- For receivables and payables which are recognised inclusive of GST.

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

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

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government assistance which does not have conditions attached specifically relating to the operating activities of the Group is recognised in accordance with the accounting policies above.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

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.

4. Statement of accounting policies (continued)

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

Critical judgements, estimates and assumptions

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

Construction contract revenue

Recognised amounts of construction contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group maintains insurance against Domestic Trade Credit defaults and therefore considers the risk of loss to be minimal.

Useful lives of property, plant and equipment

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Recognition of Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

5. Segment Reporting

Management currently identifies the Group's three business lines as its operating segments: infrastructure, communications, and industrial. The Group's Chief Operating Decision Maker (CODM) is its chief executive, who monitors the performance of these operating segments as well as deciding on the allocation of resources to them. Segment performance is monitored using adjusted segment operating results.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods and services.

During the year ended 30 June 2023, operating segments were re-aligned from the prior year in line with the business' strategy and operational focus.

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

	Year to 30 June 2023					
	Infrastructure $	Communication $	Industrial $	Total Segments $	Other / Eliminations $	Total $
Revenues	310,771,373	62,212,510	71,195,011	444,178,894	-	444,178,894
Inter-segment	9,199,125	48,174	7,461,107	16,708,406	(16,708,406)	-
Segment revenues	319,970,498	62,260,684	78,656,118	460,887,300	(16,708,406)	444,178,894
Employment expenses	(87,145,681)	(14,562,448)	(29,196,668)	(130,904,797)	-	(130,904,797)
Consumables and materials used	(93,607,242)	(6,606,731)	(25,101,120)	(125,315,093)	-	(125,315,093)
Contractors and labour hire expenses	(77,426,413)	(40,492,935)	(18,101,922)	(136,021,270)	16,708,406	(119,312,864)
Motor vehicle expenses	(14,085,152)	(585,890)	(789,654)	(15,460,696)	-	(15,460,696)
Depreciation and amortisation expenses	(12,958,588)	(1,930,768)	(478,252)	(15,367,608)	-	(15,367,608)
Other expenses	(15,024,211)	(2,008,036)	(3,294,260)	(20,326,507)	-	(20,326,507)
Segment Profit before Income Tax	19,723,211	(3,926,124)	1,694,242	17,491,329	-	17,491,329
Assets	183,235,340	16,514,472	9,767,236	209,517,048	(11,524,033)	197,993,015
Liabilities	100,404,103	15,638,572	10,449,299	126,491,974	(3,280,885)	123,211,089

5. Segment Reporting (continued)

	Year to 30 June 2022					
	Infrastructure $	Communication $	Industrial $	Total Segments $	Other / Eliminations $	Total $
Revenues	334,631,508	55,816,657	60,814,664	451,262,829	(326,160)	450,936,669
Inter-segment	14,731,410	-	15,614,378	30,345,788	(30,345,788)	-
Segment revenues	349,362,918	55,816,657	76,429,042	481,608,617	(30,671,948)	450,936,669
Employment expenses	(81,758,436)	(17,874,351)	(29,382,589)	(129,015,376)	-	(129,015,376)
Consumables and materials used	(110,332,745)	(4,545,144)	(30,174,671)	(145,052,560)	-	(145,052,560)
Contractors and labour hire expenses	(96,424,119)	(33,891,854)	(15,098,350)	(145,414,323)	30,345,788	(115,068,535)
Motor vehicle expenses	(10,359,836)	(577,564)	(443,815)	(11,381,215)	-	(11,381,215)
Depreciation and amortisation expenses	(8,222,968)	(775,296)	(629,291)	(9,627,555)	-	(9,627,555)
Other expenses	(14,654,994)	(2,262,734)	(2,200,320)	(19,118,048)	-	(19,118,048)
Segment Profit before Income Tax	27,609,820	(4,110,286)	(1,499,994)	21,999,540	(326,160)	21,673,380
Assets	184,531,399	14,812,399	17,740,077	217,083,875	(13,026,491)	204,057,384
Liabilities	122,793,675	10,397,196	19,806,413	152,997,284	(4,783,343)	148,213,941

5. Segment Reporting (continued)

The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its consolidated financial statements as follows:

	Note	2023 $	2022 $
Revenues			
Total reportable segment revenues		444,178,894	450,936,669
Other segment revenues		21,509,363	16,573,612
Elimination of intersegment revenues		(17,818,911)	(13,589,277)
Group Revenues		447,869,346	453,921,004
Profit or loss			
Total reportable segment operating profit		17,491,329	21,673,380
Other segment profit			
Employment expenses		(8,395,026)	(6,807,627)
Consumables and materials used		(121,680)	(155,278)
Contractors and labour hire expenses		(728)	(30,215)
Motor vehicle expenses		(65,425)	(87,805)
Depreciation and amortisation expenses		(2,277,344)	(2,260,574)
Other expenses		(9,691,926)	(7,888,861)
Elimination of intersegment profits		21,513,735	16,646,110
Group operating profit		18,452,935	21,089,130
Share of profit of associates		(401,442)	63,346
Share of profit of joint ventures		(212,093)	401,393
Finance costs		(1,548,058)	(1,077,105)
Other gains / (losses)		215,401	(461,000)
Finance income		186,990	8,550
Group profit before tax		16,693,733	20,024,314
Assets			
Total reportable segment assets		197,993,015	204,057,384
Other segment assets		61,379,305	42,254,823
Elimination of intersegment assets		(31,953,748)	(14,328,311)
Group assets		227,418,572	231,983,896
Liabilities			
Total reportable segment liabilities		123,211,089	148,213,941
Other segment liabilities		10,397,753	14,466,983
Elimination of intersegment liabilities		(11,166,403)	(24,120,101)
Group liabilities		122,442,439	138,560,823

6. Revenue

The Group's revenue disaggregated by type is as follows:

	Note	2023 $	2022 $
Construction		305,341,500	331,450,121
Services		138,837,394	119,486,548
		444,178,894	450,936,669

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

		Construction		Services	
	Note	2023 $	2022 $	2023 $	2022 $
Products and services					
Transferred over time		305,341,500	331,450,121	97,795,450	74,416,276
Transferred at a point in time		–	–	41,041,944	45,070,272
		305,341,500	331,450,121	138,837,394	119,486,548

	Note	2023 $	2022 $
Contract balances			
Trade receivables	16	54,623,086	67,729,376
Contract assets	17	37,595,573	45,734,278
		92,218,659	113,463,654

Trade receivables are non-interest bearing and are generally on 30 to 90 day terms. In 2023 ($38,069) (2022: $91,983) was recognised as provision for expected credit losses on trade receivables. The decrease in trade receivables and contract assets for 2023 is representative of lower operational activity in June compared to the prior year on significant projects.

Contract assets and revenue includes contract modifications recognised in accordance with the Group's accounting policy for which amounts are not yet finalised with customers.

The following amounts are included in revenue from contracts for the year ended 30 June 2023.

	Note	2023 $	2022 $
Revenue recognised as a contract liability in prior period		11,467,739	12,454,989

The amounts recognised as revenue from contract liabilities represents work undertaken on significant transmission projects for which advance claims were made for materials or services or which payments were made on a milestone basis.

Unsatisfied performance obligations

Transaction price expected to be recognised in future years for unsatisfied performance obligations at 30 June 2023.

	Note	2023 $	2022 $
Construction revenue		165,800,000	188,800,000
Services revenue		4,500,000	2,000,000
		170,300,000	190,800,000

7. Other income

	Note	2023 $	2022 $
Net gain on disposal of property, plant and equipment		1,343,236	279,015
Insurance claims and recoveries		280,732	161,363
Apprenticeship training subsidies		889,898	851,412
Scrap metal sales		182,695	211,742
Equipment hire		215,260	-
Disposal proceeds - Connect Infrastructure Design Pty Ltd		300,000	-
Other income		478,631	458,891
		3,690,452	1,962,423

8. Joint ventures

Details of material joint ventures

Details of each of the Group's material joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest held by the Group	
			30 June 2023	30 June 2022
Blue Tongue Energy Pty Ltd	Design and construction of hybrid power technology and micro-grid energy markets	Perth, WA	50%	50%

Blue Tongue Energy contributed a loss of ($212,093) (2022 - $63,000 profit) before tax to the Group for the period.

The Group's interest in Blue Tongue is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Blue Tongue.

	Note	30 Jun 2023 $	30 Jun 2022 $
Current assets		1,480,933	929,882
Non current assets		577,229	2,091,329
Current liabilities		(1,605,594)	(1,706,362)
Non-current liabilities		(553,962)	(1,138,872)
Equity		(101,394)	175,977
Group's share in equity – 50% (2022: 50%)		(50,697)	87,989
Goodwill		2,924,903	2,998,310
Group's carrying amount of the investment		2,874,206	3,086,299

8. Joint ventures (continued)

No dividends were received from Blue Tongue Energy Pty Ltd during the year ended 30 June 2023.

	Note	30 Jun 2023 $	30 Jun 2022 $
Summarised Financial Information			
Opening carrying value of investment in Associate		3,086,299	-
Initial investment in associate (a)		-	1,000,000
Investment in associate recognised during the reporting period (b)		-	2,022,953
Share of profit using the equity method		(212,093)	63,346
		2,874,206	3,086,299

(a) The initial investment in Blue Tongue Energy Pty Ltd was paid in cash on 2 February 2022.

(b) The additional investment in Blue Tongue Energy Pty Ltd represents contingent consideration paid to the previous owners upon achievement of earn-out targets as notified in the ASX release dated 20 December 2021. This was settled in cash (14 November 2022 - $1.1m) and equity (15 December 2022 - $0.9m).

On 31 July 2023, GenusPlus acquired the remaining 50% ownership interest in Blue Tongue Energy for cash consideration of $500,000.

9. Associates

The Group has a 39% interest in Maali Group JV Pty Ltd (Maali), a joint venture involved in the supply of labour hire services to a broad range of customers in the Mining, Energy and Construction sectors. The Group's interest in Maali is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and a reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Maali	Note	30 Jun 2023 $	30 Jun 2022 $
Current assets		11,623,070	8,594,370
Non current assets		1,132,690	823,237
Current liabilities		(12,931,974)	(8,388,268)
Non-current liabilities		(423,454)	-
Equity		(599,668)	1,029,339
Group's share in equity – 39% (2022: 39%)		(233,871)	401,442
Share of losses not recognised		233,871	-
Group's carrying amount of the investment		-	401,442

Summarised statement of profit or loss of Maali	Note	30 Jun 2023 $	30 Jun 2022 $
Revenue from contracts with customers		40,134,620	24,786,151
Cost of sales		(36,487,259)	(22,215,897)
Administrative expenses, including depreciation		(5,292,908)	(1,166,455)
Finance costs including interest expense		(526,187)	(31,515)
(Loss) / profit before tax		(2,171,734)	1,372,284
Income tax benefit / (expense) at 25%		542,934	(343,071)
(Loss) / profit for the year (continuing operations)		(1,628,800)	1,029,213
Total comprehensive income for the year (continuing operations)		(1,628,800)	1,029,213
Group's share of (loss) / profit for the year at 39%		(401,442)	401,393

9. Associates (continued)

Movement in carry value	Note	30 Jun 2023 $	30 Jun 2022 $
Summarised Financial Information			
Opening carrying value of joint venture		401,442	49
Share of (loss) / profit using the equity method		(401,442)	401,393
		–	401,442

Associates are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies.

No dividends were received from Maali Group Pty Ltd during the year ended 30 June 2023.

During the year ended 30 June 2023, Maali Group Pty Ltd reported operating losses of ($1,628,800). In accordance with AASB 128, the entity has discontinued recognising its share of losses in excess of the carrying amount of the interest in the associate.

10. Other expenses

	Note	2023 $	2022 $
Other expenses recognised during the period			
Insurance		6,131,787	5,022,260
Consultancy, legal and other professional fees		1,413,511	2,291,264
Computer, and other ICT expenses		1,267,210	1,800,257
Occupancy costs		1,247,017	879,336
Stamp duty – acquisition of Pole Foundations		948,370	–
Travel, accommodation and entertainment		794,591	313,202
Corporate communications and sponsorships		314,665	279,869
Other expenses		2,695,269	2,185,402
Total other expenses		14,812,420	12,771,590

11. Other gains and losses

	Note	2023 $	2022 $
Other gains and losses recognised during the period			
Net gain arising on financial liabilities designated as at FVTPL		601,000	–
Net (loss) arising on financial assets mandatorily measured as at FVTPL		(461,000)	(461,000)
Net foreign exchange gain		115,664	–
Other gains and (losses)		(40,263)	–
Total other gains and losses		215,401	(461,000)

12. Finance costs and finance income

Finance income for the reporting periods consist of the following:

	Note	2023 $	2022 $
Interest income from cash and cash equivalents		138,575	8,550
Interest on leases		48,415	-
		186,990	8,550

Finance costs for the reporting periods consist of the following:

	Note	2023 $	2022 $
Interest expenses for borrowings at amortised cost:			
Bank loans		279,088	142,053
Lease liabilities	23	957,051	703,456
Total interest expense		1,236,139	845,509
Other finance costs			
Bank fees and charges		298,283	231,596
Borrowing costs		13,636	-
Total other finance costs		311,919	231,596
Total finance costs		1,548,058	1,077,105

13. Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of GenusPlus Group Ltd at 30% (2022: 30%) and the reported tax expense in profit or loss are as follows:

Reconciliation between tax expense and pre-tax accounting profit	Note	2023 $	2022 $
Profit before tax		16,693,733	20,024,314
Domestic tax rate for GenusPlus Group Ltd		30%	30%
Expected tax expense		5,008,120	6,007,294
Adjustment for tax-exempt income:		(180,300)	-
Adjustment for non-deductible expenses:		227,110	202,251
Adjustments in the current year in relation to the current tax of prior years		(1,766,720)	258,294
Actual tax expense		3,288,210	6,467,839
Tax expense comprises:			
Income tax payable		7,660,030	72,003
Origination and reversal of temporary differences		(4,371,820)	6,395,836
Income tax expense reported in the income statement		3,288,210	6,467,839
The applicable effective tax rates are:		19.7%	32.3%

13. Income tax expense (continued)

(a) Recognised deferred tax assets and liabilities

Deferred income tax balances relate to the following:

	1 July 2021 $	Business Combination $	Recognised in profit and loss $	1 July 2022 $	Recognised in profit and loss $	30 June 2023 $
Deferred tax liabilities						
Trade and other receivables	-	-	(108,811)	(108,811)	92,591	(16,220)
Contract assets	(6,105,349)	-	(7,712,398)	(13,817,747)	2,539,075	(11,278,672)
Financial assets	(339,625)	-	(1,122)	(340,747)	322,361	(18,386)
Property, plant and equipment	(13,879)	-	(768,048)	(781,927)	(323,167)	(1,105,094)
Prepayments	-	-	(454,926)	(454,926)	405,052	(49,874)
Right-of-use assets	(1,288,252)	-	(5,696,676)	(6,984,928)	7,411	(6,977,517)
Customer relationships	-	(2,557,504)	-	(2,557,504)	974,547	(1,582,957)
Other current assets	-	-	-	-	(361,466)	(361,466)
	(7,747,105)	(2,557,504)	(14,741,981)	(25,046,590)	3,656,404	(21,390,186)
Deferred tax assets						
Trade and other receivables	34,015	-	(22,640)	11,375	27,641	39,016
Other current assets	-	-	108,812	108,812	(108,812)	-
Accrued expenses	-	-	150,000	150,000	(150,000)	-
Contract liabilities	1,567,606	-	2,512,084	4,079,690	(4,079,690)	-
Lease liabilities	1,589,881	-	5,009,490	6,599,371	(38,475)	6,560,896
Statutory liabilities	444,228	-	252,201	696,429	45,593	742,022
Employee benefits	2,243,017	-	468,316	2,711,333	231,634	2,942,967
Blackhole expenditure	594,290	-	(174,285)	420,005	108,166	528,171
Capital losses – Australia	61,178	-	(61,178)	-	-	-
Transferred tax losses	-	-	110,235	110,235	(88,079)	22,156
Borrowing costs	17,792	-	(6,890)	10,902	(6,057)	4,845
	6,552,007	-	8,346,145	14,898,152	(4,058,079)	10,840,073
	(1,195,098)	(2,557,504)	(6,395,836)	(10,148,438)	(401,675)	(10,550,113)

All deferred tax assets (including tax losses and other tax credits) have been recognised in the statement of financial position.

(b) Current Income tax

	Note	2023 $	2022 $
Income tax (payable) / receivable		(6,725,475)	4,569,537

14. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (GenusPlus Group Ltd) as the numerator, i.e. no adjustments to profits were necessary during the year ended 30 June 2023 and 30 June 2022.

	Note	2023 $	2022 $
Profit for the period		13,405,524	13,556,475

The weighted average number of shares for the purpose of calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Note	2023 No.	2022 No.
Weighted average number of shares used in basic earnings per share		177,277,319	162,218,759
Shares deemed to be issued for no consideration		–	–
Weighted average number of shares used in diluted earnings per share		177,277,319	162,218,759
Earnings per share (basic)		7.56	8.36
Earnings per share (diluted)		7.56	8.36

15. Cash and cash equivalents

	Note	2022 $	2021 $
Cash at bank and in hand			
Australian Dollar ($AUD) – unrestricted		46,452,195	25,804,868
Australian Dollar ($AUD) – held as guarantee[1]		285,043	738,882
American Dollar ($USD)		–	1,338,723
Total cash and cash equivalents		46,737,238	27,882,473

[1] In accordance with certain contractual arrangements, agreed amounts of cash at bank are held in guarantee to meet ongoing performance obligations.

16. Trade and other receivables

	Note	2023 $	2022 $
Current			
Trade receivables, gross		54,753,138	67,821,359
Allowance for expected credit losses		(130,052)	(91,983)
Trade receivables		54,623,086	67,729,376
Other receivables		2,325,698	1,143,535
Total trade and other receivables		56,948,784	68,872,911

Trade receivables are non-interest bearing and are generally on 30 to 90 day terms. The Group has a policy of only dealing with credit worthy customers. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtors and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. When the Group is reasonably certain that no recovery of the amount owing is possible, the amount is considered irrecoverable and written off against the financial asset directly. Once an item is considered uncollectable, all other amounts relating to the same customer are then also assessed for recoverability. The Group will continue to strongly pursue all debts provided for. Due to their short-term nature, the net carrying value of trade receivables is considered a reasonable approximation of fair value.

Allowance for expected credit losses

The consolidated entity has recognised a loss of Nil (2022: NIL) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

		Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	Note	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Consolidated							
Not overdue		Nil	Nil	45,750,383	57,849,322	-	-
0 to 3 months overdue		Nil	Nil	4,387,410	5,903,255	-	-
3 to 6 months overdue		Nil	Nil	932,080	2,426,855	-	-
Over 6 months overdue		3.5%	5.6%	3,683,265	1,641,927	(130,052)	(91,983)
				54,753,138	67,821,359	(130,052)	(91,983)

The majority of customers of the Group consist of tier 1 miners and industrial services business and government trading entities. Accordingly, the calculation of expected credit losses is maintained at a relatively low level due to the infrequent nature of default by any of these customers.

The movement in the allowance for expected credit losses in respect of Trade receivables during the year was as follows:

	Note	2023 $	2022 $
Movement in provision for expected credit losses			
Balance at start of year		(91,983)	(147,530)
Impairment losses recognised		(38,069)	-
Debts written off during the year		-	55,547
Balance at 30 June		(130,052)	(91,983)

17. Contract assets

	Note	2023 $	2022 $
Current			
Contract assets		37,595,573	45,734,278
Total contract assets		37,595,573	45,734,278

Contract assets represents the unbilled amounts expected to be collected from customers for contract work performed to date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Group issues an invoice in accordance with contractual terms to the customer. The decrease from 2022 is representative of the timing of commencement and progress achieved on significant projects undertaken by the Group.

Remaining performance obligations

As of 30 June 2023, the aggregate amount of the transaction price allocated to the remaining performance obligations is $165.8 million (2022: $190.8 million). The Group will recognise this revenue when the performance obligations are satisfied. Approximately 96% of remaining performance obligations are expected to occur within the next 12 months.

The remaining performance obligations balances for both 30 June 2023 and 30 June 2022 presented above relate to the revenue expected to be recognised from ongoing construction type contracts which were not wholly performed at each of those dates.

18. Financial assets and liabilities

Categories of financial assets and liabilities

Note 4 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

30 June 2023	Note	Amortised cost $	FVTPL $	Total $
Financial assets				
Cash and cash equivalents	15	46,737,238	-	46,737,238
Trade and other receivables	16	56,948,784	-	56,948,784
Current finance lease receivable	20	326,741	-	326,741
Listed equity securities (a)		-	461,000	461,000
Non-current finance lease receivable (a)	20	402,379	-	402,379
Non-current other financial assets (a)		266,997	-	266,997
Total financial assets		104,682,139	461,000	105,143,139

(a) Non-current financial assets comprises loans to associates, listed equity securities and non-current finance lease receivables valued at $1,130,376.

30 June 2023	Note	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
Financial liabilities				
Bank borrowings	27	1,580,000	-	1,580,000
Leases	23	9,007,690	-	9,007,690
Trade and other payables	25	50,993,122	-	50,993,122
Non-current - bank borrowings	27	4,280,000	-	4,280,000
Non-current - leases	23	12,861,963	-	12,861,963
Total financial liabilities		78,722,775	-	78,722,775

18. Financial assets and liabilities (continued)

30 June 2022	Note	Amortised cost $	FVTPL $	Total $
Financial assets				
Cash and cash equivalents	15	27,882,473	-	27,882,473
Trade and other receivables	16	68,872,911	-	68,872,911
Other financial assets	(b)	71,833	-	71,833
Listed equity securities	(b)	-	922,000	922,000
Total financial assets		96,827,217	922,000	97,749,217

(b) Other financial assets includes loans to joint ventures and listed equity securities valued at $993,833.

30 June 2022	Note	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
Financial liabilities				
Bank borrowings	27	1,920,000	-	1,920,000
Leases	23	7,765,884	-	7,765,884
Contingent consideration	27	-	4,949,953	4,949,953
Trade and other payables	25	72,608,068	-	72,608,068
Non-current - bank borrowings	27	3,250,000	-	3,250,000
Non-current - leases	23	14,232,018	-	14,232,018
Non-current contingent consideration	27	-	674,000	674,000
Total financial liabilities		99,775,970	5,623,953	105,399,923

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 39.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 40.

Financial assets at fair value through profit or loss (FVTPL).

Financial assets at FVTPL include the equity investment in Volt Power Ltd (VPR). The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for it at FVOCI.

	Note	2023 $	2022 $
Listed investment in Volt Power Ltd (VPR)		461,000	922,000
		461,000	922,000

Borrowings

Borrowings include the following financial liabilities:

	Current 2023 $	Current 2022 $	Non-current 2023 $	Non-current 2022 $
At amortised cost				
Bank borrowings	1,580,000	1,920,000	4,280,000	3,250,000
Total borrowings	1,580,000	1,920,000	4,280,000	3,250,000

Bank borrowings are secured by a floating charge over the assets of the Group (see Note 27). Current interest rates are variable and average 4.40% (2022: 1.58%). The carrying amount of the other bank borrowings is considered to be a reasonable approximation of the fair value.

18. Financial assets and liabilities (continued)

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalents
- trade and other payables.

19. Inventories

	Note	2023 $	2022 $
Current			
At cost:			
Raw materials and stores		3,796,472	3,728,803
Total inventories		3,796,472	3,728,803

In 2023, a total of $125,597,200 of materials was included in profit and loss as an expense (2022: $139,298,892). This includes an amount of NIL resulting from write down of inventories (2022: NIL).

20. Lease receivables

	Note	2023 $	2022 $
Amounts receivable under finance leases			
Year 1		343,000	-
Year 2		343,000	-
Year 3		117,167	-
Undiscounted lease payments		803,167	-
Less: unearned finance income		(74,047)	-
Present value of lease payments receivable		729,120	-
Net investment in the lease		729,120	-

	Note	2023 $	2022 $
Net investment in the lease analysed as:			
Current		326,741	-
Non-current		402,379	-

20. Lease receivables (continued)

The Group entered into finance leasing arrangements as a lessor for certain commercial properties previously held as right-of-use assets. The average term of finance leases entered into is 2.3 years. These lease contracts do not include extension or early termination options.

The Group is not exposed to foreign currency risk as a result, as all leases are denominated in AUD.

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximates 5.6 per cent (2022: N/A per cent) per annum. The directors of the Group estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, the directors of the Group consider that no finance lease receivable is impaired.

This is the first period in which finance lease receivables have been reported by the Group. The loss allowance for finance lease receivables will be assessed on an annual basis giving regard to any impairment that may be required due to defaults or changes in market conditions.

21. Other assets

	Note	2023 $	2022 $
Current			
Prepayments		5,279,570	1,516,419
Security deposits		160,296	66,460
Total other assets		5,439,866	1,582,879

On an annual basis, the Group undertakes a risk assessment and re-insurance against material risks identified and for assets held by the Group. This assessment is generally completed prior to the conclusion of the financial reporting period, with new policies in place at the reporting date which cover the following year. This assessment was not completed at 30 June 2022, so only interim policies were held at that date. Pre-paid insurance at 30 June 2023, covers the period to April 2024.

22. Property, plant and equipment

For the year ended 30 June 2023	Land and buildings $	Leasehold improvements $	Motor vehicles $	Plant and equipment $	Furniture, fixtures and fittings $	Software and technology $	Tooling and low value assets $	Total $
Gross carrying amount								
Balance at 1 July 2022	761,120	608,404	14,199,230	25,047,242	573,928	2,782,460	703,046	44,675,430
Additions	14,592	37,208	1,608,764	1,060,162	22,564	378,647	32,353	3,154,290
Acquisition through business combinations	-	-	2,415,000	411,000	-	-	-	2,826,000
Re-classification[1]	-	-	1,120,997	(1,275,072)	(3,957)	3,957	-	(154,075)
Re-classification from right of use assets	434,200	-	1,668,535	220,091	-	-	-	2,322,826
Disposals	-	-	(2,287,987)	(1,490,329)	(2,700)	(39,394)	(3,636)	(3,824,046)
Balance at 30 June 2023	1,209,912	645,612	18,724,539	23,973,094	589,835	3,125,670	731,763	49,000,425
Depreciation and impairment								
Balance at 1 July 2022	(153,454)	(182,207)	(8,939,254)	(15,793,301)	(358,929)	(1,044,932)	(528,247)	(27,000,324)
Disposals	-	-	1,464,485	1,278,771	772	18,822	3,636	2,766,486
Re-classification	-	-	(39,258)	39,258	-	-	-	-
Re-classification from right of use assets	(165,858)	-	(981,932)	(125,691)	-	-	-	(1,273,481)
Depreciation	(114,904)	(73,759)	(1,355,062)	(2,696,961)	(89,472)	(797,844)	(117,580)	(5,245,582)
Balance at 30 June 2023	(434,216)	(255,966)	(9,851,021)	(17,297,924)	(447,629)	(1,823,954)	(642,191)	(30,752,901)
Carrying amount 30 June 2023	775,696	389,646	8,873,518	6,675,170	142,206	1,301,716	89,572	18,247,524

1 Assets acquired as part of the Pole Foundations business combination in 2022 that were previously recorded as plant and equipment have been re-classified as motor vehicles. Other items of intellectual property acquired from Pole Foundations Australia have been re-classified as intangibles (Note 24)

22. Property, plant and equipment (continued)

For the year ended 30 June 2022	Land and buildings $	Leasehold improvements $	Motor vehicles $	Plant and equipment $	Furniture, fixtures and fittings $	Software and technology $	Tooling and low value assets $	Total $
Gross carrying amount								
Balance at 1 July 2021	645,670	1,013,259	15,457,978	20,293,518	466,501	1,105,746	600,140	39,582,812
Additions	115,450	94,767	452,610	4,094,482	69,903	843,662	43,478	5,714,352
Acquisition through business combinations	-	-	-	1,444,278	40,000	800,000	-	2,284,278
Re-classification	-	-	(280,171)	172,137	13,454	33,052	61,528	-
Disposals	-	(499,622)	(1,431,187)	(957,173)	(1,305)	-	(2,100)	(2,891,387)
Disposals as part of business disposal	-	-	-	-	(14,625)	-	-	(14,625)
Balance at 30 June 2022	761,120	608,404	14,199,230	25,047,242	573,928	2,782,460	703,046	44,675,430
Depreciation and impairment								
Balance at 1 July 2021	(89,833)	(198,463)	(8,822,204)	(13,740,458)	(215,729)	(404,928)	(343,765)	(23,815,380)
Disposals	-	145,813	895,673	756,111	271	-	878	1,798,746
Re-classification	-	-	420,314	(327,398)	(23,475)	(49,131)	(20,310)	-
Depreciation	(63,621)	(129,557)	(1,433,037)	(2,481,556)	(119,996)	(590,873)	(165,050)	(4,983,690)
Balance at 30 June 2022	(153,454)	(182,207)	(8,939,254)	(15,793,301)	(358,929)	(1,044,932)	(528,247)	(27,000,324)
Carrying amount 30 June 2022	607,666	426,197	5,259,976	9,253,941	214,999	1,737,528	174,799	17,675,106

22. Property, plant and equipment (continued)

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

Total depreciation and amortisation recognised during the reporting period:

	Note	2023 $	2022 $
Depreciation			
Buildings		114,904	63,621
Leasehold improvements		73,759	129,557
Motor vehicles		1,355,062	1,433,037
Plant and equipment		2,696,961	2,481,556
Furniture, fixtures and fittings		89,472	119,996
Software and technology		797,844	590,873
Tooling and low value assets		117,580	165,050
Total depreciation expense for the year		5,245,582	4,983,690
Depreciation – right of use assets	23	6,629,692	5,340,060
Amortisation – intellectual property and customer contracts		3,337,917	1,578,181
Total depreciation and amortisation		15,213,191	11,901,931

The net assets of the Group have been pledged as security for the Group's other bank borrowings (see Note 27).

23. Leases

Lease liabilities are presented in the statement of financial position as follows:

	Note	2023 $	2022 $
Current		9,007,690	7,765,884
Non-current		12,861,963	14,232,018
Total leases		21,869,653	21,997,902

Group as a lessee

The Group has lease contracts for land and buildings and for various items of plant and equipment and motor vehicles used in its operations. Leases of plant and equipment and motor vehicles generally have lease terms between 3 and 5 years after which ownership of the underlying asset passes to the Group. Leases over land and buildings have lease terms of between 1 and 10 years. The Groups obligations under its leases are secured by the lessor title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

23. Leases (continued)

Group as a lessee (continued)

The Group also has certain leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets and the movement during the period:

	Note	2023 $	2022 $
Right-of-use assets – Land and Buildings			
As at 1 July		6,188,709	4,666,285
Additions		962,547	3,929,446
Adjustments related to changes in lease conditions [1]		213,868	91,773
Re-classified to property, plant and equipment (land and buildings) [2]		(268,342)	-
Depreciation expense		(2,120,562)	(2,227,853)
De-recognised during the period [3]		(2,351,382)	(270,942)
As at 30 June		2,624,838	6,188,709
Right-of-use assets – Plant and Equipment			
As at 1 July		7,624,232	4,236,234
Additions		3,435,302	5,139,079
Disposal		(149,638)	(47,199)
Re-classification to property, plant & equipment [2]		(94,399)	-
Depreciation expense		(2,363,923)	(1,703,882)
As at 30 June		8,451,574	7,624,232
Right-of-use asset – Motor Vehicles			
As at 1 July		9,470,151	4,648,338
Additions		5,705,842	6,234,706
Disposals		(162,204)	(4,568)
Re-classification to property, plant & equipment [2]		(686,603)	-
Depreciation expense		(2,145,207)	(1,408,325)
As at 30 June		12,181,979	9,470,151
Total Right-Of-Use Assets		23,258,391	23,283,092

1 Increase resulting from a change in the monthly lease payable to the owner.

2 Re-classification relating to the payout of the applicable finance lease agreement.

3 Leases surrendered during the period or re-classified as finance lease receivable from a sub-lease arrangement.

The following are the amounts recognised in profit or loss:

	Note	2023 $	2022 $
Depreciation of right-of-use assets		6,629,692	5,340,060
Interest expense on right-of-use asset lease liabilities		957,051	703,456
Expense relating to short-term leases		2,591,077	11,496,147
		10,177,820	17,539,663

The group had total cash outflows for leases of $9,274,224 in 2023 (2022: $6,975,397). The Group also had non-cash additions and other adjustments to right-of-use assets and lease liabilities of $10,317,559 in 2023 (2022: $15,516,763).

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group treasury function.

24. Intangible assets

The movements in the net carrying amount of intangible assets is as follows:

	Note	2023 $	2022 $
Goodwill			
Balance 1 July		19,540,788	5,505,688
Acquired through business combinations	37	74,000	14,035,100
Balance 30 June		19,614,788	19,540,788
Accumulated impairment losses		-	-
Accumulated amortisation		-	-
Carrying amount at 30 June		19,614,788	19,540,788
Customer contracts			
Balance 1 July		9,043,890	39,890
Acquired through business combinations	37	-	9,004,000
Disposals		(39,890)	-
Balance 30 June		9,004,000	9,043,890
Accumulated amortisation		(2,404,434)	(518,879)
Carrying amount at 30 June		6,599,566	8,525,011
Other intellectual property			
Balance 1 July		7,166,476	-
Acquired through business combinations	37	-	7,165,746
Re-classified from property, plant and equipment		154,075	-
Balance 30 June		7,320,821	7,166,746
Accumulated amortisation		(2,471,774)	(1,059,302)
Carrying amount at 30 June		4,849,047	6,107,444
Total intangible assets		31,063,401	34,173,243

No adjustments to Goodwill were recognised during the reporting period.

Customer contracts and other intellectual property are amortised over their estimated useful lives, which is on average 11 years (customer contracts) and 9 years (intellectual property).

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

	Note	2023 $	2022 $
Genus Infrastructure (Qld) Pty Ltd		1,179,147	1,179,147
Proton Power Pty Ltd		305,395	305,395
KEC Power Pty Ltd		129,372	129,372
Connect Engineering Pty Ltd		3,891,774	3,891,774
Genus PFA Pty Ltd		14,035,100	14,035,100
L & M Powerlines Australia Pty Ltd		74,000	-
Goodwill allocation at 30 June		19,614,788	19,540,788

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering a five-year forecast, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

24. Intangible assets (continued)

	Growth rates		Discount rates	
	2023	2022	2023	2022
Genus Infrastructure (Qld) Pty Ltd	3%	5%	12%	13%
Proton Power Pty Ltd	3%	5%	12%	13%
KEC Power Pty Ltd	3%	5%	12%	13%
Connect Engineering Pty Ltd	3%	5%	12%	13%
Genus PFA Pty Ltd	5%	5%	12%	13%

Growth rates

The growth rates reflect the long-term average growth rates for the business of the segments and the markets they operate in.

Sensitivity

As disclosed in Note 4, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The impairment assessment is sensitive to movements in key assumptions including the discount rate applied and EBITDA margin. Management has performance sensitivity analysis for these variables to determine if reasonable changes in the assumptions would cause the carrying amount of the above CGUs to exceed their recoverable amount.

Under the existing assumptions, the Genus PFA Pty Ltd CGU will break even if the EBITDA margin decreased from 27.5% to 25%. The Connect Engineering Pty Ltd GCU will break even if the EBITDA margin decreased from 7% to 5.8%. Under the existing assumptions, the Genus PFA Pty Ltd CGU will break even if the post tax nominal discount rate increased to 13.9%. The Connect Engineering Pty Ltd GCU will break even will break even if the post tax nominal discount rate increased to 13.9%.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit.

Cash flow assumptions

Genus Infrastructure (Qld) Pty Ltd, Proton Power Pty Ltd, KEC Power Pty Ltd, Connect Engineering Pty Ltd & Genus PFA Pty Ltd

Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature market. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

25. Trade and other payables

	Note	2023 $	2022 $
Unsecured liabilities:			
Trade payables		25,966,393	33,646,539
Goods and services tax payable		1,962,464	2,810,173
Unpaid wages		2,934,745	4,413,962
Sundry payables and accrued expenses		20,129,520	31,737,394
Total trade and other payables		50,993,122	72,608,068

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

26. Contract liabilities

	Note	2023 $	2022 $
Short-term advances for materials		–	885,057
Short-term advances for construction services		16,876,882	11,867,906
		16,876,882	12,752,963

Advances received for construction contract work represent customer payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in the next financial year. The amounts recognised in respect of construction contracts will generally be utilised within the next reporting period. The balance relating to advances for materials decreased during the period as the related aspects of the contracts were performed. Advances in relation to construction services increased during the period due to the increase in the Group's customer base, and the recognition of milestone payments where revenue recognised to date has been exceeded under the cost to complete basis.

27. Other financial liabilities

	Note	2023 $	2022 $
Secured borrowings – at amortised cost			
Bank loan – secured			
Current		1,580,000	1,920,000
Non-current		4,280,000	3,250,000
		5,860,000	5,170,000

	Note	2023 $	2022 $
Contingent consideration			
Current		–	4,949,953
Non-current		–	674,000
		–	5,623,953

27. Other financial liabilities (continued)

The bank debt facility comprises term loans with quarterly principal repayments with maturity dates between two and five years.

The group has an overdraft/trade finance facility with a limit of $10,000,000 with $10,000,000 available at 30 June 2023.

The group has an equipment finance facility with Commonwealth Bank of Australia Pty Ltd (CBA) with a limit of $7,000,000 (FY22 - $7,000,000) with $3,574,000 available at 30 June 2023 (FY22 - $3,198,984).

The group has an equipment finance facility with Mercedes Benz finance with a limit of $2,000,000 (FY22 - $2,000,000) with $2,000,000 available at 30 June 2023 (FY22 - $1,981,358).

The group has an equipment finance facility with Toyota Asset Finance with a limit of $12,000,000 (FY22 - $12,000,000) with $2,760,000 available at 30 June 2023 (FY22 - $5,809,252).

The group has an equipment finance facility with Australia and New Zealand Banking Group Limited (ANZ) with a limit of $4,000,000 (FY22 - $4,000,000) with $2,000,000 available at 30 June 2023 (FY22 - $708,365).

The group has an equipment finance facility with Westpac Banking Corporation (WBC) with a limit of $2,000,000 (FY22 – $2,000,000) with $745,000 available at 30 June 2023 (FY22 - $1,507,969)

The bank debt is secured by a General Security Agreement of the group. Under the agreement, the Group is required to satisfy financial metrics that demonstrate its ongoing financial health and viability. These covenants relate to the Group's ability to meet debt service cover, gross leverage and liquidity ratios and tangible net worth thresholds. The Group was not in breach of any loan agreements permitting the lender to demand accelerated repayments at year end, nor did any breach occur during the year. The Group was not in default of any loans payable recognised at year end during the year.

Contingent consideration

As part of the agreement to purchase 50% of Blue Tongue Energy Pty Ltd (Blue Tongue) contingent consideration of $2,022,953 was settled in cash (14 November 2022 - $1.1m) and equity (15 December 2022 - $0.9m).

As part of the purchase agreement with the previous owners of Pole Foundations Australia (Pole Foundations) contingent consideration of $3.0M was paid in November 2022 for performance conditions that were satisfied. Conditions related to the remainder of the contingent consideration were not satisfied with a fair value gain of $601,000 recognised in profit for the year.

28. Employee benefits

Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Note	2023 $	2022 $
Salaries and wages		115,216,595	114,594,683
Superannuation		9,347,134	9,053,499
Amounts provided for employee entitlements		6,497,396	6,181,826
Short term incentives		1,574,974	617,884
Other allowances and expenses		8,021,289	6,749,874
Employee benefits expense		140,657,388	137,197,766

Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	Note	2023 $	2022 $
Current			
Annual leave		6,012,936	5,578,530
Long service leave		640,388	357,056
Other short term employee benefits		1,953,981	551,649
		8,607,305	6,487,235
Non-current			
Long service leave		909,889	2,550,543
Total employee benefits		9,517,194	9,037,778

The current portion of these liabilities represents the groups obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave entitlement at reporting date and for employees who have satisfied the service eligibility for long service leave – usually 10 years.

29. Provisions

	Note	2023 $	2022 $
Current			
Amounts recognised in respected of expected losses or write-downs		50,000	1,221,721
Total provisions		50,000	1,221,721

30. Share capital

The share capital of the Group consists only of fully paid ordinary shares; the shares do not have a par value. Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

Fully paid ordinary shares

	2023 Shares	2022 Shares	2023 $	2022 $
Beginning of the year	176,752,420	155,589,964	53,789,037	28,925,754
Shares issued as part of a capital raising[1]	-	16,528,926	-	20,000,000
Shares issued as part of a business combination[2,3]	972,528	4,633,530	923,902	6,023,589
Deferred tax adjustments	-	-	558,074	-
Share issue costs	-	-	(5,988)	(1,160,306)
Total contributed equity at 30 June	177,724,948	176,752,420	55,265,025	53,789,037

1. 16,528,926 shares were issued as part of a capital raising to fund the acquisition of Pole Foundations Australia as announced to the market 17 February 2022. The share placement was completed on 28 February 2022.
2. 4,633,530 shares were issued as part consideration for the acquisition of Pole Foundations Australia on 29 April 2022.
3. 972,528 shares were issued as part consideration for the acquisition of BlueTongue Energy Pty Ltd on 15 December 2022.

Each share has the same right to receive dividend and the repayment of capital and represents one vote at the Shareholders' Meeting of GenusPlus Group Ltd.

31. Reserves

	Notes	Foreign Currency Translation reserve	Corporate Restructure reserve $	Total $
Balance at 1 July 2021		8,275	(511,834)	(503,559)
Movements in asset values measured in foreign currencies that will subsequently be re-classified to profit or loss		160,117	-	160,117
Balance at 30 June 2022		168,392	(511,834)	(343,442)
Balance at 1 July 2022		168,392	(511,834)	(343,442)
Movements in asset values measured in foreign currencies that will subsequently be re-classified to profit or loss		(146,908)	-	(146,908)
Balance at 30 June 2023		21,484	(511,834)	(490,350)

Corporate restructure reserve

The corporate reconstruction reserve recorded the transaction on the introduction of a new ultimate parent entity.

Foreign currency translation reserve

The foreign currency translation reserve records the un-recognised gains / (losses) incurred on translation of monetary items held in US Dollars ($USD), Euros (EUR) and Chinese Renminbi (CNY). The balance will be subsequently reported in profit and loss when the underlying value of the monetary item (accounts payable) is settled.

32. Dividends on equity instruments

	Year ended 30 June 2023		Year ended 30 June 2022	
	Cents per share	Total $	Cents per share	Total $
Recognised amounts				
Fully paid ordinary shares				
Final dividend	2.0	3,554,499	1.8	3,181,544

On 30 November 2022, a dividend of 1.8c per share was paid to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2022.

On 21 August 2023, the directors declared a fully franked dividend of 2.0 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2023. At the time of reporting, the dividend of $3,554,499 was unpaid. The record date is 4 October 2023 and the payment date is 3 November 2023.

Distributions made and proposed

	2023 $	2022 $
Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balances as at the end of the financial year at 30% (2022: 30%)	11,082,528	16,836,429

33. Reconciliation of cash flows

Reconciliation of cash flows from operating activities

	2023 $	2022 $
Cash flows from operating activities		
Profit after income tax	13,405,524	13,556,475
Non-cash flows in profit:		
gain on disposal of plant and equipment	(1,345,062)	(279,015)
gain on disposal of subsidiary	-	(70,000)
depreciation and amortisation	15,213,191	11,901,931
decrease in value of investments reported at FVTPL	461,000	461,000
share of losses / (profits) of associates and joint ventures	613,536	(464,739)
net finance costs	1,361,068	1,068,555
other fair value gains	(594,681)	-
Changes in assets and liabilities:		
decrease/(increase) in trade and other receivables	20,062,832	(34,801,667)
decrease / (increase) in other assets	(3,856,987)	1,867,047
(increase) / decrease in inventories	(67,669)	(1,537,509)
(decrease)/increase in trade and other payables	(6,100,864)	19,762,655
Net cash provided by operating activities	39,151,888	11,464,733

34. Auditor remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the company, its network firms and unrelated firms:

	Note	2023 $	2022 $
Auditing services – Grant Thornton			
Audit or review of the financial statements		235,000	235,000
Other services – Grant Thornton			
Tax services		112,025	7,400
Other non-assurance services		9,845	25,500
Total auditor's remuneration		356,870	267,900

35. Related party transactions

The Group's related parties include its key management personnel, related parties of its key management personnel, and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with related parties

As part of normal business operations, the Group undertakes construction work through associated entities, as well as leasing rental properties. A summary of these transactions is included below.

	2023 $	2022 $
Services provided by related parties		
Pastoral Plus (Director D Riches)	565,626	646,489
Testing Plus WA (Director D Riches)	–	1,229
Partum Engineering (Director D Riches)	9,893,117	7,396,206
Sparke Helmore Lawyers (Director P. Gavazzi)	–	9,339
Matt Riches and Dave Riches (Director D Riches)	623,177	559,244
Dave Riches (Director D Riches)	56,834	520,900
Edge People Management (Director D Riches)	108,833	41,889
Maali Group Pty Ltd	2,011,379	3,655,260

	2023 $	2022 $
Services provided to related parties		
Pastoral Plus (Director D Riches)	1,100	22,757
Blue Tongue Energy Pty Ltd (Associate)	68,098	498,558
Maali Group Pty Ltd	227,068	1,019,667

All services were contracted at arms' length basis.

35. Related party transactions (continued)

Transactions with related parties (continued)

	2023 $	2022 $
Amounts due to related parties at reporting date		
Pastoral Plus (Director D Riches)	49,161	87,002
Partum Engineering (Director D Riches)	994,898	775,051
Matt Riches Pty Ltd & Dave Riches Pty Ltd (Director D Riches)	-	21,116
Dave Riches Pty Ltd (Director D Riches)	-	9,832
Edge People Management (Director D Riches)	15,623	8,760
Maali Group Pty Ltd	56,143	134,439

	2023 $	2022 $
Amounts due from related parties at reporting date		
Pastoral Plus (Director D. Riches)	-	18,445
Blue Tongue Energy Pty Ltd	566,656	498,558
Maali Group Pty Ltd	146,876	112,389

All amounts outstanding at reporting date were included in accounts payable or accounts receivable, and settled in accordance with commercial terms.

Transactions with key management personnel

Key management of the Group are the Non-Executive members of the Group's Board of Directors, the Group's Chief Executive Officer and the other members of the Executive team reporting to the Managing Director. Key management personnel remuneration includes the following expenses:

	2023 $	2022 $
Salaries including bonuses	2,272,760	1,890,643
Long service leave	38,702	7,952
Superannuation	163,535	142,858
Total remuneration	2,474,997	2,041,453

The Group has previously used the legal services of one Company Director (Mr Paul Gavazzi) a firm over which he exercises significant influence. The amounts billed related to this legal service amounted to NIL in the current reporting period (2022: $9,339), based on normal market rates.

36. Contingent assets and contingent liabilities

The Group has no contingent assets.

There were no material warranty or legal claims brought against the Group during the year. Unless recognised as a provision, management considers these claims to be unjustified and the probability that they will require settlement at the Group's expense to be remote.

	2023 $	2022 $
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Secured guarantee to company's bankers supported by a floating charge over the Group assets	30,151,730	26,601,326
Surety bonds secured by the Group assets	30,924,322	26,264,012
	61,076,052	52,865,338

The CBA guarantee facility has a limit of $60,000,000 (2022 - $60,000,000).

The Surety bond facilities have a limit of $60,000,000 (2022 - $40,000,000).

37. Acquisitions and disposals

Acquisition of key Tandem Corp assets and contracts

On 4 January 2023 Genus Infrastructure (QLD) Pty Ltd (GNIQ) acquired the assets of L&M Powerline Constructions Pty Ltd (L&M) including 2 contracts, fixed assets and staff.

Total consideration for the acquisition was $3,000,000 in cash, less an allowance by the Seller in favour of the buyers of $100,000 in respect of working capital. The acquisition was funded using the Buyer's existing CBA Bank Facility.

No contingent consideration was payable to the seller.

This transaction was accounted for as a business combination.

L&M contributed revenue of $1,707,000 and $395,000 net income to the consolidated group for the period following the acquisition.

If L&M had been a part of the consolidated group for the entire year the consolidated position would have been $445,900,000 group revenue and $13,500,000 group net income.

Acquisition of Tasmanian assets of ETS Infrastructure Management Pty Ltd

On 5 July 2022 Genus Infrastructure (NSW) Pty Ltd (GNIN) executed an agreement to acquire the net assets of ETS (Tasmania) including the fixed assets, staff and TasNetworks contracts (x2) from ETS Infrastructure Management Pty Ltd.

Payment was made on 17 August 2022 following the satisfaction of conditions precedent.

GNI (NSW) acquired the assets of ETS for $968,000 payable fully in cash.

This transaction was accounted for as a business combination.

ETS contributed revenue of $3,410,000 and $204,000 net income to the consolidated group for the period following the acquisition.

If ETS had been a part of the consolidated group for the entire year the consolidated position would have been $444,400,000 group revenue and $13,400,000 group net income.

37. Acquisitions and disposals (continued)

Businesses disposed

The Group disposed of its interest in Connect Infrastructure Design Pty Ltd during the year ended 30 June 2023 to a related party Partum Engineering for consideration of $300,000. The disposal is in line with the Group's strategy to utilise external contractors for the purposes of design work.

Businesses acquired - For the year ended 30 June 2023

	L&M Powerlines $	ETS $
Consideration transferred / transferrable		
Cash	2,914,443	968,000
Total	2,914,443	968,000
Assets acquired and liabilities assumed at the date of acquisition		
Plant and equipment	2,826,000	1,033,980
Inventory	14,443	-
Goodwill	74,000	-
Employee entitlements	-	(65,980)
Total	2,914,443	968,000
Net cash outflow on acquisition of businesses		
Consideration paid in cash	2,914,443	968,000
Less: cash and cash equivalent balances acquired	-	-
Total	2,914,443	968,000

Amounts payable for the acquisition of L&M Powerlines and ETS were funded via the Group's existing funding facilities.

Contingent consideration

Payments during the reporting period to acquire subsidiaries consisted of contingent consideration of $4,132,995 settled in cash.

Contingent consideration payable under the terms of the Groups acquisition of 50% of Blue Tongue Energy Pty Ltd was settled in cash and shares during the reporting period.

In total, $1,132,995 cash and shares valued at $889,958 were transferred to the former majority owners.

Contingent consideration payable under the terms of the Groups acquisition of Pole Foundations Australia was settled in cash during the reporting period.

In total, $3,000,000 cash was transferred to the former owners.

38. Interests in subsidiaries

Composition of the Group

Set out below details of the subsidiaries held directly by the Group:

	Country of Incorporation	Percentage Ownership 2023	2022
Parent Entity:			
GenusPlus Group Ltd [a]	Aust		
Subsidiaries:			
Genus Infrastructure Pty Ltd[b]	Aust	100%	100%
Diamond Underground Services Pty Ltd[b]	Aust	100%	100%
Proton Power Pty Ltd[b]	Aust	100%	100%
Complete Cabling and Construction Pty Ltd[b]	Aust	100%	100%
Proton Technical Services Pty Ltd[b]	Aust	100%	100%
GPL Enterprises (WA) Pty Ltd [b][l]	Aust	–	100%
Genus Infrastructure (Qld) Pty Ltd[c]	Aust	100%	100%
Genus Fleet Management Pty Ltd	Aust	100%	100%
KEC Power Pty Ltd[d]	Aust	100%	100%
Genus Infrastructure (NSW) Pty Ltd[e]	Aust	100%	100%
ECM Consultancy Pty Ltd[f]	Aust	100%	100%
Genus Renewables Pty Ltd[g]	Aust	100%	100%
Connect Engineering Pty Ltd[h]	Aust	100%	100%
Connect Infrastructure Pty Ltd[h]	Aust	100%	100%
Connect Infrastructure Construction Pty Ltd[h]	Aust	100%	100%
Connect Infrastructure Design Pty Ltd[h,j]	Aust	–	100%
Connect Design South Coast (NSW) Pty Ltd[h][k]	Aust	–	100%
Genus PFA Pty Ltd[i]	Aust	100%	100%

(a) GenusPlus Group Ltd was incorporated on 6 July 2017.

(b) Powerlines Plus Pty Ltd was acquired on 17 May 2018. Powerlines Plus Pty Ltd was the 100% shareholder of Diamond Underground Services Pty Ltd, Proton Power Pty Ltd, Complete Cabling and Construction Pty Ltd, Proton Technical Services Pty Ltd, Proton E&I Pty Ltd and GPL Enterprises (WA) Pty Ltd. Powerlines Plus changed its name to Genus Infrastructure Pty Ltd on 14 September 2022.

(c) Powerlines Plus (Qld) Pty Ltd was re-registered as Genus Infrastructure (Qld) Pty Ltd on 27 June 2023.

(d) KEC Power Pty Ltd was incorporated on 4 February 2019.

(e) Powerlines Plus (NSW) Pty Ltd was incorporated on 26 November 2019 changed its name to Genus Infrastructure (NSW) Pty Ltd on 15 July 2022.

(f) ECM Consultancy Pty Ltd was incorporated on 12 December 2019.

(g) Genus Renewables Pty Ltd was incorporated on 3 July 2020.

(h) Connect Engineering Pty Ltd and its subsidiaries were acquired on 1 June 2021.

(i) Genus PFA Pty Ltd was incorporated 11 February 2022 and acquired Pole Foundations Australia acquired on 29 April 2022.

(j) Connect Infrastructure Design Pty Ltd was disposed of on 1 February 2023.

(k) Connect Design South Coast was deregistered on 11 January 2023.

(l) GPL Enterprises (WA) Pty Ltd was deregistered on 11 January 2023.

39. Financial risk management

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 18. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's transactions are carried out in Australian Dollars (AUD). Exposures to currency exchange rates arise from the Group's sales and purchases denominated in US-Dollars (USD). The Group holds a bank account in USD for this purpose.

To mitigate the Group's exposure to foreign currency risk, non-AUD cash flows are monitored in accordance with the Group's risk management policies.

Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

	2023 Short term exposure USD $	2023 Long term exposure USD $	2022 Short term exposure USD $	2022 Long term exposure USD $
Financial assets	-	-	922,967	-
Financial liabilities	-	-	-	-
Total exposure	-	-	922,967	-

39. Financial risk management (continued)

Foreign currency sensitivity (continued)

The following table illustrates the sensitivity of profit and equity in respect of the Group's financial assets and financial liabilities and the AUD/USD exchange rate 'all other things being equal'. It assumes a +/- 5% change of the AUD/USD exchange rate for the year ended 30 June 2023 (2022: 10%). The percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date. In any respect, the Group would elect not to realise the underlying value of the financial asset were it to result in a loss to the Group. Financial assets subject to currency sensitivity were received on 30 June 2020, and valued at the exchange rate applicable on that date.

If the Australian Dollar (AUD) had strengthened against the US-Dollar (USD) by 5% (2022: 10%) then this would have had the following impact:

	Profit for the year AUD $	Equity AUD $
30 June 2023	–	–
30 June 2022	–	(121,702)

If the AUD had weakened against the USD by 5% (2022: 10%) then this would have had the following impact:

	Profit for the year AUD $	Equity AUD $
30 June 2023	–	–
30 June 2022	–	121,702

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 30 June 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's money market funds is considered low as the Group currently holds more funds on deposit in interest bearing accounts than is owed in bank borrowings.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 2.00% (2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year		Equity	
	$ +2% / +1%	$ -2% / -1%	$ +2% / +1%	$ -2% / -1%
30 June 2023	225,090	(225,090)	225,090	(225,090)
30 June 2022	(103,400)	103,400	(103,400)	103,400

39. Financial risk management (continued)

Other price risk sensitivity

The Group is exposed to other price risk in respect of the investment in Volt Power Limited (ASX: VPR).

For the listed investment in Volt Power Limited, an average volatility of 50% has been observed during 2023 (2022: 33%). Volatility at the lower end of this scale is considered a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date due to the relatively low volumes traded. If the quoted stock price for VPR increased or decreased by that amount, profit or loss and equity would have changed by $230,500 (2022: $304,260).

The investment in VPR is considered a long-term, strategic investment. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to this investment. The investment is continuously monitored and voting rights arising from the equity instrument are utilised in the Group's favour.

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables and contract assets.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Classes of financial assets	2023 $	2022 $
Carrying amounts:		
cash and cash equivalents	46,737,238	27,882,473
trade and other receivables	56,948,784	68,872,911
	103,686,022	96,755,384

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

Cash and cash equivalents

The Group's cash and cash equivalents are held with major reputable financial institutions.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Geographically, the concentration of credit risk is within Australia and, by industry, the concentration is within the commercial infrastructure and resources industries.

The Group continuously monitors defaults of customers and other counterparties, identified either by individual or group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Group does not require collateral in respect of trade receivables and contract assets.

To mitigate the impact of any single credit default, the Group maintains a policy of Trade Credit Insurance that provides protection in the event of default.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

39. Financial risk management (continued)

Credit risk analysis (continued)

Impairment losses

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

	Note	Gross 2023 $	Allowance for Impairment 2023 $	Gross 2022 $	Allowance for Impairment 2022 $
Other receivables – not past due	16	2,325,698	–	1,143,535	–
Trade receivables:					
Current		45,750,383	–	57,849,322	–
Less than 90 days		4,387,410	–	5,903,255	–
Greater than 91 days		4,615,345	(130,052)	4,068,782	(91,983)
	16	54,753,138	(130,052)	67,821,359	(91,983)
		57,078,836	(130,052)	68,964,894	(91,983)

The provision of $130,052 relates to expected credit losses of a small number of debtors based on the past default experience of the debtors combined with analysis of the debtor's current financial position. The Group continues to strongly pursue all debts provided for. The majority of un-impaired debtors exceeding one year relate to retention claims that are not due. The debtor aging is relative to the date of the original invoice claim against which the retention is held.

The Group has established an allowance for impairment that represents their expected credit losses in respect of trade receivables and contract assets.

The Group recognises a provision for impairment related to expected credit losses ("ECLs") for trade receivables, and other debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate the ECLs. The provision matrix is established based on the Group's historically observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward looking factors specific to debtors and the economic environment where appropriate. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasts in economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group considers a financial asset's potential for default when contractual payments are more than 120 days past due, factoring in other qualitative indicators where appropriate. Exception shall apply to financial assets that relate to entities under common controls or covered by letter of credit or credit insurance. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

39. Financial risk management (continued)

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180 to 360 day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 16) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within three months.

As at 30 June 2023, the Group's non-derivative financial liabilities have contractual maturities as summarised below:

	Current		Non-current	
	Within 6 months $	6-12 months $	1-5 years $	5+ years $
30 June 2023				
Secured borrowings	790,000	790,000	4,280,000	-
Leases	4,635,762	4,371,928	12,861,963	-
Trade and other payables	50,993,122	-	-	-
Contingent consideration payable	-	-	-	-
Total	56,418,884	5,161,928	17,141,963	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

	Current		Non-current	
	Within 6 months $	6-12 months $	1-5 years $	5+ years $
30 June 2022				
Secured borrowings	960,000	960,000	3,250,000	-
Leases	3,925,439	3,840,445	14,232,018	-
Trade and other payables	72,608,068	-	-	-
Contingent consideration payable	4,949,953	-	674,000	-
Total	82,443,460	4,800,445	18,156,018	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

40. Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** Unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022:

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2023				
Financial assets				
Listed securities	461,000	–	–	461,000
Lease receivable	–	729,120	–	729,120
Other financial assets	–	266,997	–	266,997
Total assets	461,000	996,117	–	1,457,117
Financial liabilities				
Contingent consideration	–	–	–	–
Total liabilities	–	–	–	–
Net fair value	461,000	996,117	–	1,457,117

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2022				
Financial assets				
Listed securities	922,000	–	–	922,000
Other financial assets	–	71,833	–	71,833
Total assets	922,000	71,833	–	993,833
Financial liabilities				
Contingent consideration	–	–	(5,623,953)	(5,623,953)
Total liabilities	–	–	(5,623,953)	(5,623,953)
Net fair value	922,000	71,883	(5,623,953)	(4,630,070)

There were no transfers between Level 1 and Level 2 in 2023 or 2022.

40. Fair value measurement (continued)

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports to the Audit Committee. Valuation processes and fair value changes are discussed among the Audit Committee and the valuation team at least every year, in line with the Group's reporting dates.

The valuation techniques used for instruments categorised in Levels 2 are described below. There were no instruments categorised as Level 3.

Level 3 fair value measurements

Contingent consideration (Level 3)

The fair value of contingent consideration related to the acquisition of Blue Tongue Energy Pty Ltd and Pole Foundations Australia (see Note 37) has been determined through analysis of past profitability against targets agreed in the purchase agreement and estimated future cash-flows. Due to the short time frame associated with assessing achievement of the targets related to the contingent consideration, the impact of discounting of future cash flows was not material in the assessment and the values stated are consistent with fair value.

41. Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its bank loans and other financial liabilities, less cash and cash equivalents as presented on the face of the statement of financial position.

The Group's goal in capital management is to ensure compliance with the Group's covenants relating to its commercial financing arrangements. These covenants measure the Group's Debt Service Cover, Gross Leverage and Liquidity Ratios, as well as requiring maintenance of a minimum Tangible Net Worth. The Group has met all its covenant obligations, since the commercial loan was taken out.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	2023 $	2022 $
Total equity	104,976,133	93,423,073
Financial liabilities	21,836,048	21,110,359
Cash and cash equivalents	(46,737,238)	(27,882,473)
Capital	80,074,943	86,650,959
Total equity	104,976,133	93,423,073
Borrowings	21,836,048	21,110,359
Overall financing	126,812,181	114,533,432
Capital-to-overall financing ratio	0.63	0.76

The ratio decrease during 2023 is primarily a result of additional cash at bank held at year end compared to the previous reporting period.

42. Parent entity information

Information relating to GenusPlus Group Ltd (the Parent Entity):

	2023 $	2022 $
Statement of financial position		
Current assets	8,572,332	2,902,789
Total assets	38,407,717	40,761,752
Current liabilities	9,361,840	(1,455,015)
Total liabilities	(14,765,133)	(11,006,876)
Net assets	53,172,849	51,768,629
Issued capital	55,265,025	53,789,037
Retained earnings	(2,092,176)	(2,020,409)
Total equity	53,172,849	51,768,628
Statement of profit or loss and other comprehensive income		
(Loss) for the year	(2,390,224)	(2,560,158)
Total comprehensive income	(2,390,224)	(2,560,158)

The Parent Entity had no capital commitments at year end (2022:$Nil).

43. Events after the reporting date

On 21 August 2023, the Directors declared a final fully franked dividend of 2.0 cents per share with a record date of 4 October 2023 and a payment date of 3 November 2023. The total dividend payable is an aggregate of $3,554,499.

On 31 July 2023, GenusPlus Group completed the acquisition of the remaining 50% of BlueTongue Energy Pty Ltd for cash consideration of $500,000.

Other than those mentioned above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

44. Group details

The registered office and principal place of business of the Group is:

GenusPlus Group Ltd
Level 1, 63 – 69 Abernethy Road
Belmont WA 6104

Directors' Declaration

In accordance with a resolution of the directors of GenusPlus Group Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of GenusPlus Group Limited for the financial year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

On behalf of the board

D. Riches

David Riches
Director

Dated the 22nd day of August 2023

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Independent Auditor's Report

To the Members of GenusPlus Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of GenusPlus Group Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of long-term contracts – Notes 4 & 6	
The Group's revenues from fixed price construction contracts ($305.3 million) are recognised over time, with the amount determined by the percentage of costs completed. Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customer* based on: • The determination of the completion and measurement of performance obligations under each contract; • The estimation for construction contract inputs (costs) including costs remaining and the expected margins earned on the contracts; and • The determination of contingency and variation estimates, including the probability of approval for changes in price and scope This area is a key audit matter due to the high level of estimation and management judgement required to determine the revenue recognised from each contract that includes contract variations and claims.	Our procedures included, amongst others: • Understanding and documenting the design of internal controls over project costings and estimating costs to complete construction projects; • Testing the operating effectiveness of project cost controls designed for determining the revenue recognised over time utilising the percentage of completion method; • Reviewing significant contracts, including agreeing key terms and conditions to contracts along with any variations or contingencies requiring to be recognised; Testing a sample of costs to ensure appropriate allocation to projects;; • Reviewing management assumptions in determining the stage of completion, total contract price, costs incurred and estimated costs to complete to supporting documentation; • Recalculating the stage of completion based on costs to date proportionate to forecasted costs including testing a sample of progress billings and contract costs to ensure the allocation to revenue, contract assets and liabilities was appropriate and consistent with the requirements of AASB 15; • Assessing estimated costs to complete through discussion with project managers and challenging the key assumptions connected to the stage of completion method, including potential disputes and claims relating to variations to the original contract terms and agreeing to underlying support; • Assessing variations to historical recoveries and supporting documentation for claims made for price and scope changes; and • Assessing the adequacy of the Group's presentation and disclosures in the financial statements.

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Goodwill – Note 24	
As disclosed in Note 22, the Group recognised goodwill totalling $19.6 million at 30 June 2023 across six cash-generating units (CGUs). Goodwill is required to be assessed for impairment annually by management as prescribed in AASB 136 *Impairment of Assets*. Management performs annual impairment testing per AASB 136 to ensure the CGUs' recoverable amount is greater than its carrying value, utilising either the greater of fair value less costs to sell or its value in use. The Group uses a discounted cash flow model for the value-in-use approach to determine the recoverable amount. In doing so, management considers the following key inputs; • forecasted budgeted financial performance; • estimated growth rates; • working capital adjustments; • estimated capital expenditure; • discount rate; and • terminal value. This area is a key audit matter due to the significant balance carried by the Group that management has assessed using estimates and judgement	Our procedures included, amongst others: • Understanding and documenting management's process and controls related to the assessment of impairment, including management's identification of CGUs and the calculation of the recoverable amount for each CGU; • Evaluating the value-in-use models against the requirements of AASB 136, including consultation with our auditor's valuation expert; • Challenging the appropriateness of management's revenue and cost forecasts by comparing the forecasted cash flows to actual growth rates achieved historically; • Reviewing management's value-in-use calculations by: – Testing the mathematical accuracy of the calculations; – Evaluating the forecast cash inflows and outflows to be derived by the CGUs assets for reasonableness; – Comparing estimates and judgements for growth rates to available market and industry data; – Assessing the discount rates applied to forecast future cash flows for reasonableness with assistance from internal valuation specialists; – Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing its calculation; and • Assessing the adequacy of financial report disclosures.

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

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

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/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 28 to 33 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of GenusPlus Group Ltd, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 22 August 2023

ASX Additional Information

As at 18 August 2023

Distribution of equity security holders

	Ordinary Shares
Category	
1 – 1,000	117,353
1,001 – 5,000	772,728
5,001 – 10,000	1,258,697
10,001 – 100,000	9,732,520
100,001 and over	165,843,650
Total	177,724,948

Twenty largest shareholders

	Number of ordinary shares held	Percentage of capital held
MR DAVID WILLIAM RICHES	78,922,947	44.41%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,834,233	10.03%
MATTHEW STEVEN RICHES & DAVID WILLIAM RICHES	12,800,000	7.20%
NATIONAL NOMINEES LIMITED	7,416,045	4.17%
CARJAY INVESTMENTS PTY LTD	4,000,000	2.25%
ARROCHAR PTY LTD	3,850,000	2.17%
CITICORP NOMINEES PTY LIMITED	3,410,332	1.92%
MR NEIL DOUGLAS RAE & MRS MELANIE MICHELLE RAE & MR SIMEON DAVID RAE	2,392,344	1.35%
MR KEMPER SHAW	2,376,947	1.34%
CC RANKINE PTY LTD	2,316,765	1.30%
BJ FRASER PTY LTD	2,316,765	1.30%
CEDARFIELD HOLDINGS PTY LTD	2,281,134	1.28%
WILLIAM TAYLOR NOMINEES PTY LTD	2,148,684	1.21%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,963,614	1.10%
DAVE RICHES PTY LTD	1,861,000	1.05%
PATRICK LLOYD PTY LTD	1,600,000	0.90%
GEORGE LLOYD PTY LTD	1,600,000	0.90%
MR KENNETH JOSEPH HALL	1,550,000	0.87%
PRECISION OPPORTUNITIES FUND LTD	1,266,357	0.71%
MR WILLIAM JAMES BEAMENT	1,196,172	0.67%
	150,545,882	86.15%

Substantial shareholders

	Number
The number of shares held by substantial shareholders and their associates are set out below:	
David William Riches & Matthew Steven Riches & David William Riches Dave Riches & Matt Riches Unit	93,583,947

Corporate Directory

Directors

Simon High
Chairman
Independent Non-Executive Director

David Riches
CEO and Managing Director

José Martins
Independent Non-Executive Director

Paul Gavazzi
Independent Non-Executive Director

Company Secretary

Damian Wright

Strati Gregoriadis

Auditors

Grant Thornton Audit Pty Ltd

Central Park
Level 43, 152-158 St Georges Terrace
Perth WA 6000

Share Registry

Link Market Services Ltd

Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

T: +61 8 9211 6670

Registered Office

GenusPlus Group Ltd

Level 1, 63-69 Abernethy Road
Belmont WA 6104

ASX Code: GNP

powering up Australia.
connecting the future,
together.

GENUS

Insight Communication & Design