Babylon Pump & Power Limited

ACN 009 436 908

and its controlled entities

2024 Annual Report

Year ended 30 June 2024

Corporate Directory

Directors
Mr James Cullen
Non-Executive Chairman

Mr Michael Shelby
Managing Director

Mr Patrick Maingard
Non-Executive Director

Ms Louise Bower
Non-Executive Director

Mr Chris Radin
Non-Executive Director

Company Secretary
Mr Matthew Goldfinch

Registered & Principal Office
1 Port Place
HIGH WYCOMBE WA 6057
AUSTRALIA

Telephone: +61 8 9454 6309
Email: admin@babylonpumpandpower.com
Website: www.babylonpumpandpower.com

Postal Address
PO Box 31
COMO WA 6952
AUSTRALIA

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000
AUSTRALIA

Telephone: 1300 288 664
Fax: (02) 8583 3040

Auditor
BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000
AUSTRALIA

Bankers
National Australia Bank Limited
100 St Georges Terrace
PERTH WA 6000
AUSTRALIA

Stock Exchange Listing
Australian Securities Exchange
ASX Code: BPP

Corporate Governance Statement
A copy of the Corporate Governance Statement is located on the website.

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The directors present their report on the consolidated entity comprising Babylon Pump & Power Limited and its controlled entities ("Babylon" or "the Group" or "the Company") for the year ended 30 June 2024 and the auditor's report thereon.

1. Directors and Officers

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

Mr James Cullen
Non-Executive Chairman

Mr Cullen is a highly experienced executive who has served as CEO of three successful ASX listed mining service companies over the past 27 years. He is currently the Chief Executive Officer of Pacific Energy Ltd, a large Australian power station and renewable energy developer, owner and operator. Mr Cullen is also a Board member of Guide Dogs WA and Ear Science Institute Australia.

Prior to joining Pacific Energy Ltd in 2015 Mr Cullen served as Chief Executive Officer of Resource Equipment Ltd (2008-2014) and PCH Group Ltd (1995-2007). All three companies commenced as ASX-listed micro-cap mining service companies before growing significantly and ultimately being acquired under takeover offers.

In addition to his board-level experience, Mr Cullen is a qualified Chartered Accountant with strong financial and governance background and formal qualifications.

During the three years prior to the end of the year, Mr Cullen has not held any directorships in any other listed companies.

Mr Cullen was appointed Non-Executive Chairman on 18th May 2022.

Mr Michael Shelby
Managing Director

Mr Shelby has over two decades of experience in oil & gas, mining and specialty rental markets spanning commercial, technical and project management roles. He obtained a Bachelor of Science in Chemical Engineering from Louisiana State University and began work for major oil service companies in his native United States.

In 2007 he moved his family to Perth where he has spent the last decade in various management positions at international oil service and specialty rental companies. Mr Shelby has an extensive network across Australian, Asian and Middle Eastern markets.

Whilst General Manager Oil & Gas at Resource Equipment Ltd (ASX:RQL) he had management responsibility for growing the oil & gas service business of RQL from inception until RQL was acquired by Pump Services LLC by way of cash on market takeover offer completed in 2015, recruited key personnel and launched an overseas branch to complement Australian business activities. Mr Shelby has 15 years of experience in Australia leading multifunction teams across mining and oil & gas during most recent market cycles.

Mr Shelby has completed the Senior Executive MBA program at Melbourne Business School, and the AICD Company Directors Course.

During the three years prior to the end of the year, Mr Shelby has not held any directorships in any other listed companies.

Mr Shelby was appointed Managing Director and Executive Chairman on 18 December 2017 and resigned from his position as Executive Chairman on the appointment of James Cullen as Non-Executive Chairman.

Mr Patrick Maingard
Non-Executive Director

A graduate member of the Australian Institute of Company Directors (GAICD), Mr Maingard has 30 years plus of management experience with a strong SME background with Director and Managing Director portfolios.

Mr Maingard was a Director/co-owner of plastics manufacturing business Omni Manufacturing Pty Ltd, (acquired April 1999). Key milestones included increasing profitability via organic growth and acquisitions, overhaul of manufacturing plant and equipment, achieving ISO certification and Australian Standards accreditation and assisting in establishing and managing relationships with Bunnings, Reece Plumbing, Masters, Australian Defence Force, Constellation Wines, Matrix Asia Pacific and other clients. The business was sold to a European multinational, with Mr Maingard retained on contract as Managing Director until December 2015.
Mr Maingard holds a MSc Management from Oxford University.

During the three years prior to the end of the year, Mr Maingard has not held any directorships in any other listed companies.

Mr Maingard was appointed Executive Director on 18 December 2017 and transitioned to Non-Executive Director on the 1st September 2022.

Ms Louise Bower
Non-Executive Director

Ms Bower has accumulated over 30 years' experience in senior executive roles across varied industry sectors and jurisdictions including Australia, South Africa and the United Kingdom.

Ms Bower is currently Non-Executive Director at Perth based DUG Technology Ltd (ASX:DUG) – a global technology company providing high-performance computing with a strong foundation in applied physics. In August 2022, Ms Bower was appointed to the board of Lycopodium Limited (ASX:LYL) – an international integrated engineering, construction and asset management specialist operating across the resources, infrastructure and industrial processes sectors. Prior to this, Ms Bower held the positions of Executive Director and Chief Financial Officer at DUG where she was responsible for global commercial operations including financial planning, management and financial risks and governance.

Ms Bower holds an Honours Degree in Accounting Science from the University of South Africa and is a Chartered Accountant.

Ms Bower was appointed Non-Executive Director on 1 November 2021.

Mr Chris Radin
Non-Executive Director

Mr Radin has accumulated 30 plus years' experience across equipment rental, capital equipment, industrial and retail markets, holding Senior Executive and Managing Director roles over the past 20 years.

Mr Radin's most recent position was Managing Director of Goodyear & Dunlop Tyres ANZ, where he was responsible for wholesale distribution and over 500 retail locations across Australia and New Zealand including the company owned Beaurepaires network. Goodyear is an iconic Fortune 500 company with a 125-year history of providing mobility solutions to the automotive, mining, aviation and construction industry.

Prior to this Mr Radin held the positions of Managing Director, STIHL Australia and General Manager, Sales & Marketing at Coates Hire. As a member of the Coates Executive Team, Mr Radin's tenure included the rapid expansion and revenue growth of Coates towards $1.5B in revenue. This growth was driven by multiple acquisitions and the merger and integration of Coates and National Hire.

During the three years prior to the end of the year, Mr Radin has not held any directorships in any other listed companies.

Mr Radin was appointed Non-Executive Director on 1 March 2023.

Mr Matthew Goldfinch
Company Secretary

Mr Goldfinch has over 15 years' financial experience in the mining services and equipment rental sectors. Having previously worked at Byrnecut, Mineral Resources and Mader Group, Mr Goldfinch has a strong background in mining and mechanical services, and in the rental and fleet management market from time spent at Western Plant Hire.

Mr Goldfinch is a member of CA ANZ as well as a Graduate Member of the Australian Institute of Company Directors. He also holds Bachelor of Commerce and Bachelor of Arts degrees from the University of Western Australia.

Mr Goldfinch was appointed Company Secretary and Chief Financial Officer on the 1st August 2023.

1. **Interests in Performance Rights, Convertible Notes and Shares in the Company and related bodies corporate**

As at the date of this report, the direct and indirect interests of the directors and their related parties in the shares and options of Babylon Pump & Power Limited were:

Director	*30 June 2024 Performance Rights*	*30 June 2024 Ordinary Shares*	*As at Report Date Ordinary Shares*
James Cullen	130,000,000	61,354,000	61,354,000
Michael Shelby	34,000,000	30,774,312	30,774,312
Patrick Maingard	5,000,000	20,575,304	20,575,304
Louise Bower	5,000,000	2,901,588	2,901,588
Chris Radin	5,000,000	-	-
	179,000,000	**115,605,204**	**115,605,204**

Directors' meetings

The number of directors' meetings (including committee meetings) and the number of meetings attended by each of the directors of the Group during the financial year are:

	Board Meetings		*Audit and Risk Meetings*	
Director	*Held*	*Attended*	*Held*	*Attended*
James Cullen	11	11	4	4
Michael Shelby	11	11	4	4
Patrick Maingard	11	11	4	4
Louise Bower	11	11	4	4
Chris Radin	11	11	4	4

The Audit and Risk Committee comprises Ms Bower as Chairperson, Mr Cullen, Mr Maingard and Mr Radin with Mr Shelby and Mr Goldfinch being standard invitees.

2. Principal activities

The Group is primarily focused on two areas, being equipment rental supporting water management and industrial services and asset maintenance services to the resource industry.

3. Dividends

No dividends have been paid or declared by the Group since the end of the current and previous financial year.

4. Industry and Geographic Exposures

The Group is exposed to the Australian mining and oil and gas industries. On a geographic basis, the Group is predominantly exposed to Western Australia and Queensland.

5. Significant changes in the state of affairs

No significant changes occurred during the year.

6. Matters subsequent to the end of the financial year

On 31 July 2024 the Group borrowed $750,000 from Key Management Personnel, which is repayable by December 2024. The Group also received $500,000 in finance from Cat Finance Australia Ltd on a 12 month repayment plan.

There are no other significant matters subsequent to the end of the financial year.

7. Likely developments and expected results of operations

The Group's strategy is to continue to grow the rental segment of the business through the acquisition of additional rental equipment while at the same time continuing to maintain a consistent asset utilisation level. It is believed that this strategy, combined with the strategy to keep the maintenance segment performing at a consistent level should contribute to FY25 targets being achieved.

8. Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth, State or Territory law.

9. Operating and financial review

Review of financial results

This has been a milestone year in which Babylon Pump & Power Limited ("Babylon" or "the Group") delivered continued improvements in business performance across its operations, supporting the Group's achievement of a full year net profit of $508,027. The Group has continued to make significant progress advancing strategic initiatives which delivered solid improvement in EBITDA and Operating Cash Flow while driving Revenue growth. During the year, Babylon completed all deferred consideration payments for historical acquisitions which will free $2,400,000 of cash annually to accelerate growth initiatives.

The table below provides a comparison of results for the year ended 30 June 2024 to the preceding year ended 30 June 2023:

Group Key Performance Indicators	30 June 2024 $A	30 June 2023 $A	% Change
Revenues	41,738,133	32,500,899	+28%
Reported profit/(loss) after tax attributable to members	508,027	(1,487,804)	+134%
Net finance costs	1,644,404	1,361,977	+21%
Depreciation and Amortisation	3,971,635	3,932,940	+1%
EBITDA (non-IFRS measure)	6,124,066	3,807,110	+118%
Normalised EBITDA (non-IFRS measure)(1)	6,124,066	2,807,110	+61%
Operating Cash Flow	7,547,524	2,279,725	+231%

(1) Normalised EBITDA for FY23 excludes one-off other income of $1.0m from the write-back of Pilbara Trucks deferred consideration

Review of operations

Rental Segment

Babylon has continued to see steady high demand for specialty rental assets through the year and continues to cost effectively grow the rental fleet through efficient self-assembly and build of pumping assets to complement its purchases of new fleet. Capital expenditure with OEM's has been focused on more technologically advanced and unique assets such as hybrid power and evaporator units which carry a higher technological hurdle to manufacture and will help Babylon's clients to meet their environmental obligations.

Test pumping activities have scope to grow with current equipment base. The company has focused on maximising the capability and utilisation of its current fleet with new projects secured and scheduled for FY25.

Profitability in Babylon's industrial services subsidiary, Pilbara Trucks T/as Ausblast, has dramatically improved as the business transitions away from a model dependent on providing services to a more rental focused offering. In addition to improving profitability, the business has been able to reduce operational risk and overheads.

Rental Segment Key Performance Indicators	30 June 2024 $A	30 June 2023 $A	% Change
Revenues	12,075,628	10,058,213	+20%
EBITDA (non-IFRS measure)	4,179,947	3,186,251	+31%

Maintenance Segment

The maintenance segment outperformed expectations for the year with high levels of repeat work and focus on margins delivering significant earnings growth. Maturing customer relationships are securing longer engagements with better visibility for project planning. Workforce stability over the year has supported higher activity levels in both the Mackay and Perth workshops. As profitability has continued to increase the segment will continue to focus on a streamlined engine rebuilding model without distraction or risk of taking on components or works more general in nature.

Maintenance Segment Key Performance Indicators	30 June 2024 $A	30 June 2023 $A	% Change
Revenues	29,662,505	22,442,685	+32%
EBITDA (non-IFRS measure)	5,146,220	2,173,379	+137%

10. Sustainability

The Group is strongly committed to its people, systems, environment and communities within which it operates, all of which play an integral part in creating and delivering sustainable value to our stakeholders.

Safety is a holistic concept and is everyone's responsibility. Our leaders are focussed on creating and maintaining a positive safety culture through reporting, regular review, updating of policies and practice as required, communicating changes and ongoing training and development. Our goal is to have an accident and injury free healthy workplace with minimum exposure to physical hazards and risk to health or well-being of our people, clients, contractors and communities in which we operate. The Group completed the year with a Total Recordable Injury Frequency Rate (TRFIR) of 0.

The group elects to follow international standards of design and maintenance and has the following accreditations: ISO 45001:2018, ISO 9001 and ISO 14001:2015.

Babylon has again chosen to offset the emissions of its business operations through the purchase of carbon offsets and has thus achieved carbon neutrality. As in the previous year, the Group calculates its carbon footprint in a manner consistent with the international standard for carbon accounting: the Greenhouse Gas Protocol Corporate Standard. Babylon has then chosen to direct its carbon offsets to support projects both in Australia, Warralakin Carbon Positive and Forever Reef, and an international project focused on wind energy, Bundled Wind Power. Additionally, Babylon continues to offer unique specialty rental equipment to assist clients in their carbon emission strategies.

We will continue to seek opportunities to further reduce our environment footprint and work with our clients to support sustainable practices and deliver service offerings that enable our clients to achieve their environmental objectives.

11. Risk Management

The Board and Management recognise that risk is inherent in the business and that the effective management of risk is vital to deliver the strategic objectives.

We are committed to the responsible management of the business and will seek to maintain policies and practices that are consistent with identifying and managing the current risk environment and risks that the business may face in future, based on sound recognised risk management principles.

The risk management program comprises a series of processes, structures and guidelines which assist the Company to identify, assess, monitor, manage and report its business risk, including any material changes to its risk profile.

Key areas of risk identified will be measured and rated so that the risk profile of each can be determined. Once this has been achieved the various risk mitigation strategies will be implemented to either eliminate or reduce risks to an acceptable level in light of current standards.

Outlined below is an overview on the material risks facing the business. These risks are not set out in any particular order and do not comprise every risk that the Group could encounter.

- Health Safety and wellbeing of all stakeholders
- Commercial, financial and reputational risks
- Environmental impact reduction
- Culture and behaviours at all levels
- Ongoing future viability and relevance of the business

The board will oversee the risk management program while conferring responsibility on the Audit and Risk Committee to provide the framework and guidance for management to design, implement and maintain its risk management plans.

The board is committed to managing and reviewing risks on an ongoing basis so as to ensure the sustained growth of the company.

12. Indemnification and insurance of directors, officers and auditors

The Group has indemnified the directors and executive officers of the Group for costs incurred, in their capacity as a director or executive officer, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executive officers of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

13. Non-audit services

During the financial year BDO Audit Pty Ltd continued as the Group's auditor and no non-assurance services were provided (30th June 2023 – Nil).

14. Proceedings on behalf of The Company

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

15. Remuneration report - audited

The information provided in this Remuneration Report has been audited as required by section 308(c) of the *Corporations Act 2001.*

This report outlines the remuneration arrangements in place for directors and other key management personnel (KMP) of the Group. Remuneration is referred to as compensation throughout this report.

15.1 Key management personnel included in this report

Name of KMP	Position held	Term as KMP to 30 June 2024
James Cullen	Non-Executive Chairman	Full Financial Year
Michael Shelby	Managing Director	Full Financial Year
Patrick Maingard	Non-Executive Director	Full Financial Year
Louise Bower	Non-Executive Director	Full Financial Year
Chris Radin	Non-Executive Director	Full Financial Year
Lawrence Phillips	Chief Operating Officer	Full Financial Year
Matthew Goldfinch	Chief Financial Officer/Company Secretary	Commenced as at 1 August 2023
Frank Ashe	Corporate Business Development Manager	Full Financial Year
Michael Kenyon	Company Secretary	Ceased 31 July 2023

15.2 Principles of compensation

Non-Executive Director remuneration policy

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities, having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry.

Total compensation for all non-executive directors are set within the maximum aggregate amount approved by shareholders at the 2003 AGM, being $500,000 per annum. Directors' fees cover all main Board activities.

For the year ended 30 June 2024, exclusive of superannuation guarantee, the annual cash remuneration for non-executives was $169,429 (30 June 2023 $153,922). The total remuneration paid to the Group's non-executive directors during the year is set out in this report.

In addition to these fees, non-executive directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees or shareholders, or while engaged on the Group's business. Non-executive directors are not entitled to compensation or retirement benefits on termination of their directorships.

Executive remuneration policy

Compensation levels for executives of the Group are competitively set to attract and retain appropriately qualified and experienced executives. The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders.

Board fees are not paid to Executive Directors, as the time spent on Board work and the responsibilities of Board membership are included when determining the remuneration package provided as part of their normal employment responsibilities.

The compensation structures take into account:

- The capability and experience of the executive;
- The executive's ability to control the relevant segment's performance; and
- The Group's performance including:
  - The Group's earnings; and
  - The growth in share price and delivering constant returns on shareholder wealth.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any Fringe Benefits Tax charges related to employee benefits) and employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group.

Performance linked compensation

Performance linked compensation includes both short-term and long-term incentives, and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is a discretionary 'at risk' bonus provided in the form of cash or shares that is paid upon the achievement of pre-determined key performance indicators set by the Board. The long-term incentive (LTI) is provided as performance rights over ordinary shares of the Group as outlined below. The objective of this form of reward is to align the behaviour of executives to maximise shareholder value. Performance evaluations of senior executives have taken place during the reporting period in accordance with the process disclosed above.

Key performance indicators of the Group over the last 5 years

Consolidated	*2024* *$*	*2023* *$*	*2022* *$*	*2021* *$*	*2020* *$*
Revenue	41,738,133	32,500,899	27,517,238	21,331,973	17,199,633
Net gain/(loss) before tax	508,027	(1,487,804)	(5,209,881)	(6,357,777)	(1,777,623)
Net gain/(loss) after tax	508,027	(1,487,804)	(5,209,881)	(6,357,777)	(1,777,623)
Share price at start of year	0.006	0.005	0.017	0.018	0.017
Share price at end of year	0.005	0.006	0.005	0.017	0.018
Interim and final dividend	-	-	-	-	-
Basic gain/(loss) per share	0.0002	(0.0006)	(0.0045)	(0.0068)	(0.0025)

Employment contracts of executive key management personnel

Executive key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. A summary of the agreements are set out below:

Michael Shelby, *Managing Director*

a) Term of agreement – commenced 1 March 2017 with indefinite duration and review of terms dated 28 September 2020;
b) Base salary of $312,500 per annum exclusive of superannuation;
c) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
d) Is capable of termination by individual with three months notice;
e) Is capable of termination by the Group with twelve months notice;
f) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation.
g) Implied performance condition performance rights will be granted at discretion of the board upon termination.

Lawrence Phillips, *Chief Operating Officer*

a) Term of agreement – commenced 1 November 2022 with indefinite duration.
b) Base salary of $240,000 per annum exclusive of superannuation;
c) Provided with motor vehicle allowance of $20,000 per annum;
d) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
e) Is capable of termination by both parties on four weeks notice;
f) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation;
g) Implied performance condition performance rights will be granted at discretion of the board upon termination.

Matthew Goldfinch, *Chief Financial Officer / Company Secretary*

a) Term of agreement – commenced 1 August 2023 with indefinite duration.
b) Base salary of $220,000 per annum exclusive of superannuation;
c) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
d) Is capable of termination by both parties on four weeks notice;
e) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation;
f) Implied performance condition performance rights will be granted at discretion of the board upon termination.

Frank Ashe, *Corporate Business Development Manager*

a) Term of agreement – commenced 1 July 2023 with indefinite duration.
b) Base salary of $240,000 per annum exclusive of superannuation;
c) Eligible for annual cash bonus payment upon the achievement of key performance criteria to be agreed with the Board;
d) Is capable of termination by both parties on four weeks notice;
e) The agreement may be terminated for serious misconduct, in which case the Group is not required to pay any compensation;
f) Implied performance condition performance rights will be granted at discretion of the board upon termination.

15.3 Directors' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Group and key management personnel for the year ended 30 June 2024 are as follows:

(*) *These balances contain an STI bonus accrual which has not yet been approved or paid.*

	Year	Salary & fees $	Salary non-cash $	Employee Performance / Bonus (*) $	Employee allowances $	Post-employment superannuation $	Share-based payments (shares) $	Performance rights expense $	Notes	Total $	Performance Related % of remuneration
Directors											
James Cullen	2024	-	-	-	-	-	-	82,200	1	82,200	100%
	2023	-	-	-	-	-	-	82,200		82,200	100%
Michael Shelby	2024	312,501	-	254,000	-	27,974	-	56,755	1,2	651,230	48%
	2023	270,000	-	-	-	28,350	-	214,214		512,564	42%
Patrick Maingard	2024	54,996	-	-	-	-	-	8,346	1	63,342	13%
	2023	90,331	-	-	-	2,625	-	141,796		234,752	60%
Michael Kenyon	2024	-	-	-	-	-	-	-	1,3	-	-
	2023	34,425	-	-	-	-	-	35,045		69,470	50%
Louise Bower	2024	55,500	-	-	-	-	-	8,346	1	63,846	13%
	2023	55,250	-	-	-	-	-	2,773		58,023	5%
Chris Radin	2024	58,933	-	-	-	-	-	8,346	1	67,279	12%
	2023	18,417	-	-	-	-	-	-		18,417	0%
Other key management personnel											
Lawrence Phillips	2024	231,667	-	120,000	20,000	27,083	-	24,458	1	423,208	34%
	2023	229,584	-	-	-	24,150	-	61,484		315,218	20%
Matthew Goldfinch	2024	216,667	-	110,000	-	23,833	21,528	24,458	1,4	396,486	34%
	2023	-	-	-	-	-	-	-		-	-
Frank Ashe	2024	240,000	-	120,000	-	26,400	-	26,681	1	413,081	36%
	2023	-	-	-	-	-	-	-		-	0%
Gary Credaro	2024	-	-	-	-	-	-	-	1,5	-	0%
	2023	102,570	-	-	-	8,750	-	-		111,320	0%
Craig Batterham	2024	-	-	-	-	-	-	-	1,6	-	0%
	2023	207,207	-	-	-	21,496	-	(58,055)		170,648	0%
Barry Kingsley	2024	-	-	-	-	-	-	-	1,7	-	0%
	2023	118,229	-	-	-	12,437	-	-		130,666	0%
	2024	**1,170,264**	**-**	**604,000**	**20,000**	**105,290**	**21,528**	**239,590**		**2,160,672**	
	2023	**1,126,013**	**-**	**-**	**-**	**97,808**	**-**	**479,457**		**1,703,278**	

Note 1: Expense relates to performance rights issued. Refer to notes 12.4(b) and 14 in the Remuneration Report.
Note 2: Reflects FY23 board discretionary bonus paid in FY24 ($50,000).
Note 3: Mr. Kenyon ceased as Company Secretary on 31 July 2023.
Note 4: Mr. Goldfinch commenced as Company Secretary and CFO on 1 August 2023.
Note 5: Mr Credaro was CFO from 1 July 2021 to 30 November 2022
Note 6: Mr Batterham was National General Manager from 1 December 2020 to 30 March 2023
Note 7: Mr Kingsley was General Manager of Pilbara Trucks Pty Ltd from 31 January 2022 to 24 February 2023

15. Remuneration report – audited (continued)

Feature	Description
Max opportunity	MD: 60% of fixed remuneration, other executives: 50% of fixed remuneration
Performance metrics	The STI metrics align with our strategy to improve safety and shareholder value, while fostering talented and engaged people
Delivery of STI	Cash or shares
Board discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any deferred STI award.

Metric	Target	Weighting	Reason for selection
TRIFR (Safety)	2.6	30%	Encourages safe practices
FY24 EBITDA	Exceeds $5.0m	40%	Reflects improvements in revenue and cost control
Personal assessment	Board's discretion	30%	Targeted KPI's have been selected that are critical to individual roles

Total STI bonus 2024	Total opportunity $ (1)
Mr Michael Shelby	204,000
Mr Lawrence Phillips	120,000
Mr Frank Ashe	120,000
Mr Matthew Goldfinch	110,000

(1) Based on audited results to 30 June 2024, the full amount has been accrued. Final determination of the % awarded is subject to Board approval.

15.4 Equity instruments

During the year no options over ordinary shares have been granted to key management personnel as remuneration. Further, during the year, there were no shares issued on the exercise of options previously granted as compensation. Performance rights were issued in March 2024.

Since the end of the financial year no options over ordinary shares have been granted to key management personnel.

(a) Movements in shares

The movement during the reporting period in the number of ordinary shares held in the Company either directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Key Management Personnel (KMP)	Opening balance 1 July 2023	Acquired	Received on vesting of performance rights	Received as a component of remuneration	Sales	Closing balance 30 June 2024
James Cullen	61,354,000	-	-	-	-	61,354,000
Michael Shelby	15,963,493	-	14,810,819	-	-	30,774,312
Patrick Maingard	10,456,112	-	10,119,192	-	-	20,575,304
Michael Kenyon (1)	2,393,668	-	2,155,000	-	(2,155,000)	2,393,668
Louise Bower	-	-	2,901,588	-	-	2,901,588
Chris Radin	-	-	-	-	-	-
Lawrence Phillips	4,488,369	2,144,183	7,485,425	-	(7,592,934)	6,525,043
Matthew Goldfinch (2)	-	-	-	4,305,663	-	4,305,663
Frank Ashe (3)	-	74,626,866		-		74,626,866
	94,655,642	**76,771,049**	**37,472,024**	**4,305,663**	**(9,747,934)**	**203,456,444**

(1) Mr Kenyon resigned 31 July 2023
(2) Mr Goldfinch was appointed 1 August 2023
(3) Mr Ashe received shares as consideration for purchase of Resource Water Group Pty Ltd

(b) Movements in performance rights

The movement during the reporting period in the number of performance rights in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Key Management Personnel (KMP)	Opening balance	Granted as compen-sation	Exercised performance rights	Lapsed	Closing balance (unvested)	Maximum value yet to vest ($)
James Cullen	130,000,000	-	-	-	130,000,000	246,600
Michael Shelby	22,995,000	34,000,000	(14,810,819)	(8,184,181)	34,000,000	79,245
Patrick Maingard	15,710,868	5,000,000	(10,119,192)	(5,591,676)	5,000,000	11,654
Michael Kenyon	3,345,813	-	(2,155,000)	(1,190,813)	-	-
Louise Bower	4,000,000	5,000,000	(2,901,588)	(1,098,412)	5,000,000	11,654
Chris Radin	-	5,000,000	-	-	5,000,000	11,654
Lawrence Phillips	11,621,737	14,652,000	(7,485,425)	(4,136,312)	14,652,000	34,150
Matthew Goldfinch	-	14,652,000	-	-	14,652,000	34,150
Frank Ashe	-	15,984,000	-	-	15,984,000	37,255
	187,673,418	**94,288,000**	**(37,472,024)**	**(20,201,394)**	**224,288,000**	**466,362**

Performance Rights

At 30 June 2024, the unissued ordinary shares of the Group under performance rights are as follows:

Class	Grant Date	Number Under Performance Rights	Value at Grant Date $	Vesting Date	Management Probability Assessment on grant date	Management Probability Assessment 30 June 2024
D	30 Nov 2022	130,000,000	411,000	30 Nov 2027	0%	0%
E	23 Nov 2023	14,143,200	56,573	30 June 2025	100%	100%
E	23 Nov 2023	14,143,200	56,573	30 June 2026	100%	100%
F	23 Nov 2023	33,000,800	132,003	30 June 2025	100%	100%
F	23 Nov 2023	33,000,800	132,003	30 June 2026	100%	100%
		224,288,000	**788,152**			

(c) Terms and issue of Performance Rights

Class D Performance rights were issued in FY23.

The terms of the Class E and F performance rights issued during FY24 are set out below. There is an implied service condition, therefore the number of performance rights expected to vest are vesting over the life of the rights.

On achievement of vesting conditions, all Performance Rights convert to ordinary shares on a 1 for 1 basis. The fair value of the Class E and F rights is determined based on the market price of the company's shares at grant date. The fair value of the Class D Performance Rights was determined using an up-and-in Trinomial Model.

<table>
<tr><th>Class</th><th>Performance Condition</th><th>Vesting Date</th></tr>
<tr><td>Class D</td><td>130,000,000 Class D Performance Rights to Mr Cullen or his nominee under the Incentive Awards Plan, which are contingent on Mr Cullen remaining in service with the Company through to the end of the five year term with the following vesting conditions:

40,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.02.

30,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.025.

30,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.03.

30,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.035.

The Class D Performance Rights will expire 5 years from grant</td><td>30-Nov-27</td></tr>
<tr><td>Class E</td><td>The Class E Performance Rights are subject to a TRIFR of below 2.6 for the financial year ending 30 June 2024 is achieved by the company on a consolidated basis As at 30 June 2024, this condition had been met.</td><td>50%
30-Jun-25

50%
30-Jun-26</td></tr>
<tr><td>Class F</td><td>The Class F Performance Rights are subject to a vesting condition that the Company (on a consolidated basis) achieves earnings per share (EPS) growth of at least 10% for the financial year ending 30 June 2024 based on audited accounts as follows. The condition was designed on the principle that the gradient is low around the lower levels, then increasing as the performance improves. Based on 30 June 2024 results, the stretch target has been achieved, with this subject to Board approval on 30 September 2024.

<table><tr><th>Target EPS growth*</th><th>Stretch EPS growth</th><th>% to Vest at Target Performance</th><th>% to Vest at Stretch Performance</th></tr><tr><td>10%</td><td>15%</td><td>75%</td><td>100%</td></tr></table></td><td>50%
30-Jun-25

50%
30-Jun-26</td></tr>
</table>

	* If less than 10% EPS growth is achieved, none of the Class F Performance Rights will vest. Straight-line vesting applies to performance between target and stretch. The Board may, acting reasonably, adjust the Vesting Condition to take into account any significant non-cash items (for example impairment losses), acquisitions or divestments, revenue received in the form of government grants, rebates or other payments, and one-off events/non-recurring items where appropriate.	

16. Voting of shareholders at last year's annual general meeting

The Company received 89.14% of "yes" votes on its remuneration report for the 2024 financial year (2023: 88.43%). The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

17. Use of remuneration consultants

There were no remuneration consultants used by the Group during the year ended 30 June 2024.

This is the end of the audited remuneration report.

18. Lead auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after the Director's report and forms part of the Directors' report for the financial year ended 30 June 2024.

Signed in accordance with a resolution of directors.

James Cullen
Non-Executive Chairman

Dated at Perth this 21st day of August 2024

Michael Shelby
Managing Director

Dated at Perth this 21st day of August 2024

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF BABYLON PUMP & POWER LIMITED

As lead auditor of Babylon Pump & Power Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Babylon Pump & Power Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

21 August 2024

Consolidated statement for profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Revenue from contracts with customers	*4*	41,738,133	32,500,899
Other income	*9*	275,364	1,187,539
Changes in inventories of finished goods and work in progress		(1,413,013)	(165,337)
Raw materials and consumables used		(21,695,228)	(19,254,869)
Employee benefits expense	*5*	(10,249,651)	(8,343,932)
Administration and corporate expense	*6*	(2,509,894)	(2,078,160)
Depreciation and amortisation	*11&13*	(3,971,635)	(3,932,940)
Other expense	*10*	(21,645)	(39,028)
Finance income		13,234	16,225
Finance expense	*8*	(1,657,638)	(1,378,202)
Profit/(loss) before tax from continuing operations		**508,027**	**(1,487,804)**
Income tax benefit / (expense)	*7*	-	-
Profit/(loss) after income tax for the year		**508,027**	**(1,487,804)**
Other comprehensive Income		-	-
Total comprehensive profit/(loss) for the year attributable to the members of Babylon Pump & Power Limited		**508,027**	**(1,487,804)**
Profit/(loss) attributable to:			
Equity holders of the company		508,027	(1,487,804)
Profit/(loss) for the year		**508,027**	**(1,487,804)**
Profit/(Loss) per share for profit/(loss) attributable to the members of Babylon Pump & Power Limited:			
Basic earnings/(loss) per share	*21*	0.0002	(0.0006)
Diluted earnings/(loss) per share	*21*	0.0002	(0.0006)

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

Consolidated statement of financial position
For the year ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Current Assets			
Cash and cash equivalents	*16*	366,777	1,564,523
Trade receivables	*15*	4,631,199	5,758,326
Inventories	*14*	6,076,613	7,489,626
Prepayments and other assets		408,673	231,692
Total Current Assets		**11,483,262**	**15,044,167**
Non-Current Assets			
Property, plant and equipment	*11*	13,782,031	14,073,104
Deposits		321,184	10,693
Goodwill	*12*	3,765,301	3,765,301
Right-of-use assets	*13*	4,063,084	3,132,913
Total Non-Current assets		**21,931,600**	**20,982,011**
Total Assets		**33,414,862**	**36,026,178**
Current Liabilities			
Trade and other payables	*25*	6,781,130	7,665,050
Employee liabilities	*24*	594,956	373,894
Borrowings	*22*	8,075,620	8,532,456
Deferred consideration	*23*	-	2,452,932
Lease liabilities	*13*	1,028,942	457,647
Total Current Liabilities		**16,480,648**	**19,481,979**
Non-Current Liabilities			
Payables		-	1,000
Borrowings	*22*	2,264,988	3,199,597
Employee liabilities	*24*	149,488	85,333
Lease liabilities	*13*	3,431,295	2,925,274
Total Non-Current Liabilities		**5,845,771**	**6,211,204**
Total Liabilities		**22,326,419**	**25,693,183**
Net Assets		**11,088,443**	**10,332,995**
Equity			
Share capital	*18*	50,550,630	50,412,357
Reserves	*19*	964,934	855,786
Accumulated losses		(40,427,121)	(40,935,148)
Total Equity		**11,088,443**	**10,332,995**

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

Consolidated statement of changes in equity
For the year ended 30 June 2024

Attributable to equity holders of the Group

Consolidated Statement of Changes in Equity	*Notes*	*Share Capital*	*Share Based Payment Reserve*	*Accumulated Profits/(Losses)*	*Total Equity*
		$	$	$	$
Balance as at 1 July 2022		**44,004,297**	**430,474**	**(39,447,344)**	**4,987,427**
Total comprehensive loss for the year					
Loss for the year		-	-	(1,487,804)	(1,487,804)
Other comprehensive loss		-	-	-	
Total comprehensive loss for the year		-	-	(1,487,804)	(1,487,804)
Issue of ordinary shares		6,855,051	-		6,855,051
Transaction costs		(446,991)	-		(446,991)
Share based payments		-	425,312		425,312
Total transactions with owners		6,408,060	425,312		6,833,372
Balance as at 30 June 2023		**50,412,357**	**855,786**	**(40,935,148)**	**10,332,995**
Balance as at 1 July 2023		**50,412,357**	**855,786**	**(40,935,148)**	**10,332,995**
Total comprehensive profit/(loss) for the year					
Profit/(loss) for the year		-	-	508,027	508,027
Other comprehensive loss		-	-	-	-
Total comprehensive profit/(loss) for the year		-	-	508,027	508,027
Issue of ordinary shares		138,273	(152,790)	-	(14,517)
Transaction costs		-	-	-	-
Share based payments		-	261,938	-	261,938
Total transactions with owners		138,273	109,148	-	247,421
Balance as at 30 June 2024		**50,550,630**	**964,934**	**(40,427,121)**	**11,088,443**

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

Consolidated statement of cashflows
For the year ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Receipts from customers		45,709,481	34,882,978
Payments to suppliers and employees		(37,190,801)	(31,222,590)
Cash generated from operations		**8,518,680**	**3,660,388**
Other Income		78,812	(6,914)
Other Expense		-	(11,772)
Interest received		13,883	16,225
Interest and other costs of finance paid		(1,063,851)	(1,378,202)
Net cash provided by operating activities	**17**	**7,547,524**	**2,279,725**
Cash flows from investing activities			
Payments for plant and equipment		(3,061,629)	(2,335,284)
Payment of deferred consideration	**12**	(2,502,528)	(2,752,340)
Proceeds from the sale of fixed assets		420,221	400,229
Net cash used in investing activities		**(5,143,936)**	**(4,687,395)**
Cash flows from financing activities			
Convertible Note Repayment		-	(3,123,949)
Proceeds from share issue		-	5,004,001
Costs associated with issue of shares		-	(446,991)
Payment of lease liabilities		(849,092)	(581,690)
Borrowings – New		52,148,800	16,822,634
Borrowings - Repayments		(54,901,042)	(15,943,233)
Net cash provided by financing activities		**(3,601,334)**	**1,730,772**
Net increase/(decrease) in cash held		**(1,197,746)**	**(676,898)**
Cash at the beginning of the financial year		1,564,523	2,241,422
Cash at the end of the financial year	**16**	**366,777**	**1,564,523**

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

1. Reporting entity

Babylon Pump & Power Limited ("the Company") is a company domiciled in Australia. The Company is a for-profit entity and the address of The Company's registered office is 1 Port Place, High Wycombe, WA 6057. The consolidated financial statements of The Company as at and for the twelve months ended 30 June 2024 comprise The Company and its subsidiaries (together referred to as the "Group"). The Group is primarily focused on two areas being equipment rental supporting water management and industrial services and asset maintenance services.

The financial statements were authorised for issue on 21st August 2024 by the Directors of the Group.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of the Group complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The Group is a for-profit entity for the purpose of preparing the financial statements.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2024, the Group recorded a profit of $508,027 (2023: loss of $1,487,804) and had net cash inflows from operating activities of $7,547,524 (2023: cash outflow of $2,279,725). At 30 June 2024, the Group had net current liabilities of $4,997,386 (30 June 2023: $4,437,812) and unused financing facilities of $4,193,405 at 30 June 2024 (30th June 2023: $1,796,894). This working capital deficiency was addressed subsequent to year end through the Group obtaining additional financing facilities in July 2024, refer Note 30.

Based on the Group's anticipated future performance and projected cashflow forecast, the Group will be able to continue its normal business activities and ensure the realisation of assets and extinguishment of liabilities as and when they fall due. This is based on maintaining or improving underlying levels of activity, maintaining or improving operational throughput and efficiencies across the organisation and maintaining or improving levels of utilisation of rental assets.

The Directors have prepared the financial statements on the going concern basis as they are satisfied that the Group will be able to generate sufficient cash flow from operations to meet the Group's operating and financing obligations and that funding will be sourced to support growth capital expenditure. This determination is based upon recent cash flow performance of the Group, forward looking forecasts and the Group having demonstrated its ability to successfully raise capital from multiple sources.

In the event that the Group is unable to achieve the above, material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. Basis of preparation (continued)

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

(e) Use of critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. 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.

Recognition of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment.

Lease term

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Inventories

Net realisable value is determined using the estimated selling price in ordinary course of business less estimated costs to complete less estimated costs to sell which requires a degree of estimation and judgement. The quality of inventory is also taken into account in the assessment of net realisable value.

Certain inventory items are obtained as part of a non-cash revenue transaction. Determination of the fair value of the non-cash consideration and therefore the ‘cost’ amount for the inventory requires significant judgement.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Fair value of assets acquired and liabilities assumed in a business combination

Estimates and judgements were made in determining the fair value of assets acquired and liabilities assumed in a business combination.

Expected credit losses of financial asset at amortised cost

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Recoverability of intangibles

In accordance with AASB 136 Impairment of Assets, intangible assets with an indefinite useful life and goodwill are required to be tested for impairment annually. In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future discounted cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (if applicable). Details of the key assumptions and inputs are disclosed in note 13.

Estimation of useful lives of assets

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined based on the market price of the company's shares on grant date, adjusted for market based vesting conditions where applicable. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies have been changed where necessary to align them with the policies adopted by the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Group's interest in such entities is disposed of.

3. Material accounting policies (continue)

(b) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Rental equipment assets

In the opinion of the Directors, rental equipment assets comprise a separate class of assets.

The rental equipment assets have been componentised in the following category and are being depreciated over their estimated useful lives as follows:

- Plant & Equipment: 5 – 30 years

Rental equipment assets of the Group require ongoing maintenance and minor / major overhaul works over time. This is managed as part of an ongoing major cyclical maintenance program. The cost of this maintenance is charged as an expense as incurred, except where the cost relates to the replacement of a component of an asset, in which case costs are capitalised and depreciated in accordance with the component classifications above. Other routine maintenance, repair costs and minor renewals are also charged as expenses as incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives of other classes of a assets for current and comparative periods are as follows:

- Office and computer equipment: 2 - 5 years
- Motor Vehicles 5 - 8 years

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

(d) Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

(e) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is required to dismantle, remove or restore the leased asset.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate (being the interest rate implicit in the lease for the remainder of the lease term or, if that cannot be readily determined, the Group's incremental borrowing rate at the re-assessment date). An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The carrying value of lease liabilities is also revised when the variable element of future lease payments dependent on a rate or index is revised or there is a revision to the estimate of amounts payable under a residual value guarantee. In both cases an unchanged discount rate is used. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items such as IT-equipment and small items of office furniture.

(f) Inventories

Consumables and spare parts and engine trading stock are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchases of inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such impairment exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit" ("CGU")). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the acquisition synergies.

(h) Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are those benefits expected to be settled within 12 months of the reporting date. They are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits are those not expected to be settled within 12 months of the reporting date and are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds on year from reporting date. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(j) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(k) Revenue recognition

The accounting policies for the Group's revenue recognition from customers are explained in note 4.

(l) Income tax

Tax consolidation

The Group and its wholly owned Australian resident entity are part of a tax-consolidated group. As a consequence all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Babylon Pump & Power Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Group as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Group as an equity contribution or distribution.

The Group recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(m) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to directors, employees and shareholders.

(n) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

(o) Financial instruments

For trade receivables, the group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

(p) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Reporting Segment

The group's Board of Directors examines the performance of the entity from a service offering perspective and has identified two reporting segments being maintenance and rental.

The Maintenance segment primarily focuses on rebuild and maintenance services for large diesel driven equipment including field service work and high-pressure water blasting and ancillary services to the resources sector. The Rental segment provides rental services of specialty diesel driven pumping and power generation equipment. These are the Group's strategic business units and the Group's Non-Executive Chairman reviews internal management reports for these business units monthly.

4. Reporting (continue)

	30 June 2024 $	30 June 2023 $
(a) Segmented External Revenues		
Maintenance (recognised at point in time)	29,662,505	22,442,685
Rental (recognised over time)	12,075,628	10,058,214
	41,738,133	32,500,899
(b) Earnings / (loss) before interest, tax, depreciation and amortisation		
Maintenance	5,146,220	2,173,379
Rental	4,179,747	3,186,251
	9,325,967	5,359,630
Depreciation and amortisation - Maintenance	(960,854)	(683,674)
Depreciation and amortisation - Rental	(3,010,780)	(3,238,239)
Net finance expense	(1,644,386)	(1,361,978)
Unallocated corporate overheads:		
Head office employee costs	(2,034,660)	(1,662,925)
Administration expenses	(1,173,707)	(910,070)
Other Income	6,447	1,009,452
Net Profit/(Loss) for the year	**508,027**	**(1,487,804)**

Revenue – Accounting policies

Maintenance revenue from providing maintenance services is recognised at the point in time in which the performance obligation is complete. Warranties on service and repairs are within commercial terms with no option of extension, therefore are accounted for under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. Management have determined the warranties to be immaterial.

Rental Revenue from equipment rental comprises short-term hire arrangements and is included in the statement of profit or loss. Rental revenue is recognised over the rental period.

Non-current assets held in each segment were Maintenance PPE $594,691 (FY23: $389,846), Maintenance ROU Assets $959,140 (FY23: $842,154), Rental PPE $13,187,340 (FY23: $13,683,258) and Rental ROU Assets $2,970,836 (FY23: $2053,329). Additions to non-current assets during the year totalled $745,156 (FY23: $1,179,024) for Maintenance and $3,556,891 (FY23: $2,986,552) for Rental.

5. Employee Benefits Expense

Employee Benefits Expense	30 June 2024 $	30 June 2023 $
Wages and salaries	9,465,489	7,255,949
Employment related taxes	536,649	644,949
Share-based payment expense	247,428	425,312
Other employment related expenses	85	17,722
	10,249,651	**8,343,932**

6. Administration and corporate expense

Administration and Corporate Expense	30 June 2024 $	30 June 2023 $
Office expenses	747,133	374,457
Corporate costs and compliance	1,238,559	1,043,414
Consumables and operational costs	524,202	632,608
Business acquisition expense	-	27,681
	2,509,894	**2,078,160**

7. Income tax expense

Income Tax	30 June 2024 $	30 June 2023 $
Reconciliation of income tax benefit and tax at the statutory rate		
Profit / (Loss) before tax	508,027	(1,487,804)
Tax at the statutory rate of 25% (2022: 25%)	127,008	(371,952)
Tax effect amounts which are not deductible in calculating taxable income		
Entertainment	3,024	723
Share based payments	61,857	106,328
Capital expenditure	-	6,920
Other expenses	8,290	137,497
Unused tax losses and temporary differences not recognised as deferred tax assets	(200,179)	120,484
Income tax benefit	**-**	**-**
Deferred tax assets not recognised attributable to:		
Tax losses - revenue	5,467,883	6,203,850
Temporary differences	(656,506)	(1,958,186)
	4,811,377	**4,245,664**

Unrecognised Temporary differences	30 June 2024 $	30 June 2023 $
Deferred tax liability comprises temporary differences attributable to:		
Assets		
Inventories	62,618	11,230
Prepayments and other assets	(12,631)	(189)
Property, plant & equipment	(1,279,419)	(2,237,747)
Right of use assets	(1,015,771)	(783,228)
	(2,245,203)	**(3,009,934)**
Liabilities		
Employee provisions - current	148,739	93,473
Superannuation payable	57,046	56,091
Employee provisions - non-current	37,372	21,333
Accruals	212,921	-
Lease liabilities	1,115,059	845,730
	1,571,137	**1,016,627**
Equity		
Charged to equity	17,560	35,121
	17,560	**35,121**
Set-off of deferred tax assets pursuant to set-off provisions	**656,506**	**1,958,186**
Closing Balances	**-**	**-**

8. Finance expense

Finance expense	30 June 2024 $	30 June 2023 $
Bank and other finance charges	427,193	118,626
Other expense	-	10,442
Interest expense	1,230,445	1,249,134
	1,657,638	**1,378,202**

9. Other Operating Income

Other operating Income	30 June 2024 $	30 June 2023 $
Other income	189,006	94,240
Derecognition of contingent consideration	-	1,000,000
Net gain on disposal of property, plant and equipment	86,358	93,299
	275,364	**1,187,539**

10. Other Operating Expense

Other operating Expenses	30 June 2024 $	30 June 2023 $
Net foreign exchange loss	21,645	2,307
Other expenses	-	36,721
	21,645	**39,028**

11. Property, plant and equipment

Property, Plant and Equipment Summary	30 June 2024 $	30 June 2023 $
Cost	26,947,182	25,273,074
Accumulated depreciation	(13,165,151)	(11,199,970)
	13,782,031	**14,073,104**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

Property, Plant and Equipment	*Leasehold Improvements $*	*Plant & Equipment $*	*Office Equipment $*	*IT Equipment $*	*Motor Vehicles $*	*Capital Work in Progress $*	*Total $*
Carrying amount at 30 June 2023	**256,213**	**11,532,139**	**23,924**	**24,390**	**2,166,738**	**69,700**	**14,073,104**
Additions	6,156	2,130,913	2,090	136,505	101,225	994,987	3,371,876
Disposals	-	(418,234)	-	(118,224)	(100,583)	(69,700)	(706,741)
Business acquisition	-	-	-	-	-	-	-
Depreciation expense	(25,644)	(2,404,610)	(5,435)	(25,158)	(495,361)	-	(2,956,208)
Balance at 30 June 2024	**236,725**	**10,840,208**	**20,579**	**17,513**	**1,672,019**	**994,987**	**13,782,031**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the previous financial year:

Property, Plant and Equipment	*Leasehold Improvements $*	*Plant & Equipment $*	*Office Equipment $*	*IT Equipment $*	*Motor Vehicles $*	*Capital Work in Progress $*	*Total $*
Carrying amount at 30 June 2022	**56,134**	**8,898,727**	**13,307**	**30,333**	**1,693,422**	**16,750**	**10,708,673**
Additions	209,832	1,301,547	14,845	9,345	202,259	69,700	1,807,528
Disposals	-	(34,263)	-	-	(443,481)	(16,750)	(494,494)
Business acquisition	-	3,454,725	-	-	1,214,000	-	4,668,725
Depreciation expense	(9,753)	(2,088,597)	(4,228)	(15,288)	(499,462)	-	(2,617,328)
Balance at 30 June 2023	**256,213**	**11,532,139**	**23,924**	**24,390**	**2,166,738**	**69,700**	**14,073,104**

12. Goodwill

For the purposes of impairment testing, goodwill is not amortised. The aggregate carrying amounts of goodwill is as follows:

Intangible Assets	*Note*	30 June 2024 $	30 June 2023 $
Opening Balance		3,765,301	2,982,572
Business combinations in the year		-	782,729
Closing balance	3(e)	**3,765,301**	**3,765,301**

The recoverable amount of goodwill was determined to be higher than it's carrying value and as such no impairment loss was recognised during the financial year ended 30 June 2024.

12.1 Goodwill of $3,765,301 is attributable to the rental segment and this is the level it is monitored by management.

i) Impairment tests for goodwill

Significant estimate: key assumptions used for value-in-use calculations.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash-generating units was based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on approved financial budgets. The following table sets out the key assumptions used to assess the value-in-use for those cash generating units that have significant goodwill allocated to them.

Key assumptions - goodwill impairment assessment	Rental CGU
EBITDA % FY 24	36.8%
Pre-tax discount rate	10.0%
Inflation rate	2.5%
Short-term growth rate	2.0%
Long-term growth rate	2.0%
Capital expenditure outlay (% of EBITDA)	40.0%

Management has determined the values assigned to each of the above key assumptions as follows:

- EBITDA % - sourced from the budget for year ended 30 June 2025 with inclusion of an adjustment to include corporate support overhead.
- Pre-tax discount rate - includes the cost of capital, debt, gearing ratio and corporate tax rate. The risk-free rate was ascertained with reference to the ten-year Australian government bond rate. An average of a low and high scenario was used in the value-in-use modelling.
- Inflation rate – sourced from the Reserve Bank of Australia using the lower end of the target inflation rate range of 2% to 6%. Use of the mid-point of the range is in management's view supported by Australian Bureau of Statistics forecast inflation rates.
- Growth rate – this rate has been set at two percent following Australian Bureau of Statistics forecast.
- Capital expenditure outlay – anticipated level at which assets will need to be replaced in order to maintain the business.

ii) Impact of possible changes in key assumptions:

If the budgeted revenue used in the value in use calculation had been 4% lower than management's estimates, the recoverable amount of the CGU would have equalled the carrying amount.

12.2 Business combinations – prior year acquisitions

In 2023, Babylon acquired the following businesses:

- Resource Water Group (RWG) for total consideration of $3,000,000
- RBH Engineering Pty Ltd (RBH) for total consideration of $3,000,000.

Finalisation of the acquisition accounting was completed in the year with no adjustments to previously provisionally recognised fair values.

Purchase consideration – cash outflow	**2024 $**	**2023 $**
Cash consideration		
RWG	-	500,000
RBH	-	1,800,000
Deferred consideration		
PPQ (1)	146,038	400,000
RWG	1,600,000	52,340
RBH	756,490	-
Net outflow – investing activities	**2,502,528**	**2,752,340**

(1) Relates to the PPQ business combination in FY20

13. Leases

Leases	**30 June 2024 $**	**30 June 2023 $**
Opening balance	3,132,913	774,866
Additions	1,945,597	3,125,112
Amortisation expense	(1,015,426)	(767,065)
Closing balance	**4,063,084**	**3,132,913**

Lease liability	**30 June 2024 $**	**30 June 2023 $**
Current		
Lease liability	1,028,942	457,647
Non-Current		
Lease liability	3,431,295	2,925,274
Total	**4,460,237**	**3,382,921**

The lease liability relates to the lease of premises and rental equipment. The increase in FY24 is the result of new rental assets being acquired.

For impairment testing, the right-of-use assets have been allocated to their respective cash-generating units. Refer to note 12 for further information on the impairment testing key assumptions and sensitivity analysis.

14. Inventories

Inventories	30 June 2024 $	30 June 2023 $
Consumables and spare parts at cost	1,714,523	2,393,541
Engine trading stock at cost	3,352,151	2,430,230
Work in progress at cost	1,009,939	2,665,855
	6,076,613	**7,489,626**

Write downs of inventories to net realisable value amounted to $50,000 (FY23: $200,743). These were recognised as an expense during the year ended 30 June 2024 and included in cost of sales in the statement of profit or loss.

15. Trade and other receivables

Trade Receivables	30 June 2024 $	30 June 2023 $
Trade Debtors	4,631,199	5,758,326

Current trade and other receivables are non-interest bearing and generally on 30-day end of month terms.

Impairment and risk exposure

Details about the group’s impairment policies and the calculation of the loss allowance are provided in Note 26. No loss allowance has been recorded at 30 June 2024 (2023: $Nil) based on management’s assessment.

Trade receivables are factored utilising an invoice finance facility. The invoice finance facility bears interest at prevailing market rates and on a rolling loan term. The invoice finance facility is secured via a registered General Security Agreement (“GSA”) over all the present and future rights, property and undertaking of Babylon Operations, Prime Power Queensland and Pilbara Trucks and is used to assist with working capital requirements.

The group applies the AASB 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 18 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward- looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade receivables:

30 June 2023	*Current*	*30 Days*	*60 Days*	*90 Days*	*>90 Days*	*Total ($)*
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	3,285,050	1,752,666	616,990	96,926	6,694	5,758,326
Net carrying amount	3,285,050	1,752,666	616,990	96,926	6,694	5,758,326

30 June 2024	*Current*	*30 Days*	*60 Days*	*90 Days*	*>90 Days*	*Total ($)*
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	2,660,605	1,711,038	16,342	35,457	207,757	4,631,199
Net carrying amount	2,660,605	1,711,038	16,342	35,457	207,757	4,631,199

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Impairment losses recognised in the statement of profit or loss as at 30 June 2024 was $nil (30 June 2023 was $nil) relates to receivables arising from contracts with customers.

16. Cash and cash equivalents

Cash and Cash Equivalents	**30 June 2024 $**	**30 June 2023 $**
Bank balances	366,777	1,564,523

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

17. Reconciliation of cash flows from operations

Reconciliation of net profit/(loss) after tax to net cash flows from operations	**30 June 2024 $**	**30 June 2023 $**
Net profit/(loss) after tax	508,027	(1,487,804)
Non-cash items		
Profit on sale of fixed assets	(189,006)	(93,298)
Depreciation expense	2,956,209	2,617,329
Share based payments expense	261,938	425,312
Amortisation expense	1,015,426	1,313,611

Changes in assets and liabilities		
Inventories - (increase) / decrease	1,413,013	165,337
Receivables - (increase) / decrease	1,127,127	2,087,001
Other operating assets - (increase) / decrease	291,073	(834,426)
Trade and other creditors - increase / (decrease)	(883,923)	(2,072,112)
Other operating liabilities - increase / (decrease)	1,047,640	158,775
Net cash flow from operating activities	**7,547,524**	**2,279,725**

The only non-cash investing activities is the purchase of capital equipment using asset finance. There are no non-cash financing activities

18. Share Capital

a) Ordinary shares

During the twelve-month period ended 30 June 2024, the Group issued 41,777,657 Ordinary Shares (30 June 2023: 1,133,802,189). All issued shares are fully paid.

Ordinary Shares	30 June 2024 No.	30 June 2024 $	30 June 2023 No.	30 June 2023 $
At the beginning of the year	2,457,771,343	50,412,357	1,323,969,154	44,004,297
Issue of shares	-	-	834,000,112	5,004,000
Issued for business acquisition	-	-	74,626,866	500,000
Issue of shares to convertible loan holders	-	-	225,175,211	1,351,051
Vesting performance rights	37,472,024	121,050	-	-
Issued to an employee as remuneration	4,305,633	17,223	-	-
Transactions costs	-	-	-	(446,991)
At the end of the year	**2,499,549,000**	**50,550,630**	**2,457,771,343**	**50,412,357**

19. Reserves

a) Share Based Payment Reserve

The share-based payments reserve is used to recognise the grant date fair value of performance rights granted to employees but not yet vested.

Share Based Payment Reserve	30 June 2024 No.	30 June 2024 $	30 June 2023 No.	30 June 2023 $
At the beginning of the year	192,172,439	855,786	70,049,248	430,474
Performance rights issued as ordinary shares	(37,472,024)	(152,790)	-	-
Issued to an employee as remuneration	-	-	-	-
Share based payments	-	261,938	-	425,312
Performance rights lapsed	(22,814,575)	-	(14,204,345)	-
Issue of performance rights to employees	94,288,000	-	136,327,536	-
	226,173,840	**964,934**	**192,172,439**	**855,786**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

The grant date fair value of equity instruments granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period. The amount recognised as an expense is adjusted to reflect the number of equity instruments for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of equity instruments that meet the related service and non-market performance conditions at the vesting date.

For equity instruments with non-vesting conditions, the grant date fair value of the equity instruments is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

When the Group grants equity instruments to employees of subsidiaries, the fair value at grant date is recognised as a receivable from subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

20. Performance Rights

The fair value of the rights at grant date was estimated by taking the market price of the company's shares on that date less the present value of expected dividends that will not be received on their rights during the vesting period.

At 30 June 2024, the unissued ordinary shares of the Company under performance rights are as follows:

Class	*Grant Date*	*Number Under Performance Rights*	*Total Value at Grant Date*	*Vesting Date*	*Management Probability Assessment on grant date*	*Management Probability Assessment 30-June-24*
D	30 Nov 2022	130,000,000	411,000	30 Nov 2027	0%	N/A
E	23 Nov 2023	14,143,200	56.573	30 June 2025	100%	100%
E	23 Nov 2023	14,143,200	56,573	30 June 2026	100%	100%
F	23 Nov 2023	33,000,800	132,003	30 June 2025	100%	100%
F	23 Nov 2023	33,000,800	132,003	30 June 2026	100%	100%
		224,288,000	**788,152**			

(a) Terms and issue of Performance Rights

The terms of the Class E and F performance rights issued as performance rights during the year are set out below. There is an implied service condition, therefore the number of performance rights expected to vest are vesting over the life of the rights. On achievement of vesting conditions, the Performance Rights convert to ordinary shares on a 1 for 1 basis. The fair value of the rights is determined based on the market price of the company's shares at grant date.

Class	**Performance Condition**	**Vesting Date**
Class D	130,000,000 Class D Performance Rights to Mr Cullen or his nominee under the Incentive Awards Plan, which are contingent on Mr Cullen remaining in service with the Company through to the end of the five year term with the following vesting conditions: 40,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.02. 30,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.025. 30,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.03.	30-Nov-27

	30,000,000 Class D Performance Rights will vest on the Company's 20 day VWAP share price being at least $0.035. The Class D Performance Rights will expire 5 years from grant	
Class E	The Class E Performance Rights are subject to a TRIFR of below 2.6 for the financial year ending 30 June 2024 is achieved by the company on a consolidated basis As at 30 June 2024, this condition had been met.	50% 30-Jun-25 50% 30-Jun-26
Class F	The Class F Performance Rights are subject to a vesting condition that the Company (on a consolidated basis) achieves earnings per share (EPS) growth of at least 10% for the financial year ending 30 June 2024 based on audited accounts as follows. The condition was designed on the principle that the gradient is low around the lower levels, then increasing as the performance improves. Based on 30 June 2024 results, the stretch target has been achieved, with this subject to Board approval on 30 September 2024. **Target EPS growth*** / **Stretch EPS growth** / **% to Vest at Target Performance** / **% to Vest at Stretch Performance** 10% / 15% / 75% / 100% * If less than 10% EPS growth is achieved, none of the Class F Performance Rights will vest. Straight-line vesting applies to performance between target and stretch. The Board may, acting reasonably, adjust the Vesting Condition to take into account any significant non-cash items (for example impairment losses), acquisitions or divestments, revenue received in the form of government grants, rebates or other payments, and one-off events/non-recurring items where appropriate.	50% 30-Jun-25 50% 30-Jun-26

Performance Rights

On 30 November 2022 130,000,000 Class D Performance Rights to Mr Cullen or his nominee under the Incentive Awards Plan, which are contingent on Mr Cullen remaining in service through to the end of the five year term. The fair value of the Class D Performance Rights was determined using an Up-and-In Trinominal Model.

Assumption	*Babylon Pump and Power Ltd*			
	Tranche 1	*Tranche 2*	*Tranche 3*	*Tranche 4*
Valuation methodology	Up-and-In Trinomial Model	Up-and-In Trinomial Model	Up-and-In Trinomial Model	Up-and-In Trinomial Model
Underlying share price	$0.004	$0.004	$0.004	$0.004
Exercise price	Nil	Nil	Nil	Nil
Valuation date	30-Nov-22	30-Nov-22	30-Nov-22	30-Nov-22
Commencement of performance period	30-Nov-22	30-Nov-22	30-Nov-22	30-Nov-22
End of performance period	30-Nov-27	30-Nov-27	30-Nov-27	30-Nov-27
Performance period (years)	5.00	5.00	5.00	5.00
Expiry date	30-Nov-27	30-Nov-27	30-Nov-27	30-Nov-27
Life of the Rights (years)	5.00	5.00	5.00	5.00
VWAP barrier	$0.020	$0.025	$0.030	$0.035
Volatility	110%	110%	110%	110%
Dividend yield	Nil	Nil	Nil	Nil
Risk-free rate	3.275%	3.275%	3.275%	3.275%
Value per Right	$0.0033	$0.0032	$0.0031	$0.0030

Share Based Payment Expense	30 June 2024 $	30 June 2023 $
Performance rights	261,938	425,312
	261,938	**425,312**

21. Earnings per share

The following reflects the income used in the basic earnings per share computations:

Consolidated Group	30 June 2024 $	30 June 2023 $
Net profit/(loss) from continuing operations attributable to ordinary shareholders	**508,027**	**(1,487,804)**

Weighted average number of ordinary shares

Weighted average number of ordinary shares	30 June 2024 $	30 June 2023 $
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	2,482,971,693	2,370,519,839
Adjustments for calculation of diluted earnings per share: Performance rights	94,288,000	12,624,638
Basic earnings per share	0.0002	(0.0006)
Diluted earnings per share	0.0002	(0.0006)

22. Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. Loans and borrowings relate to asset financing, trade finance, insurance premium funding and convertible loans.

Borrowings	30 June 2024 $	30 June 2023 $
Current Liability		
Invoice finance facility	3,449,792	3,800,512
Trade finance facility	2,980,257	2,999,970
Insurance premium funding	149,313	144,246
Asset finance facilities	1,496,258	1,587,728
	8,075,620	**8,532,456**
Non-Current Liability		
Asset finance facilities	2,264,988	3,199,597
Total	**10,340,608**	**11,732,053**

Movements in Borrowings	*Opening balance 1 July 2023 $*	*Cash flows $*	*Closing balance 30 June 2024 $*	*Facility Limit $*
Short term borrowings				
Invoice finance facility	3,800,512	(350,720)	3,449,792	5,100,000
Trade finance facility	2,999,970	(19,713)	2,980,257	3,000,000
Insurance premium funding	144,246	5,067	149,313	149,314
Asset finance facilities	1,587,728	(91,470)	1,496,258	1,496,259
Long term borrowings				
Asset finance facilities	3,199,597	(934,609)	2,264,988	4,317,951
Total liabilities arising from financing activities	**11,732,053**	**(1,391,445)**	**10,340,608**	**13,063,524**

a) Insurance Premium

The insurance premium funding bears interest at prevailing market rates and is repayable over 12 months at an interest rate of 5.8% p.a.

b) Invoice finance facility

The invoice finance facility bears interest at prevailing market rates and on a rolling loan term. The invoice finance facility is secured via a security interest and charge over all the present and future rights, property and undertaking of Babylon Pump and Power, Babylon Operations, Prime Power Queensland and Pilbara Trucks, and a letter of subordination by the Directors of Babylon Operations. This is used to assist with working capital requirements. The facility has a limit of $5,100,000 at a rate of 11.4% p.a.

c) Asset finance facilities

The asset finance facilities bear fixed interest at prevailing market rates (ranging from 4.54% to 8.48) and are primarily repayable over 1 to 5 years (ranging from 1 to 5 years). The asset finance facilities are secured via a registered GSA over all the present and future rights, property and undertaking of Babylon Operations and Pilbara Trucks and have been used by those entities to purchase new and used capital equipment.

d) Trade finance facility

The trade finance facility bears interest at prevailing market rates and is secured via a security interest and charge over all of the present and future rights, property and undertaking of Babylon Pump and Power, Primepower Queensland and Babylon Operations and is used to fund inventory. The facility has a limit of $3,000,000 at an interest rate of 9.0% p.a. and is repayable within 180 days from the date of the oldest supplier invoice in an uploaded batch.

23. Deferred consideration

Deferred consideration	30 June 2024 $	30 June 2023 $
Current		
Payable on acquisition of Primepower Queensland Pty Ltd (settled 18 December 2023)	-	152,932
Payable on acquisition of Resource Water Group Pty Ltd (settled 28 June 2024)	-	1,600,000
Payable on acquisition of RBH Engineering Pty Ltd (settled 14 May 2024)	-	700,000
	-	**2,452,932**
Non-Current		
	-	-
Total	**-**	**2,452,932**

24. Employee liabilities

Employee liabilities	30 June 2024 $	30 June 2023 $
Current		
Liability for annual leave	557,406	349,736
Liability for long service leave	37,550	24,158
	594,956	**373,894**
Non-Current		
Liability for long service leave	149,488	85,333
Total	**744,444**	**459,227**

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

25. Trade and other payables

Trade and Other Payables	30 June 2024 $	30 June 2023 $
Trade payables	5,404,183	4,932,875
GST and PAYG Withholdings Payable	920,245	1,894,093
Superannuation liability	228,185	187,580
Other payables	228,517	650,502
	6,781,130	**7,665,050**

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 26(e).

26. Financial risk

(a) Overview

The Group's activities expose it to a variety of financial risks: credit risk (including foreign currency risk and interest rate risk), liquidity risk, market risk and operational risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on financial performance of the Group.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Audit and Risk Committee comprises Ms Bower as Chairperson, Mr Cullen, Mr Maingard and Mr Radin with Mr Shelby, Mr Kenyon and Mr Goldfinch being standard invitees. A risk register is reviewed and maintained by the Audit and Risk Committee.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Management has established a credit policy under which each new customer and counterparties to transactions are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes the use of external ratings, when available. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

The Group's exposure to credit risk is influenced mainly by the individual credit characteristics of each customer. 100% of revenue is attributable to Australian entities.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Trade receivables

The group applies the AASB 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses have been grouped based on shared credit risk characteristics and the days past due.

On that basis, refer to note 15 for further information on the loss allowance as at 30 June 2024 and 1 July 2023.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. No impairment provision has been recorded at 30 June 2024 (2023: $0)

(d) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The credit risk on liquid funds is limited because the counterparties are banks with a minimum credit rating of AA assigned by reputable credit rating agencies. The Group's maximum exposure to credit risk at the reporting date was:

Exposure to credit risk	30 June 2024 $	30 June 2023 $
Cash and cash equivalents	366,777	1,564,523
Trade receivables	4,631,199	5,758,326
Deposits	47,653	11,000
	5,045,629	**7,333,849**

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Contractual undiscounted cash flows
30th June 2024	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	0.0%	5,404,183	-	-	-	5,404,183
Other payables	0.0%	1,376,948	-	-	-	1,376,948
Interest-bearing – variable						
Invoice finance facility	11.4%	3,449,792	-	-	-	3,449,792
Trade finance facility	9.0%	2,980,256	-	-	-	2,980,256
Interest-bearing - fixed rate						
Insurance premium funding	5.8%	149,313	-	-	-	149,313
Asset finance facilities	7.3%	1,711,934	1,751,824	1,081,332	-	4,545,090
Lease liabilities	7.5%	1,292,724	1,336,664	1,858,878	803,921	5,292,187
Total non-derivatives		**16,365,150**	**3,088,488**	**2,940,210**	**803,921**	**23,197,769**

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Contractual undiscounted cash flows
30th June 2023	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	0.0%	4,932,875	-	-	-	4,932,875
Other payables	0.0%	2,732,175	-	-	-	2,732,175
Interest-bearing – variable						
Invoice finance facility	8.2%	3,800,512	-	-	-	3,800,512
Trade finance facility	17.4%	2,999,970	-	-	-	2,999,970
Interest-bearing - fixed rate						
Insurance premium funding	3.1%	144,246	-	-	-	144,246
Asset finance facilities	8.7%	1,587,728	1,508,314	1,691,283	-	4,787,325
Lease liabilities	0.0%	457,647	337,044	1,263,288	1,324,942	3,382,921
Total non-derivatives		**16,655,153**	**1,845,358**	**2,954,571**	**1,324,942**	**22,780,024**

(f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(g) Currency risk

The Group is exposed to currency risk on purchases of spare parts and plant and equipment that are denominated in US dollars (USD). The Group uses forward exchange and participating forward exchange contracts to manage currency risk. Profit and loss on the foreign currency transactions are recorded within other expenses in the profit and loss statement.

(h) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments which primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents. The Group manages its exposure to changes in interest rates on borrowings by using a mix of fixed and floating rate debt. The Group is exposed to movements in market interest rates on short term deposits. The Directors monitor the Group's cash position relative to the expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest. The Group also has short or long-term debt, and therefore the risk is minimal.

(i) Profile

At the reporting date the interest rate profile of the Group's variable interest-bearing financial instruments was:

Variable rate instruments	30 June 2024 $	30 June 2023 $
Financial assets	366,777	1,564,523
Financial liabilities	(6,430,049)	(6,800,482)
	(6,063,272)	**(5,235,959)**

Capital management

The Board's policy is to maintain adequate capital so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's debt and capital structure includes ordinary share capital and loans and borrowings. The Group is not subject to externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group's debt-to-adjusted capital ratio at the end of the reporting period was as follows:

Capital Management	30 June 2024 $	30 June 2023 $
Total liabilities	22,326,419	25,693,183
Less: cash and cash equivalents	(366,777)	(1,564,523)
Net debt	**21,959,642**	**24,128,660**
Total capital	11,415,851	10,332,995
Debt-to-capital ratio at the end of the year	**1.92**	**2.34**

(j) Fair values

(i) Trade and other receivables and trade and other payables

Trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

(ii) Borrowings

For borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

(ii) Fair value hierarchy

Financial instruments carried at fair value are determined by valuation level, as determined in accordance with the relevant accounting standard. The different levels have been defined as:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between levels during the current or prior year.

27. Related parties

(a) Individual directors and executives compensation disclosures

Remuneration	30 June 2024 $	30 June 2023 $
Short term benefits	1,794,264	1,126,013
Share based payments	261,118	479,457
Post-employment benefits	105,290	97,808
Total	2,161,672	1,703,278

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

(b) Other key management personnel and director transactions

There were no director loans during the year and nil during the prior year.

c) Subsidiaries

All inter-Company loans and receivables are eliminated on consolidation and are interest free with no set repayment terms.

28. Group entities

Name of entity	*Entity Type*	*Country of incorporation*	Country of Residence for Tax	Ownership Interests
Parent entity				
Babylon Pump & Power Limited	Body Corporate	Australia	Australia	100%
Significant subsidiaries				
Babylon Operations Pty Ltd	Body Corporate	Australia	Australia	100%
Primepower Queensland Pty Ltd	Body Corporate	Australia	Australia	100%
Pilbara Trucks Pty Ltd	Body Corporate	Australia	Australia	100%
RBH Engineering Pty Ltd	Body Corporate	Australia	Australia	100%

29. Dividends

No amounts have been paid, declared or recommended by the Group by way of dividend since the commencement of the financial year to 30 June 2024. (Nil – 30th June 2023)

30. Subsequent events

On 31 July 2024 the Group borrowed $750,000 from Key Management Personnel, which is repayable by December 2024. The Group also received $500,000 in finance from Cat Finance Australia Ltd on a 12 month repayment plan.

There are no other significant matters subsequent to the end of the financial year.

31. Auditors' remuneration

Auditors' Remuneration	30 June 2024 $	30 June 2023 $
Audit services		
Audit and review of financial reports	121,630	104,000

32. Parent entity disclosures

Financial Position	30 June 2024 $	30 June 2023 $
Current Assets		
Current Assets	273,187	491,075
Non-Current Assets	8,359,689	11,802,867
Total Assets	**8,632,876**	**12,293,942**

Liabilities		
Current Liabilities	1,273,038	2,920,113
Non-Current Liabilities	54,787	40,835
Total Liabilities	**1,327,825**	**2,960,949**
Net Assets	**7,305,051**	**9,332,992**
Equity		
Share capital	50,550,639	50,412,357
Reserves	964,934	855,786
Accumulated losses	(44,210,522)	(41,935,151)
Total Equity	**7,305,051**	**9,332,992**

Financial Performance	30 June 2024 $	30 June 2023 $
Loss for the year	(3,275,370)	(2,074,810)
Other comprehensive income	-	-
Total Comprehensive profit/(loss)	**(3,275,370)**	**(2,074,810)**

(i) Guarantees provided in relation to parent-entity accounting policies

Babylon Pump & Power Limited provides a parent-Company guarantee in respect to asset finance, invoice finance and trade finance facilities established by Babylon (see note 22).

(ii) Subsidiaries

The Parent entity disclosures includes transactions with subsidiaries.

(iii) Accounting policies

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(iv) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost.

33. Contingencies and capital commitments

There are no other contingencies or capital commitments on 30 June 2024 (30 June 2023: Nil).

34. Registered Office and Principal Place of Business

The registered office of The Company is:
1 Port Place, High Wycombe
Western Australia 6057

The principal place of business of The Company is:
1 Port Place, High Wycombe
Western Australia 6057

Consolidated Entity Disclosure Statement
For the year ended 30 June 2024

Name of entity	*Entity Type*	*Country of incorporation*	Country of Residence for Tax	Ownership Interests
Parent entity				
Babylon Pump & Power Limited	Body Corporate	Australia	Australia	100%
Significant subsidiaries				
Babylon Operations Pty Ltd	Body Corporate	Australia	Australia	100%
Primepower Queensland Pty Ltd	Body Corporate	Australia	Australia	100%
Pilbara Trucks Pty Ltd	Body Corporate	Australia	Australia	100%
RBH Engineering Pty Ltd	Body Corporate	Australia	Australia	100%

Directors' declaration
For the year ended 30 June 2024

1 In the opinion of the directors of Babylon Pump & Power Limited:

(a) the Group's financial statements and notes set out on pages 23 to 51 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance, for the financial period ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australia Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the financial report also complies with International Financial Reporting Standards as set out in note 2(a);

(c) the remuneration disclosures that are contained in the remuneration report in the directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the *Corporations Act 2001* and the Corporations Regulations 2001.

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

(e) the consolidated entity disclosure statement on page 52 is true and correct.

2 The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Board for the year ended 30 June 2024.

Signed in accordance with a resolution of the directors:

James Cullen

Non-Executive Chairman

Dated at Perth this 21st day of August 2024.

Michael Shelby

Managing Director

Dated at Perth this 21st day of August 2024.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Babylon Pump & Power Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Babylon Pump & Power Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 2 (d) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment Assessment

Key audit matter	How the matter was addressed in our audit
Note 12 of the financial report discloses the carrying value of goodwill and the assumptions which have been used by the Group in testing for impairment. As required by Australian Accounting Standards, the Group has performed an annual impairment assessment for the cash generating unit ("CGU") to which goodwill has been allocated to determine whether the recoverable amount exceeds or is below the carrying amount. Impairment testing of goodwill was assessed as being a key audit matter as management's assessment of the recoverable amount is based on value in use ("VIU") cash flow forecasts which requires estimates and judgement about future financial performance.	Our procedures included, but were not limited to the following: • Assessing the appropriateness of the Group's categorisation of Cash Generating Units ("CGUs") and the allocation of assets to the carrying value of CGUs based on our understanding of the Group's business and the Group's internal reporting; • Challenging key inputs used in the value in use calculations including the following: o In conjunction with our valuation specialist, assessing the appropriateness of the discount rate utilised by management; o Assessing the Group's forecasted cash flows are consistent with our knowledge of the business, board approved budget and corroborating our work with external information where possible; o Comparing growth rates with historical rates and industry data; and o Performing sensitivity analysis on the key assumptions. • Assessing the adequacy of the Group's disclosures and impairment assessment methodology as disclosed in Notes 2 (e) and Note 12 to the financial report.

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
Revenue is disclosed in Note 3 (k) and Note 4 of the financial report. Revenue is generated from maintenance services and equipment rental. This area is a key audit matter as revenue is one of the key drivers to the Group's performance and there is a significant volume of transactions included in revenue.	Our audit procedures included but were no limited to the following: • Performing analytical procedures on revenue recognised through developing expectations for revenue and comparing to actual revenue recognised, obtaining support for variances; • Assessing credit notes issued post year end and performing cut-off testing to ensure revenue transactions around year end have been recorded in the correct reporting period; • Agreeing, for a sample of revenue transactions, the amounts recorded by the Group to supporting documentation to confirm the existence and accuracy of the revenue recognised and to consider whether the transaction was recorded in the correct period; and • Assessing the adequacy of the relevant disclosures within the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the 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:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 17 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Babylon Pump & Power Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

A Woodley

Ashleigh Woodley

Director

Perth, 21 August 2024

Corporate Governance Statement

For the year ended 30 June 2024

Babylon Pump and Power Limited has established a strong governance framework and continues to be committed to a high level of integrity and ethical standards in all its business practices.

Effective and transparent corporate governance is of critical importance to Babylon Pump and Power Limited and its Board of Directors. The Board fully supports the intent of the Australian Securities Exchange (ASX) Corporate Governance Council's new 4th edition of Corporate Governance Principles and Recommendations.

The Corporate Governance Framework continues to evolve as it seeks continual improvement in the way it conducts its business, Further details on Babylon Pump and Power Limited's governance principles can be found in the Company's Corporate Governance Statement which is available at www.babylonpumpandpower.com.

ASX Additional Information
For the year ended 30 June 2024

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 21st August 2024.

Twenty largest holders of quoted equity securities.

Position	Holder Name	Holding	% IC
1	G & N LORD SUPERANNUATION PTY LTD <GNR SUPERANNUATION FUND A/C>	557,191,375	22.29%
2	RESOURCE WATER GROUP PTY LTD	74,626,866	2.99%
3	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	72,904,400	2.92%
4	CHEMCO SUPERANNUATION FUND PTY LTD <CHEMCO SUPER FUND NO 2 A/C>	66,940,371	2.68%
5	MR GEOFFREY FREDERICK LORD	60,949,868	2.44%
6	CHESAPEAKE CAPITAL LTD	55,295,000	2.21%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,585,971	1.74%
8	FGI HOLDINGS PTY LTD <RNH INVESTMENT A/C>	37,000,000	1.48%
9	MCNEIL NOMINEES PTY LIMITED	30,000,000	1.20%
10	CMC INDUSTRIES PTY LTD	28,494,548	1.14%
11	CITICORP NOMINEES PTY LIMITED	27,387,094	1.10%
12	JASPER HILL RESOURCES PTY LTD <SUPERANNUATION ACCOUNT>	25,268,392	1.01%
13	PASIAS TRADING PTY LTD	25,000,000	1.00%
13	MR CHARLES FARQUHARSON & MRS JAYNE FRANKLIN FARQUHARSON <C & J FARQUHARSON S/F A/C>	25,000,000	1.00%
14	DARMAL PTY LIMITED	24,000,000	0.96%
15	MR MICHAEL GRAHAM SHELBY	23,524,312	0.94%
16	BELGRAVIA STRATEGIC EQUITIES PTY LTD	23,156,111	0.93%
17	T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	22,500,000	0.90%
18	OODACHI PTY LTD <P & M KERR FAMILY A/C>	21,200,000	0.85%
19	MR TIMOTHY GRANTHAM SIMPSON HOSKING	21,188,361	0.85%
20	PIYA PTY LTD	21,000,000	0.84%
	Total	**1,286,212,669**	**51.46%**
	Total issued capital - selected security class(es)	**2,499,549,000**	**100.00%**

Distribution of equity security holders

Ordinary Share Capital

2,499,549,000 fully paid ordinary shares are held by 828 individual shareholders. All issued ordinary shares carry one vote each.

Options

There are currently no unlisted options.

Following is a distribution schedule of the number of holders in each class of equity securities:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	93	12,803	0.00%
above 1,000 up to and including 5,000	21	56,141	0.00%
above 5,000 up to and including 10,000	6	43,039	0.00%
above 10,000 up to and including 100,000	165	9,161,238	0.37%
above 100,000	543	2,490,325,779	99.63%
Totals	**828**	**2,499,549,000**	**100.00%**

The number of shareholders holding less than a marketable parcel of ordinary shares is 86.

Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporation Act 2001 are:

Holder Name	Holding Balance	% IC
G & N LORD SUPERANNUATION PTY LTD and other entities controlled by Geoff Lord	641,297,354	25.66%
Clients of Managed Discretionary Accounts as operated by FinClear Execution Limited and managed by Cumulus Wealth Pty Ltd.	257,496,960	10.30%