

31 August 2020

ASX ANNOUNCEMENT

WestStar Industrial Limited Appendix 4E Preliminary Final Report

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company providing engineering, construction and mining services to the resources, energy and infrastructure sectors; is pleased to announce its Preliminary Final report.

Highlights

The Company is pleased to report a strong underlying EBITDA figure of \$5.5M based on a net profit result of \$3.5M. The underlying trading performance has also served to strengthen the Company's balance sheet, with \$6.6M cash at bank at the end of the financial year.

	Year ended 30 June 2020
	\$
Profit after income tax expense	3,458,055
Add back:	
Interest and financing costs	286,369
Depreciation	586,978
Share Based Payments	1,167,690
EBITDA*	5,499,092

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

Revenue

The Company posted record revenue from ordinary activities of \$62.5M, 219% higher than FY2019 (\$28.5M). This was a direct result of SIMPEC's growing reputation in the market and the introduction of Alltype Engineering (Alltype) delivering further revenue to the combined group since its acquisition in January 2020.

Sustainable and Profitable Growth

The significant increase in revenue was matched with a record full year profit of \$3.5M, continuing the trend from last year's maiden profit result. This is a major milestone for the combined group with SIMPEC's significant turnover reinforced by the consistent contribution of 5 trading months from Alltype in the second half of the year.

This result was achieved despite significant integration work from the Alltype acquisition as well as the impact of the COVID-19 pandemic. With SIMPEC and Alltype Engineering integrated and synergies starting to flow through, the Company is well placed to deliver a strong result in FY2021.

Outlook

Recent impressive awards to both SIMPEC and Alltype have further bolstered WestStar's order book for FY2021.

WestStar and its subsidiaries continue to tender strongly for new work and expect outcomes from these tendering activities in due course. This year has truly established the Company as a player in the engineering contracting and fabrication space.

-Ends-

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About WestStar

WestStar Industrial Limited (ASX: WSI) is an industrial, steel fabrication, installation and maintenance services company focussed on the resources, oil and gas, water and infrastructure sectors.

About SIMPEC

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

For more information: www.simpec.com.au

About Alltype Engineering

Alltype Engineering leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia. Alltype delivers consistent quality products and services that underpin its commitment to its vision “to be recognised as the preferred partner in delivering integrated fabrication, site and maintenance services with reliable, innovative and cost-effective solutions”.

For more information: www.alltypeengineering.com.au

ASX release authorised by the Board of Directors of WestStar Industrial Limited.

Rule 4.3A

Appendix 4E Preliminary Final Report

Name of entity

WESTSTAR INDUSTRIAL LIMITED

ABN or equivalent company reference:

38 119 047 693

1. Reporting period

Preliminary report for the financial year ended	30 June 2020
Previous corresponding period is the financial year ended	30 June 2019

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities (item 2.1)	up	218.8%	to	62,473
Profit from ordinary activities after tax attributable to members (item 2.2)	up	351.4%	to	3,458
Net profit for the period attributable to members (item 2.3)	up	351.4%	to	3,458

Dividends (item 2.4)	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Final dividend	Nil	Nil
Record date for determining entitlements to the dividend (item 2.5)	Not Applicable	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6): Refer to item 12.		

3. Statement of profit or loss and other comprehensive income

Refer to attached unaudited Preliminary Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020.

4. Statement of financial position

Refer to attached unaudited Preliminary Consolidated Statement of Financial Position as at 30 June 2020.

5. Statement of Cash flows

Refer to attached unaudited Preliminary Consolidated Statement of Cash flows for the year ended 30 June 2020.

6. Statement of changes in equity

Refer to attached unaudited Preliminary Consolidated Statement of Cash flows for the year ended 30 June 2020.

7. Dividends

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2020	N/A	N/A
Final dividend – year ended 30 June 2020	N/A	N/A

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	N/A	N/A	N/A
Previous year	N/A	N/A	N/A

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	N/A	N/A
Preference securities <i>(each class separately)</i>	N/A	N/A
Other equity instruments <i>(each class separately)</i>	N/A	N/A
Total	N/A	N/A

8. Details of dividend or distribution reinvestment plans in operation are described below:

	N/A
The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

9. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.019	\$0.003

10. Details of entities over which control has been gained or lost during the period:

Control gained over entities

Name of entities (<i>item 10.1</i>)	Alltype Engineering Pty Ltd
Date(s) of gain of control (<i>item 10.2</i>)	28 January 2020
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (<i>item 10.3</i>)	\$1.68M

Loss of control of entities

Name of entities (<i>item 10.4</i>)	N/A
Date(s) of loss of control (<i>item 10.5</i>)	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (<i>item 10.6</i>).	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (<i>item 10.7</i>)	N/A

11. Details of associates and joint venture entities

Name of associate or joint venture entity (<i>item 11.1</i>)	% Securities held (<i>item 11.2</i>)
N/A	N/A

Aggregate share of profits (losses) of associates and joint venture entities (*item 11.3*)

	2020 \$	2019 \$
Group's share of associates' and joint venture entities':		
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
Net profit (loss) from ordinary activities after tax	N/A	N/A
Adjustments		
Share of net profit (loss) of associates and JV entities	N/A	N/A

12. Significant information relating to the entity's financial performance and financial position.

Overview

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company providing engineering, construction and mining services to the resources, energy and infrastructure sectors; is pleased to announce its Preliminary Final report.

Highlights

The Company is pleased to report a strong underlying EBITDA figure of \$5.5M based on a net profit result of \$3.45M. The underlying trading performance has also served to strengthen the Company's balance sheet, with \$6.6M cash at bank at the end of the financial year.

	Year ended 30 June 2020
	\$
Profit after income tax expense	3,458,055
Add back:	
Interest and financing costs	286,369
Depreciation	586,978
Share Based Payments	<u>1,167,690</u>
EBITDA*	5,499,092

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Revenue

The Company posted record revenue from ordinary activities of \$62.5M, 219% higher than FY2019 (\$28.5M). This was a direct result of SIMPEC's growing reputation in the market and the introduction of Alltype Engineering Pty Ltd ("Alltype") delivering further revenue to the combined group since its acquisition in January 2020.

Sustainable and Profitable Growth

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This result was achieved despite significant integration work from the Alltype acquisition as well as the impact of the COVID-19 pandemic. With SIMPEC and Alltype integrated and synergies starting to flow through, the Company is well placed to deliver a strong result in FY2021.

Outlook

Recent impressive awards to both SIMPEC and Alltype have further bolstered WestStar's order book for FY2021.

WestStar and its subsidiaries continue to tender strongly for new work and expect outcomes from these tendering activities in due course. This year has truly established the Company as a player in the engineering contracting and fabrication space.

13. The financial information provided in the Appendix 4E is based on the preliminary financial report (attached), which has been prepared in accordance with Australian accounting standards.

14. Commentary on the results for the period.

Refer to explanation item 12.

15. Information on Audit.

This Appendix 4E and Preliminary Final Report is based on financial statements which are in the process of being audited.

16. Audit Opinion.

The audit of the Company is ongoing and so the audit opinion will be delivered in due course.

WestStar Industrial Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019
Revenue	2	62,472,896	28,549,076
Other income	2	188,643	393,964
		<u>62,661,539</u>	<u>28,943,040</u>
Expenses:			
Cost of goods sold		(51,227,988)	(22,390,777)
Occupancy expenses		(671,088)	(606,088)
Administration expenses	3	(5,105,312)	(4,230,541)
Depreciation	7,8	(586,978)	(157,867)
Recognition/(Impairment) of intangibles		-	992,198
Other impairment charges		-	(41,369)
Finance costs	3	(286,369)	(244,798)
Doubtful debts expense		(90,119)	(642,012)
Share based payments expense	4	(1,167,690)	(637,499)
Loss on sale of plant and equipment		(67,940)	-
Expenses		<u>(59,203,484)</u>	<u>(27,958,753)</u>
Profit / (loss) before income tax		3,458,055	984,287
Income tax expense		-	-
Profit / (loss) after income tax		3,458,055	984,287
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive loss, net of tax		-	-
Total comprehensive income / (loss)		3,458,055	984,287
Earnings / (loss) per share			
Basic (loss)/earnings per share		0.004	0.002

WestStar Industrial Limited
Consolidated Statement of Financial Position

AS AT 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,642,063	10,068,300
Trade and other receivables		10,260,551	6,097,693
Inventories		410,222	-
Other assets	6	7,012,541	5,835,136
Total Current Assets		24,325,377	22,001,129
Non-Current Assets			
Investments		-	151,380
Bank guarantees		60,650	243,933
Trade and other receivables		844,419	-
Property, plant & equipment	7	4,338,653	353,914
Right of Use Asset	8	2,255,123	-
Loans Receivable	9	908,903	780,524
Intangible assets	10	4,508,116	992,198
Total Non-Current Assets		12,915,864	2,521,949
Total Assets		37,241,241	24,523,078
LIABILITIES			
Current Liabilities			
Trade payables	11	8,454,453	7,617,598
Other payables	11	5,487,738	3,367,755
Provisions		976,051	273,716
Borrowings	12	790,000	882,011
Lease liabilities	13	660,125	-
Other liabilities	6	5,867,141	9,650,651
Total Current Liabilities		22,235,508	21,791,731
Non-Current Liabilities			
Provisions		23,276	-
Lease liabilities	13	1,698,074	-
Total Non-Current Liabilities		1,721,350	-
Total Liabilities		23,956,858	21,791,731
Net Assets / (Liabilities)		13,284,383	2,731,347
EQUITY			
Issued capital		19,811,669	13,004,376
Reserves		772,495	484,805
Accumulated losses		(7,299,781)	(10,757,834)
Total Equity / (Deficiency)		13,284,383	2,731,347

WestStar Industrial Limited
Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

Attributable to Owners of the Company

Notes	Issued	Share-based	Accumulated	Total
	Capital	Payments	Losses	
	\$	Reserve	\$	\$
	\$	\$	\$	\$
Balance at 30 June 2018	10,162,478	821,045	(11,439,911)	(456,388)
Change in accounting policies	-	-	(638,450)	(638,450)
Profit (Loss) for the year	-	-	984,287	984,287
Total comprehensive profit (loss) for the year	-	-	984,287	984,287
Transactions with owners in their capacity as owners				
Contribution of equity, net of transaction costs	2,204,399	-	-	2,204,399
Transfer of expired options value	-	(336,240)	336,240	-
Recognition of share-based payments	637,499	-	-	637,499
Balance at 30 June 2019	13,004,376	484,805	(10,757,834)	2,731,347
Change in accounting policies	-	-	-	-
Profit (Loss) for the year	-	-	3,458,055	3,458,055
Total comprehensive profit (loss) for the year	-	-	3,458,055	3,458,055
Transactions with owners in their capacity as owners				
Shares issued - Alltype Engineering Pty Ltd acquisition	4 5,927,292	-	-	5,927,292
Options issued	-	287,690	-	287,690
Contribution of equity, net of transaction costs	-	-	-	-
Transfer of expired options value	-	-	-	-
Recognition of share-based payments	880,000	-	-	880,000
Balance at 30 June 2020	19,811,669	772,495	(7,299,781)	13,284,383

WestStar Industrial Limited
Consolidated Statement of Cashflows

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	30 June 2020 \$	30 June 2019 \$
Cash flows from operating activities			
Receipts from customers		53,583,474	31,571,722
Payments to suppliers and employees		(57,550,462)	(25,396,531)
Interest received		11,753	6,199
Interest paid		(72,193)	(244,798)
Net cash flows provided by/(used in) operating activities		(4,027,428)	5,936,592
Cash flows from investing activities			
Payment for bank guarantees		-	(91,628)
Proceeds from sale of investments		454,631	-
Purchase of subsidiary, net cash acquired	4	810,855	-
Purchase of property, plant & equipment	7	(135,728)	(76,748)
Payments for investments		(387,720)	-
Net cash flows provided by/(used in) investing activities		742,038	(168,376)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,188,800
Proceeds from borrowings		19,000	1,052,000
Amounts loaned		(25,471)	(30,524)
Repayment of borrowings		(134,376)	(622,018)
Net cash provided by/(used in) financing activities		(140,847)	2,588,258
Net increase (decrease) in cash and cash equivalents		(3,426,237)	8,356,474
Cash and cash equivalents at beginning of period		10,068,300	1,711,826
Cash and cash equivalents at the end of the period	5	6,642,063	10,068,300

NOTE 1: BASIS OF PREPARATION OF THE FINAL REPORT

BASIS OF PREPARATION

This preliminary final report for the year ended 30 June 2020 relates to the consolidated entity consisting of WestStar Industrial Limited (“WestStar” or “the Group”) and its controlled entities.

The preliminary final report has been prepared on an accruals basis and a historical cost basis except for certain current and non-current assets and financial instruments which are measured at fair value or where otherwise stated. Cost is based on the fair value of consideration given in exchange for assets.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report of the year ended 30 June 2020, the half year report for the period ended 31 December 2019 and any public announcements made by WestStar during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The amounts contained in this preliminary final report are presented in Australian dollars, the functional currency of the consolidated entity.

STATEMENT OF COMPLIANCE

The preliminary final report is a general-purpose financial report and has been prepared in accordance with applicable Australian Accounting Standards, other pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The preliminary final report is also in compliance with ASX listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

NOTE 2: REVENUE AND OTHER INCOME

	2020	2019
	\$	\$
REVENUE		
- Revenue from sale of goods and services	62,472,896	28,549,076
	62,472,896	28,549,076
OTHER INCOME		
- Interest income	11,927	50,667
- Sundry income	126,716	9,866
- ATO Cash boost payment	50,000	-
- Lapse of Convertible Note obligation	-	333,431
	188,643	393,964

NOTE 3: EXPENSES

	2020	2019
	\$	\$
ADMINISTRATIVE EXPENSES		
- Employee wages and salaries	3,590,980	2,559,135
- Professional services and consultant fees	409,408	782,996
- Insurance	551,764	313,110
- ASX and Share registry fees	91,413	67,751
- Motor vehicle expenses	128,150	163,204
- General administrative costs	333,597	344,345
	5,105,312	4,230,541

	2020	2019
	\$	\$
FINANCE COSTS		
- Interest and associated borrowing costs to unrelated third parties	286,369	244,798
	286,369	244,798

NOTE 4: ACQUISITION OF ALLTYPE ENGINEERING PTY LTD

On 28 January 2020, WestStar acquired 100% of the ordinary share capital and voting rights in Alltype Engineering Pty Ltd ("Alltype").

(a) Business Acquisition Consideration

The consideration for the acquisition comprised the issue to Alltype's shareholders of:

- 237.1 million fully paid ordinary shares on completion.
- Up to 243.4M Deferred Consideration Shares to be issued on achievement of EBITDA targets for Alltype's FY2020 performance.

As the EBITDA targets were not met, no Deferred Consideration Shares will be issued.

(b) Fair value of consideration transferred

Under the principles of AASB 3 '*Business Combinations*', the assets and liabilities of Alltype are measured at fair value on the date of acquisition.

(c) Goodwill

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of Alltype. Details of the transaction are as follows:

	Fair Value
	\$
<i>Consideration</i>	
237.1 million fully paid ordinary shares on completion	5,927,292
Total consideration	5,927,292

NOTE 4: ACQUISITION OF ALLTYPE ENGINEERING PTY LTD (CONTINUED)

Fair value of assets and liabilities held at acquisition date:	\$
Cash	810,855
Trade and other receivables	3,935,062
Plant and equipment	4,135,665
Right of Use Asset	2,523,590
Inventories	427,699
Deferred Costs	7,230,282
Trade and other payables	(4,881,006)
Provisions	(536,434)
Right of Use Lease Liability	(2,524,183)
Lease liabilities	(71,691)
Unearned Income	(8,638,465)
Fair value of identifiable assets and liabilities assumed	<u>2,411,374</u>
Goodwill	<u>3,515,918</u>

NOTE 5: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash and bank balances	<u>6,642,063</u>	<u>10,068,300</u>
Balances as above	6,642,063	10,068,300
Bank overdraft	-	-
BALANCES PER STATEMENT OF CASHFLOWS	<u>6,642,063</u>	<u>10,068,300</u>

NOTE 6: OTHER ASSETS AND OTHER LIABILITIES

The Group has adopted AASB 15 from 1 July 2018. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

The “Contract asset” value below represents costs deferred into the next period under AASB 15.

	2020	2019
	\$	\$
Other Assets		
Contract assets	<u>7,012,541</u>	<u>5,835,136</u>
	<u>7,012,541</u>	<u>5,835,136</u>

The “Contract liabilities” value below represents income deferred into the next period under AASB 15.

	2020	2019
	\$	\$
Other Liabilities		
Contract liabilities	<u>5,867,141</u>	<u>9,650,651</u>
	<u>5,867,141</u>	<u>9,650,651</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Gross carrying value at cost	818,389	970,246
Accumulated depreciation	(372,211)	(616,332)
Net carrying value at cost	446,178	353,914
Gross carrying value at valuation	4,097,665	-
Accumulated depreciation	(205,190)	-
Net carrying value at valuation	3,892,475	-

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Gross carrying value at cost				
At 1 July 2019	256,129	714,117	-	970,246
Additions	-	199,287	86,913	286,200
Disposals	(56,129)	(381,929)	-	(438,058)
At 30 June 2020	200,000	531,475	86,913	818,388
Accumulated dep'n				
At 1 July 2019	(136,292)	(480,040)	-	(616,332)
Disposals	42,257	313,205	-	355,462
Depreciation charge	(25,565)	(82,198)	(3,578)	(111,341)
At 30 June 2020	(119,600)	(249,033)	(3,578)	(372,211)

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
(Acquired with Alltype)				
Gross carrying value at valuation				
At 1 July 2019	-	-	-	-
Additions (Refer Note 4)	-	3,843,665	292,000	4,135,665
Disposals	-	-	(38,000)	(38,000)
At 30 June 2020	-	3,843,665	254,000	4,097,665
Accumulated dep'n				
At 1 July 2019	-	-	-	-
Disposals	-	-	1,980	1,980
Depreciation charge	-	(194,707)	(12,463)	(207,170)
At 30 June 2020	-	(194,707)	(10,483)	(205,190)

NOTE 8: RIGHT OF USE ASSET AND LIABILITY

The Group has adopted AASB 16 from 1 July 2019. This calculation was done as part of the acquisition of Alltype as disclosed in Note 4.

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

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

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

	2020	2019
	\$	\$
Right of Use Asset		
Lease asset	2,523,590	-
Accumulated depreciation	(268,467)	
	2,255,123	-

NOTE 9: LOAN RECEIVABLE

In 2018, as part of a property development contract, WestStar subsidiary Distinct Developments Pty Ltd (“Distinct”) made a working capital facility (the “Facility”) of \$750,000 available to 24 Prowse Street Pty Ltd (the “Owner”), for the purposes of assisting with property settlement and other costs. The Facility was provided with an interest rate of 10% per annum payable to Distinct with a 36 months’ maturity period and is secured with a mortgage over the property.

The Group has since been advised by the Owner that the property under development has been put on the market for sale. The Group understands that the Owner is testing the market and if these efforts are successful, the Owner may or may not proceed with its development plans. The Group continues to act for the Owner under the Contract. Further funds were advanced during the period with the balance owing of \$908,903 at year end.

NOTE 10: INTANGIBLE ASSETS

	2020	2019
	\$	\$
Goodwill - Alltype	3,515,918	-
Goodwill - SIMPEC	992,198	992,198
	4,508,116	992,198

WestStar Industrial Limited
Notes to the Preliminary Financial Report

NOTE 11: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables	8,454,453	7,617,598
Other creditors and accruals	5,487,738	3,367,755
	13,942,191	10,985,353

NOTE 12: BORROWINGS

	2020	2019
	\$	\$
Loan from related parties (i)	-	232,011
Financing facility (ii)	650,000	650,000
Other loan	140,000	-
	790,000	882,011

(i) It has been agreed between the parties that the balance of the loan has been forgiven.

(ii) On 12 December 2018, the Group advised that it had received commitments for an unsecured working capital facility of up to \$1 million. As at year end, the facility had been drawn down to \$650,000. The facility bears interest at 10% p.a.

NOTE 13: LEASE LIABILITIES

	2020	2019
	\$	\$
Right of Use Lease liability - Current	638,796	-
Other lease liabilities - Current	21,329	-
	660,125	-
	\$	\$
Right of Use Lease liability – Non-Current	1,612,580	-
Other lease liabilities – Non-Current	85,494	-
	1,698,074	-

NOTE 14: OPERATING SEGMENTS

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

Precast Australia Pty Ltd provides prefabricated concrete construction services to the construction and resources sectors in Australia.

SIMPEC Pty Ltd is a construction contractor with specialist experience in both Structural Mechanical and Piping, Electrical and Instrumentation works.

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

Distinct Developments Pty Ltd addresses small to mid-size mixed-use property projects, a niche in the local WA market.

Segment reporting	Precast	SIMPEC	Alltype	Distinct	Group
	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Segment revenue	3,149,021	42,678,216	16,645,659	-	62,472,896
Segment expense	(4,458,417)	(37,598,834)	(15,149,733)	(2,550)	(57,209,534)
Segment operating profit (loss)	(1,309,396)	5,079,382	1,495,926	(2,550)	5,263,362
Other Income					188,643
Corporate & administration **	-	-	-	-	(1,993,950)
Net operating Profit (Loss) after Tax	-	-	-	-	3,458,055

** incl. Share based payments of \$1,167,890

Year ended 30 June 2019					
Segment revenue	4,147,594	24,401,482	-	41,369	28,590,445
Segment expense	(5,608,489)	(21,472,162)	-	(43,068)	(27,123,719)
Segment operating profit (loss)	(1,460,895)	2,929,320	-	(1,699)	1,466,725
Other Income	-	-	-	-	352,595
Corporate & administration	-	-	-	-	(835,034)
Net operating Profit (Loss) after Tax	-	-	-	-	984,287

Segment reporting	Precast	SIMPEC	Alltype	Distinct	Group
	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Segment assets	419,606	15,533,812	16,604,750	750,781	33,308,949
Segment liabilities	(1,728,978)	(7,963,644)	(13,341,703)	-	(23,034,325)
Segment asset & liabilities	(1,309,372)	7,570,168	3,263,047	750,781	10,274,624
Cash and corporate assets	-	-	-	-	3,932,292
Corporate liabilities	-	-	-	-	(922,533)
Total asset & liabilities	-	-	-	-	13,284,383
Year ended 30 June 2019					
Segment assets	2,588,418	15,659,884	-	752,872	19,001,174
Segment liabilities	(2,812,594)	(17,633,049)	-	-	(20,445,643)
Segment asset & liabilities	(224,176)	(1,973,165)	-	752,872	(1,444,469)
Cash and corporate assets	-	-	-	-	5,521,904
Corporate liabilities	-	-	-	-	(1,346,088)
Total asset & liabilities	-	-	-	-	2,731,347

NOTE 15: CONTINGENCIES AND COMMITMENTS

The Group has given bank guarantees as at 30 June 2020 of \$60,650 (2019: \$243,933) to various customers and suppliers.

Operating lease commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements and are payable:

	2020	2019
	\$	\$
Within one year	-	205,593
After one year but not more than five years	-	-
	<hr/>	<hr/>
	-	205,593

Other than the above, there were no material contingencies as at 30 June 2020.

NOTE 16: SUBSEQUENT EVENTS

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2020.