ACROW SINCE 1936

2020
ANNUAL REPORT

CONTENTS

CORPORATE DIRECTORY

Company
Acrow Formwork and Construction Services Limited

Board of Directors
Mr Peter Lancken – Non-Executive Chairman
Mr Steven Boland – Managing Director and Chief Executive Officer
Mrs Margaret Prokop – Executive Director
Mr Gregg Taylor – Non-Executive Director
Mr Josh May – Non-Executive Director
Mr David Moffat – Non-Executive Director (appointed 19 September 2019)
Mr Mike Hill – Non-Executive Director (resigned 19 September 2019)

Chief Financial Officer
Mr Andrew Crowther

Company Secretary
Mr Lee Tamplin

Registered Office
c/- Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000

Share Registry
Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000

Auditor
Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW Australia 2000

ASX Code
ACF

ACN
124 893 465

Annual General Meeting
The Company will hold its 2020 Annual General Meeting ("AGM") at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 at 1:00pm on Wednesday, 25 November 2020.

Pursuant to ASX Listing Rule 3.13.1 and Clause 13.3 of the Company's Constitution, nominations for election of directors at the AGM must be received not less than 30 Business Days before the date of the AGM, being no later than 14 October 2020.

www.acrow.com.au

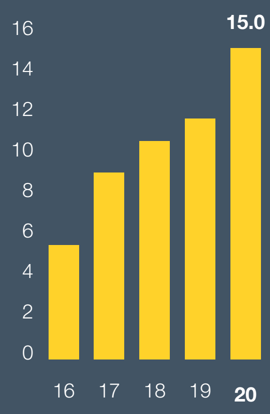
Front cover top: *Opera Residences, Circular Quay, Sydney NSW,*
Front cover bottom: *Sun Metals Expansion, Townsville QLD*

2020 HIGHLIGHTS

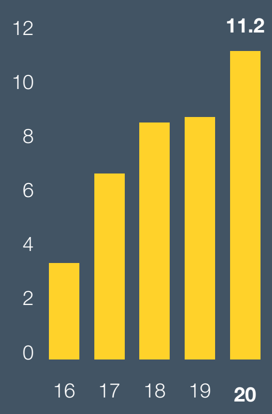
AT THE START OF EVERY GREAT PROJECT SINCE 1936.

Acrow is a leading provider of engineered formwork solutions and scaffold hire in Australia.

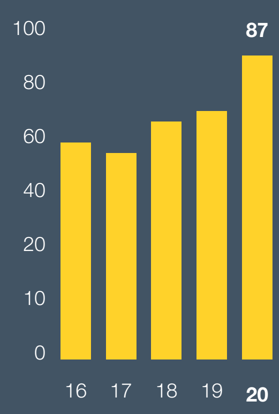
EBITDA $m



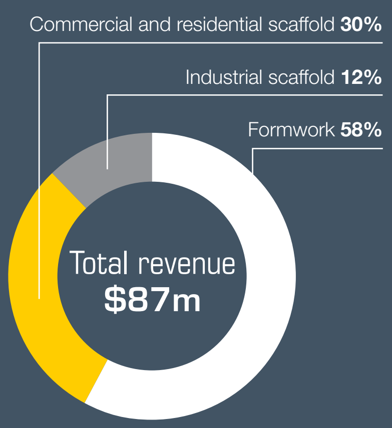
Operating Cash Profit $m



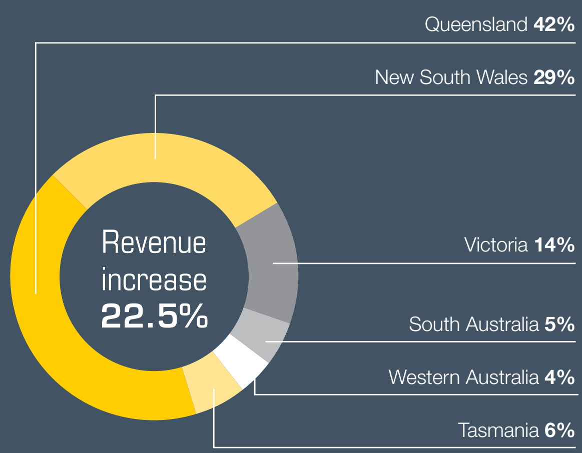
Total Revenue $m



Revenue by Business Unit*



Revenue by Geography*



*Revenue includes sale of ex hire equipment

CHAIRMAN'S REPORT

Our FY20 results reinforces the success of the strategic pivot of our Company just over two years ago.

Through building on acquisitions and increasing our national footprint, we are cementing Acrow's position as a market leader in the hire and sale of equipment in the civil formwork and industrial scaffolding markets.

The year was successful in many ways. Underlying net profit after tax (NPAT) was up 20% over FY19 to $9.0 million (pre-AASB16), sales revenue was up 22% to $87.0 million, and (pre-AASB16) underlying earnings before interest, tax, depreciation and amortisation (EBITDA) increased 30% to $15.0 million. While reported NPAT was down 17% to $4.1 million, this was primarily due to costs associated with the acquisition and integration of Uni-span during the year.

Despite the uncertainty generated by the global pandemic, it was a transformative year for Acrow following the purchase and integration of Uni-span and consistent with our strategy to transition the business towards a greater exposure to the civil infrastructure market.

Cash flow generation was stronger due to increased EBITDA in the second half of FY20 following the integration of Uni-span, together with successful measures to counter the impact of Covid-19 and improved debtors collections. The result also benefited from increased momentum in civil engineering projects, higher product sales and a record performance by Natform.

Strategy

Acrow is a leading provider of engineered formwork solutions and scaffolding hire systems, and we serve more than 1,300 customers in the Australian construction and civil engineering markets. Our national network of scaffolding and formwork branches has 10 locations in six states across Australia. We provide dry hire solutions, supplying formwork equipment and engineering expertise to support concrete structures during construction, and scaffolding systems through both dry hire and wet hire models, where we supply equipment and labour.

Our aim is to grow our higher margin civil formwork and industrial scaffolding businesses in the east coast markets of Australia, with a focus on tendering on government-funded projects. This strategy underpinned the strong result, compensating for softness in the residential scaffolding business which we strategically exited last year in Sydney and Melbourne.

Dividends

The Board's dividend policy is to pay between 30% and 50% of operating cash profit. Due to the uncertainty of Covid-19, the Board determined to withdraw the interim dividend – a prudent step at the time to strengthen the balance sheet. As the pandemic progressed and Acrow continued to perform strongly, the Board reinstated the dividend, declaring a final dividend of 1.05 cents per share (fully franked), up from 1.0 cent unfranked declared in FY19.

Uni-span Integration

In October 2019, we acquired Uni-span, a privately owned Queensland-based formwork and industrial scaffolding and labour hire company with operations in New South Wales and Victoria.

The price was $21.25 million (pre-earnouts), representing a multiple of 4.4x normalised FY19 EBITDA, and the purchase has grown our footprint in Queensland's industrial scaffold market which we plan to expand nationally.

The acquisition was instrumental in our winning a tender to supply formwork equipment to the Sun-metals zinc refinery expansion project in Townsville. We also renewed Origin Energy's industrial scaffold contract, worth circa $13 million over the next five years, and secured work on the Sydney and Melbourne Metro Rail projects.

The integration was completed on schedule with annualised cost savings of $2.2 million, in excess of original projections of $1.5-$2.0 million. The acquisition is part of our strategy to expand our products and services across the country and follows the successful purchase of Natform in FY19. The acquisition also gave the group access to Uni-span's exclusive distribution arrangement with ULMA, a leading Spanish manufacturer and supplier of formwork, shoring and temporary scaffold systems in Australia and New Zealand which was extended by three years in November 2019.

Governance

Acrow's most important assets are the integrity of its people and its reputation as an honest, ethical and

Legacy Way, Brisbane QLD

professional Australian company. We maintain a modern, sound governance framework with well-defined policies.

In September 2019, we were delighted to welcome David Moffat as a Non-executive Director. David is a seasoned construction industry professional, with a career spanning over 35 years, and his experience and expertise in construction management, innovation and safety have broadened the Board's skill base.

Michael Hill stepped down as a Non-executive Director at the same time. He was instrumental in transitioning the company from private ownership to its public listing in April 2018 and we thank him for his valuable contribution to the Board and the company.

Covid-19 Response

Our response to the pandemic accelerated in March after the detrimental impacts on community health and economic activity became apparent. The Board and management implemented risk mitigation measures to ensure minimal disruption to operations and maintain a solid financial footing. We focused on prudent cash flow management, including deferral and extension of term loans and consolidation and extension of depot leases, contributing both temporary and permanent lease reductions. Non-essential capital expenditure for service provision and travel were also curtailed.

Thankfully, construction was deemed an essential service by the Federal and State government and all sites continued to operate. Our focus on the health and safety of our employees, customers, suppliers and contractors guided our response throughout the crisis.

The Future

Despite the economic headwinds, Acrow has continued to trade solidly since the onset of the pandemic. We continue to have a record pipeline of opportunities and are well positioned to continue our growth.

The year ahead will be a challenging one as we navigate the social and economic impacts of the pandemic, but our focus on long term construction projects underpinned by federal and state government funding should be beneficial to our business. With our national footprint of operational depots, wide range of available products, and talented staff, we are uniquely placed to continue to expand and lead the sector.

In closing, I would like to acknowledge the ongoing support of our shareholders. I thank my fellow Board members for their commitment and guidance, and would also like to recognise our dedicated management and staff—led by Steven Boland—who have proven themselves enthusiastic, dedicated and professional in overcoming the challenges we have had to face during the past six months.

Peter Lancken AM Chairman

MANAGING DIRECTOR'S REPORT

Building on our transformation over the past two years, I believe that this outstanding result is a precursor to a new period of growth for Acrow.

As another year as a listed company begins, I believe there is no other company in Australia with as broad a product range, across hire and sales of formwork, screens and scaffolding equipment, or geographic footprint in our sector that can service the construction industry as well as we can.

Our performance in FY20 validates our decision just over two years ago to pivot towards the formwork and industrial scaffolding markets while reducing our exposure to the residential/commercial scaffold segments of the market.

Our shift in focus is now all but complete with over 75% of Acrow's earnings in FY20 originating from the civil and industrial sectors. A complete reversal of our position in 2018. This result has been achieved via:

- a formwork equipment focused capex program that has resulted in minimum returns of 40% being achieved;
- the successful acquisitions of Natform in 2018 and Uni-span in October 2019; and
- improved capability of both engineering and operational management, focussed on delivering effective customer solutions to the civil infrastructure markets.

Assisted by the acquisition of Uni-span and Natform, our project pipeline of opportunities is up 63% and active hire contracts have risen 62% year on year. We expect that these numbers provide strong lead indicators for our FY21 prospects.

Health & Safety

We are committed to ensuring that our employees and customers are safe and work in a professional environment. In FY20, our lost time injury frequency rate reduced to 2.4 from 6.0, a very pleasing result and favourable compared to the construction industry average. This improvement was attributable to an ongoing focus on developing and enhancing our processes and systems. Our goal remains achieving a zero-injury rate and ensuring all our workers go home safely every night.

Financial & Business Overview

The strong performance in the second half of the year was supported by the eight-month contribution from the Uni-span acquisition, the successful completion of the Sun-metals project in Townsville, greatly improved results from Natform, especially in 4Q FY20, and a greater focus and subsequent result from product sales.

The Uni-span purchase led to an increase in net debt in the first half to $17.5 million from $3.6 million in the prior year, which we reduced in the second half to $14.6 million. Operating cash profit increased 27% to $11.2 million.

Formwork

The Formwork division expanded with the acquisition of Uni-span, opening up new markets and regions and adding an equipment sales component. Product sales now comprise 23% of revenue, up from 9%.

Amongst the many highlights of the year those that stand out include:

- the Sun-metals contract in Townsville that generated circa $7 million in revenue across a range of packages;
- sale of Acrow Powershore equipment to BKH Group for use on the Sydney Metro Barangaroo Station development to the value of $3.2 million; and
- significant penetration into the Victorian civil infrastructure market. Acrow is now the major supplier on both the Melbourne Metro Rail and Melbourne Western Distributor projects.

In relation to our Natform screens business we have had a very successful second half of FY20 that has now carried forward into FY21.

In Sydney, Natform secured contracts to supply screens to two major St Leonards high rise developments that will generate circa $1.6 million in revenue. Adding to this success, in July 20 the business secured its largest ever contract to supply screens to the Meriton twin tower development in Parramatta worth over $1.1 million in revenue.

Toowoomba Second Range Crossing, Toowoomba QLD

Natform is also successfully gaining market share in the Victorian screens market and we expect to see considerable growth from this market in coming years.

Commercial & Residential Scaffold

The strategic exit from the two-storey residential scaffold business in New South Wales and Victoria impacted the division's revenue. This move was always part of the overarching strategy of the Company to move away from the highly commoditised segments of the market. Excluding this business, revenue was up 6%, supported by contributions from Uni-span. In the second half, scaffold hire prices softened, and activity levels were put under pressure due to Covid-19 restrictions.

Acrow remains committed to operating a commercial scaffold division, as we believe there will be both short-term to medium-term opportunities to grow market share, as some competitors exit the industry due to the difficult market conditions. Longer-term, we would expect the division should benefit from a cyclical recovery.

Industrial Scaffold

The acquisition of Uni-span has opened new opportunities in the energy, mining and industrial sectors, underpinned by the extension of our significant contract with Origin Energy. We are aiming to expand the business nationally from its Queensland base, and already have won contracts in New South Wales.

The competitive dynamic in this space has strong similarities to the civil infrastructure sector, as customers value safety, quality, equipment suitability and overall service provision above price in their tendering processes. Expanding this business will be a strong focus for the Company going forward.

Strong Balance Sheet and Cashflow

Total assets increased $72.9 million to $148.2 million primarily due to the adoption of AASB16, which increased right-of-use assets by $32.4 million, and the acquisition of Uni-span which added $25 million in property, plant and equipment.

The Group made use of accelerated depreciation deductions and carried forward tax losses, resulting in no tax being payable for the year and a $0.3 million tax credit. Capital expenditure during the year totalled $12.1 million, including $3.8 million for maintenance and $8.3 million for growth initiatives.

In December 2019, we successfully undertook a $5.2 million placement with institutional and sophisticated investors, with the proceeds used to fund the Sun-metals' zinc refinery expansion contract and Uni-span's growth opportunities.

Our People

We aim to recruit, train and retain the best management and engineering talent to drive the business, and continue to invest in our people so Acrow has the knowledge and systems to support the Company's next phase of growth. This includes developing engineering expertise and providing commercial customer solutions, and we encourage our professional staff to strengthen skills and industry accreditations. As the company grows, we intend to attract more experienced, qualified and like-minded talent to build our business. I am very proud to say that over the past two years especially, Acrow has now developed a very talented, diverse, and dedicated team that I believe will serve the business extremely well for many years to come.

Covid-19 Response

Covid-19's impact on Acrow to-date has been negligible, with our focus on large government-funded infrastructure projects protecting us from the general economic slowdown to a large degree. When concerns over the virus first appeared in March, we immediately implemented risk mitigation measures. From a cash management perspective the Company expects to save circa $6 million in cash outflows over the period April to September 2020, and I am pleased to report that no lost days or cases of Covid-19 have been recorded within the Company.

I am also very pleased to say that Acrow did not apply for or receive and Covid-19 related government assistance, nor were any of our employees impacted by any changes to their remuneration or working conditions as a result of Covid-19. In fact, during this period Acrow has been fortunate to secure new talent to the business.

Outlook

With Acrow firmly focused on the civil infrastructure and industrial scaffold markets, our potential growth opportunities have increased significantly. We have a strong pipeline of potential work and our reputation for quality and reliability grows with every completed contract.

We expect the civil infrastructure market will continue to provide opportunities for significant growth as government investment increases to stimulate economic activity post Covid-19. Offsetting this, we expect that the outlook for the privately funded commercial/residential construction sector remains uncertain. Fortunately, Acrow is now far less reliant on this sector.

Over the current year, major drivers of growth will include the continued roll-out of Uni-span and Natform products across all operating locations, as well as continued market share gains in mainly the Eastern Seaboard civil markets. Our focus on growing product sales across the group, helped by the launch of a new online sales platform, and a rebound in activity from industrial markets are expected to provide increasing contributions to both revenue and profit.

I would like to thank our hardworking team for their resilience during these unpredictable times. They have shown themselves to be adaptable and committed to building our company and, as the impact of the pandemic evolves, we will overcome its challenges together. Our balance sheet is strong, our people are resilient and our business is set for further growth.

I would also like to acknowledge the contribution of our executive team and dedicated Board for their major contributions in delivering on an ambitious pivot of this business over a two year period that has completely transformed Acrow into an engineering led, customer solutions focussed, nimble, multi-faceted provider of services and products to the Australian construction industry.

We really do believe we are playing a significant role in "Building Australia Smarter".

Steven Boland
CEO

Acrow supporting Sun Metals expansion

Acrow was engaged last year to provide industrial scaffold and formwork expertise for the Townsville Sun Metals zinc refinery expansion, a $300 million project that will increase output 17% to 270,000 tonnes.

The acquisition of Uni-span was instrumental in winning and successfully fulfilling the Sun Metals contract, illustrating the effectiveness of our strategy to grow the industrial scaffolding business.

Our Acrow and Uni-span teams worked together to supply over 2,300 tonnes of industrial scaffolding to on-site sub-contractors, which involved over 650 hours of design time. The bespoke scaffold and edge protection solutions were used on a number of key constructions, such as the new electrolysis building, ferric oxide facilities and leaching and purification areas.

"Through innovative engineering and design, using both the Acrow SuperCuplok and the Uni-span MK systems, we were able to demonstrate a formwork solution that was cost effective and made practical sense," said Jan Pienaar, General Manager, Acrow Queensland.

"The use of the MK System for the trusses in relation to the travelling gantry, which were built and assembled on-site and craned into position, was a great example of Acrow's ingenuity. Adopting this methodology enabled the structure to be built, minimising obstructions at ground level and allowing the lower level works to continue."

Sun Metals Expansion, Townsville QLD

"Acrow and Uni-span's can-do approach led Western Downs Contracting to award us the main formwork contract, worth circa $2.60 million."

BUSINESS OVERVIEW

Acrow is a leading provider of engineered formwork solutions and scaffold hire in Australia.

Gateway, Perth WA

Formwork

- Provides a range of wall forming panel, soffit forming and conventional systems for large and small construction equipment
- Dry hires formwork equipment and provides the product that forms the temporary mould to support concrete structures during construction
- Dry hires falsework equipment used to support suspended horizontal structures during construction
- Products are manufactured overseas and imported
- Generates revenue through dry hire agreements that are typically based on a price per tonne per week, or price per cubic metre per week

FY20 Commentary

- Continued focus on east coast government funded civil infrastructure market
- Acquisition of Uni-span enhanced products, capabilities and customers
- Project pipeline has continued to grow across the entire east coast
- Product sales of formwork increased
- Margins have remained higher and percentage contribution of formwork increasing

FY21 Strategy

- Focus on east coast infrastructure activity increased from government stimulus relating to Covid-19 response
- Continue to expand opportunities in NSW and Victoria
- Capitalise on past two years capital expenditure and acquisition of Uni-span
- Product sales of formwork a strategic priority

Screens

- Leading designer and hirer of screen systems for the construction industry
- Provides screen-based formwork systems which support the construction of commercial and residential high-rise buildings and civil infrastructure
- Dry-hire model offering highly-engineered solutions for a wide range of customers
- Engineering capabilities provide a key competitive advantage

FY20 Commentary

- Continued expansion from Queensland and NSW into Victoria and SA
- Last quarter of year was highest since acquisition
- Fully integrated into state formwork businesses

FY21 Strategy

- Largest pipeline since acquisition will be capitalised on
- Continued focus on cross sell opportunities and expansion into new markets
- Continued growth in NSW and Victoria

Industrial Scaffold

- The business acquired from Uni-span has a high quality management team and customer service ethic
- Generates revenue from wet hire agreements including hire, transport, labour and consumables.
- It is at the forefront of scaffold service providers in Queensland to the industrial sector
- It operates solutions primarily in the energy, mining and industrial sectors

FY20 Commentary

- This business expanded on acquisition of Uni-span
- Operated primarily out of Queensland however started the expansion in NSW

FY21 Strategy

- Expand further into NSW
- Continue to increase market share organically and potentially through acquisition
- Expand the product sales market including internationally

Commercial and Residential Scaffold

- Provides access solutions to builders and building contractors when working at heights
- Generates revenue through both dry hire and wet hire agreements
- Dry hire agreements are typically based on a price per tonne per week, over a minimum of 4 weeks
- Wet hire agreements are typically based on a contract sum encompassing equipment hire, transport, labour provisions and supply of consumables
- NSW and Victoria-based residential operations focused on providing scaffold equipment, labour and cartage services to the detached housing and small residential markets
- Solutions offered on both a wet and dry basis

FY20 Commentary

- Division revenue impacted by strategic exit of two storey residential business in NSW and VIC
- Scaffold hire prices continued to decline
- Activity levels under pressure from Covid-19 restrictions
- Provided in all states except Perth

FY21 Strategy

- Outlook from privately funded/residential projects difficult to predict
- Division well placed to take advantage of the countries recovery from Covid-19

Moving Melbourne's metro forward

Acrow's formwork and industrial scaffolding solutions proved their value and versatility last year, helping in the construction of Melbourne's Metro Tunnel and underground stations.

Over 3,000 hours of engineering and design work were completed, with Acrow supplying its MK System, a self-propelled 'double' dual purpose gantry, to complete formwork on the State Library Station. Acrow's SuperCuplok industrial scaffolding was also used for ground floor slab support at Town Hall Station.

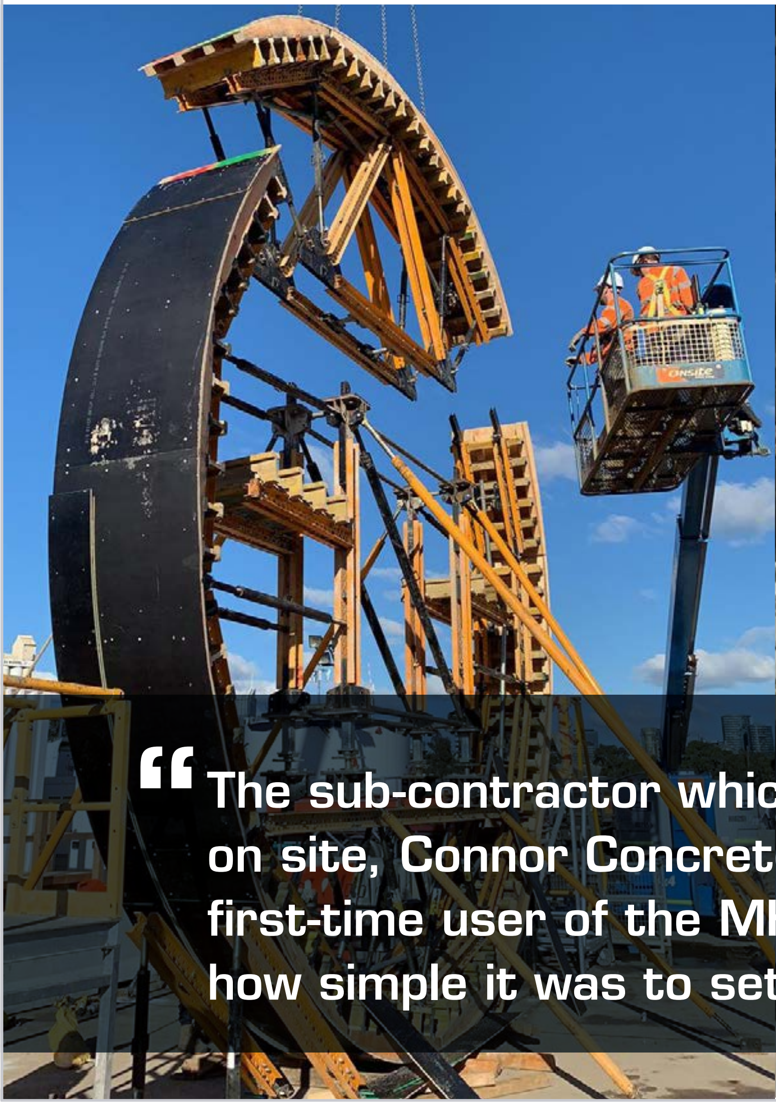
The Metro Tunnel is Melbourne's most extensive rail project since the City Loop was built in the 1970s. The circa $11 billion construction involves twin 9 kilometre rail tunnels and five stations located between North Melbourne and the Domain precinct south of the CBD. Underground walkways will also connect Town Hall to Flinders Street Station.

"Built and assembled on site, the gantry will twice travel the entire 250 metre length of the main cavern at the CBD North station," said Eddie McInulty, National Business Development Manager, Acrow.

"This will enable the upper level tie beams to be formed at a height of 14 metres. Once complete, the upper section is removed and adapted to accommodate an additional working platform at 8 metres, which enables the lower level roof beams to be formed.

"The gantry's motorised travel takes about 15 minutes to move between pours, allowing other works to continue. Sub-contractor CYP Design & Construction Joint Venture purchased the gantry, recognising the benefits of the formwork system's versatility and ability to be adapted for other sections of the tunnel project."

Metro Tunnel, Melbourne VIC



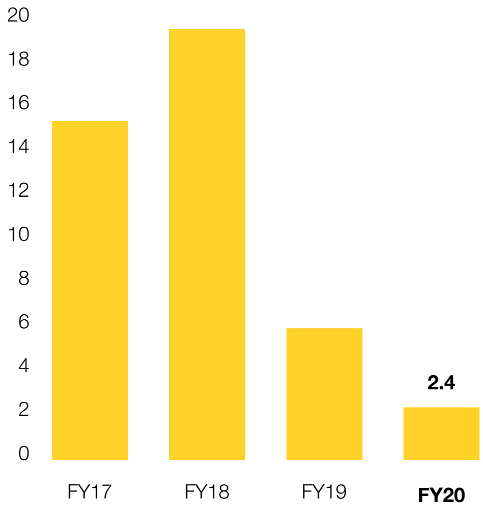
"The sub-contractor which assembled the gantry on site, Connor Concrete & Formwork, was a first-time user of the MK System and appreciated how simple it was to set up."

SAFETY

A multi-tiered process ensures our employees and subcontractors are trained and follow industry-leading safe work practices. While last year's acquisition and integration of Uni-span presented challenges, our people across business groups and at all levels remained focused on safety.

In FY20 we consolidated past gains, while progressing our new safety culture, resulting in a further reduction to our Lost Time Injury Frequency Rate (LTIFR) to 2.4, compared to FY19's 6.0 and FY18's 19.7. The reduction in LTIFR coincided with an 18% increase in working hours. We are aiming to build on this in partnership with our people and clients.

Lost Time Injury Frequency Rate



Origin APLNG (Industrial scaffold team), Surat Basin QLD

BOARD OF DIRECTORS & KEY MANAGEMENT TEAM

Mr Peter Lancken AM

Non-Executive Chairman

Peter has a career spanning over 25 years in a range of executive and director roles in equipment hire, industrial, and real estate companies. He was formerly the Managing Director and Non-Executive Chairman of Kennards Hire Pty Limited. Peter managed an era of growth spanning two decades at Kennards, with sales now exceeding $390 million from a network of over 180 locations, and remains on the Board as a Non-Executive Director.

Peter is also the Non-Executive Director of Crimestoppers NSW and was Non-Executive Chairman of Propertylink Group (ASX:PLG) prior to its acquisition in April 2019.

Peter holds a Bachelor of Engineering (Civil) degree from the University of New South Wales, is a Fellow of the Institute of Engineers Australia and is a fellow of the Australian Institute of Company Directors.

Mr Steven Boland

Executive Director

Steven joined Acrow in 2013 and since then has served as its Chief Executive Officer. Steven was previously the CEO of the Melbourne Rebels Rugby Club and was responsible for the start-up phase of a Super Rugby professional sporting team. Previously, from 2004 to 2010, Steven served as the Global Executive Director (Recycling) of Visy Industries, and from 2002 to 2004, Steven was the Executive Director (Commercial Waste) of Veolia Environment UK.

Mr Gregg Taylor

Non-Executive Director

Gregg has 20 years of international business experience in financial markets, technology, sports administration, media and retail. Gregg is an Executive Director of Bombora Investment Management, a boutique investment house.

Gregg has founded and managed multiple global operating businesses in sports, retail and media sectors.

Gregg has a Bachelor of Commerce Degree from University of Wollongong and was a CFA Charter holder.

Mr Joshua May

Non-Executive Director

Josh is a Partner of Bombora Group and a portfolio manager of Bombora's growth fund. Josh has over 20 years' corporate advisory experience, and has advised on a broad range of M&A transactions through varying economic cycles.

Josh currently serves as Chairman of LVX Global, Non-executive Director of Valory Resources Inc, and Director of Bombora Investment management. In the community, Josh is a Director of Find Your Feet, a charitable organisation involved in mental fitness and mental health.

Josh is a member of the Institute of Chartered Accountants, and holds a Bachelor of Arts Degree (Accountancy) from the University of South Australia.

Mrs Margaret Prokop

Executive Director

Previous proprietor of Natform businesses. Margaret has a Masters in Civil Engineering and has successfully led Natform for 30 years. Natform is now the leading designer and hirer of screen systems for the construction industry.

Mr David Moffat

Non-Executive Director

Appointed 19 September 2019

David has a career spanning over 35 years in the construction industry, most recently with Lipman for 29 years, prior to his resignation in December 2018. From 2013-2018, David was the Managing Director of the Lipman Group of Companies.

In 2019 David founded Cornerstone (NSW) Pty Ltd, whereas Managing Director, he provides strategic business planning and advisory services to Subcontractors, Head Contractors and Clients within the construction industry.

David brings with him key competencies in Leadership, Construction Management, Innovation and Safety. He holds a Bachelor of Engineering Degree (Civil) from The University of Technology, Sydney ("UTS").

Mr Michael Hill

Non-Executive Director

Resigned 19 September 2019

Mike is a former partner of Ernst & Young and Investment Director with the private equity firm Ironbridge from 2004 to 2014. He has also served on boards across numerous industries including technology, software services, retail, healthcare, media, waste services, tourism, hospitality and manufacturing.

Mike is a founder and Managing Director of the Bombora Special Investment Growth Fund and is currently the Non-Executive Chairman of AHAlife Holdings Limited, Rhipe Limited and Janison Education Group Limited.

Mr Hill has a Bachelor of Arts Degree (Accountancy) from the University of South Australia and is a member of the Australian Institute of Chartered Accountants.

KEY MANAGEMENT TEAM

Steven Boland

Chief Executive Officer
As above.

Andrew Crowther

Chief Financial Officer
Andrew joined Acrow in July 2019. He has more than 20 years' experience having held senior financial and chief financial officer roles at Thorn Group, SFG Ltd, BT Financial Group and Colonial First State. He brings a breadth of industry and property infrastructure finance expertise to Acrow, including work in the property funds and asset management, superannuation and financial advice, consumer finance and leasing and business finance industries.

Robert Caporella

General Manager (VIC)
Robert has been working with Acrow since 1994 and is currently the General Manager, overseeing operations in Victoria as well as national overview of formwork operations.

Jan Pienaar

General Manager (QLD)
Jan joined Acrow in December 2018 as General Manager, Queensland. He has more than 10 years' management experience and was previously National Sales manager at Doka Formwork Australia, and before that as General Manager (Formwork) at Waco Kwikform.

Jan holds a BComm Hons degree from the University of Stellenbosch, South Africa.

Nicholas Jacobs

General Manager (NSW)
Nicholas joined Acrow in February 2020 and serves as NSW & ACT General Manager. Nicholas has over 30 years' of construction industry experience, having worked with some of Australia's most prominent building and engineering firms including Hansen Yuncken, UGL and GHD.

Matthew Caporella

National Manager – Engineering Operations
Matthew joined Acrow in 2012 and is currently the National Manager – Engineering Operations.

Mr Caporella holds a Bachelor of Engineering (Civil) and Bachelor of Business (Management) from the Queensland University of Technology. He is a Chartered Professional Engineer with the Institute of Engineers Australia and a Registered Professional Engineer Queensland.

Jeffery Stewart

National Sales & Marketing Manager
Jeffery joined Acrow in 2011 and is currently the National Sales and Marketing Manager.

His prior roles include Regional Manager and director for Atlas Steels in New Zealand, National Market Development Manager at Atlas Specialty Metals, and Market Development Manager for Smorgon Steels Metals Distribution.

Joe Cerritelli

General Manager, Human Resources & Safety
Joe joined Acrow in 2014 and is currently the General Manager for Health and Safety.

His prior roles include National Safety and Compliance Manager at G4S Australia, and Team Leader in Industrial Relations and Safety at Catholic Education Commission of Victoria.

Jurie Roetger

Qld Scaffold Manager
Jurie joined the Acrow Group as part of the Uni-span acquisition in October 2019. He has more than 17 years industry experience and 17 years of service with the Uni-span group of companies. Jurie is General Manager for the Industrial Services Business and Queensland Scaffold Manager. His previous roles with the Uni-span Group includes Scaffold Designer, Project Manager, North Queensland Manager and National Industrial Services Manager.

Jurie holds a Diploma in Business Management and Diploma in Commercial Construction.

Colin Fisher

General Manager (TAS)
Colin is the General Manager in Tasmania, having previously worked at Honeywell Business Solutions as a General Manager.

Prior to Honeywell Business Solutions he worked at Visy Industries as the General Manager, and as the National Operations Manager at Onyx UK Limited.

Bill Goodall

General Manager (SA)
Bill joined Acrow in 2016 and is currently our South Australian State Manager after recently being our NSW General Manager.

Bill has spent the last 15 years in management roles in the Formwork and Scaffold industry operating in NSW, SA, NT & WA.

Conan Godrich

General Manager (WA)
Conan brings a decade of experience with Acrow and is currently the General Manager for WA operations.

His prior roles include Account Manager (Gnangara Operations) at Rinker Australia, and Sales and Customer Service at OneSteel Reinforcing.

Mr Godrich holds a Bachelor of Commerce from Murdoch University and a Degree in Project Management from Curtin University of Technology.

Jason Merjane

Natform Manager (NSW)
Jason joined Natform in 2015 and is currently the Natform Manager in the NSW branch.

Mr Merjane holds a bachelor of Engineering (Civil) from Western Sydney University and is a member of The Institution of Engineers Australia.

Matthew Riley

Head of IT
Matthew joined Acrow in April 2020 and currently the Head of IT.

His prior roles include leading IT for a ASX listed national recruitment business and also working in television. He has over 20 years experience in IT. His main focus will include technology upgrades and managing key vendor relationships

Carl Roetger

National Head of Procurement
Carl joined Acrow in October 2019 as the National Procurement Manager.

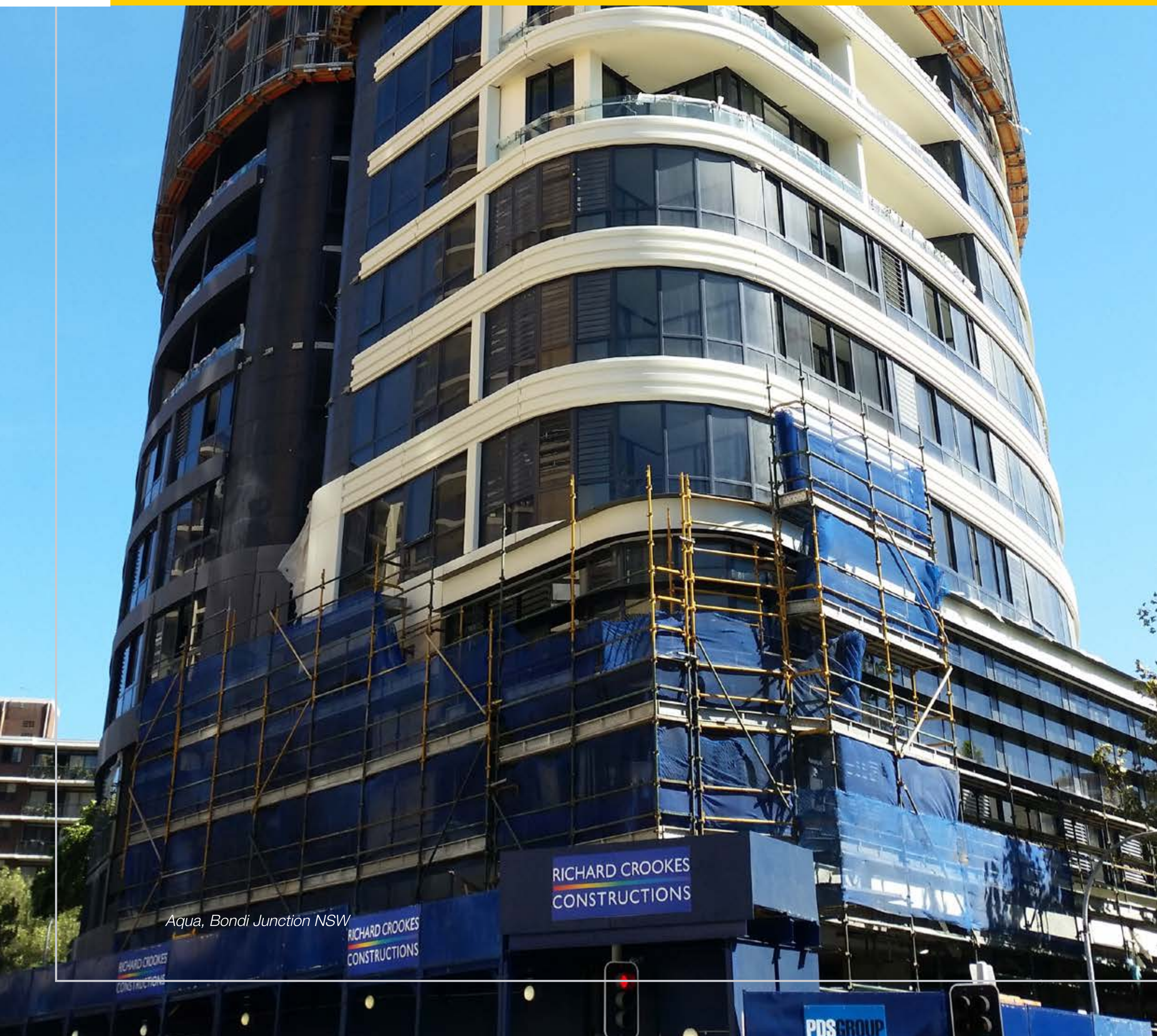
He was previously Co founder and Director of Uni-span Australia since 2001. Prior to this Carl was the Co-founder and Joint MD of Nu-form Formwork and Scaffolding in South Africa. Carl holds a Bachelor of Commerce from the University of Pretoria, South Africa.

Eddie McInulty

National Business Development Manager
Eddie joined Acrow in 2019 and brings 20 years of experience from both in the UK and Australia, specialising in the Civil Engineering & Infrastructure industry.

Previous roles include Managing Director for GHI Formwork Australia, National Sales Manager for Uni-span and prior Sales Management roles with Peri Australia and Peri UK Ltd. He holds a Bachelor of Town & Country Planning Degree from The University of the West of England, Bristol.

FINANCIAL REPORT



Aqua, Bondi Junction NSW

The Directors present their report, together with the Annual Financial Report for Acrow Formwork and Construction Services Limited (Acrow or the Company) and its controlled entities, for the year ended 30 June 2020, and the Auditor's Report thereon.

This report has been prepared in accordance with the requirements of the Corporations Act 2001 and the information below forms part of this Directors' Report:

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Peter Lancken (Chairman)
Steven Boland (Chief Executive Officer)
Gregg Taylor
Joshua May
Margaret Prokop
David Moffat (appointment effective 19 September 2019)
Michael Hill (resigned 19 September 2019)

Information on the current directors and shareholdings are presented on pages 2 to 6 in the Annual Report. This information includes the qualifications, experience and special responsibilities of each director.

DIRECTORS' MEETINGS

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year ending 30 June 2020 are:

	Board of Directors		Remuneration and Nomination Committee		Audit and Risk Committee	
	No. held	No. attended	No. held	No. attended	No. held	No. attended
Peter Lancken (Chairman)	17	16	1	1	3	3
Steven Boland (Chief Executive Officer)	17	17	1	1	3	3
Gregg Taylor	17	15	1	1	3	3
Joshua May	17	14	1	1	3	3
Margaret Prokop	17	15	–	–	–	–
David Moffat	14	13	1	1	2	2
Michael Hill	4	3	1	1	3	3

Mr Michael Hill was the Chair of the Remuneration and Nomination Committee up to his date of resignation on 19 September 2019 and replaced on that day by Mr Gregg Taylor.

Mr Joshua May is the Chairman of the Audit and Risk Committee.

COMPANY SECRETARY

Mr Lee Tamplin of Automic Group is the Company Secretary and has over 20 years' experience in the financial services industry in both Australia and the UK. He is Company Secretary for a number of ASX listed, NSX listed and Proprietary companies across a range of industries. Mr Tamplin holds a BA (Hons) Financial Services (Bournemouth University United Kingdom), a Diploma of Financial Planning, is a Graduate of the Australian Institute of Company Directors, a Member of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

PRINCIPAL ACTIVITIES

Acrow operates in the Australian construction services industry, hiring formwork, falsework, scaffolding and screen equipment and undertakes sales of formwork and scaffolding related consumables. It also operates an industrial scaffolding business.

The formwork operation involves the supply of the temporary mould that supports concrete structures in their construction, whilst falsework equipment is used to support suspended horizontal structures during construction.

The scaffolding operation supplies scaffolding equipment and access solutions to builders and building contractors when working at heights.

Screen-based formwork systems support the construction of civil infrastructure, commercial and residential buildings.

The industrial scaffolding operation supplies an industrial labour service to compliment the scaffolding hire to the energy, industrial and mining sectors.

OPERATING AND FINANCIAL REVIEW

The Acrow business continued to perform strongly for the 12 months to 30 June 2020, with the inclusion of 8 months of the acquired Uni-span business.

The business continued to re-base towards the value added, highly engineered civil formwork solutions market as well as an increased focus on equipment sales and expanding its new Industrial Scaffold division.

Financial performance:

The company achieved a net profit after tax of $3.0m being lower than the 2019 profit of $4.9m. The current year included 8 months profit from the Uni-span acquisition however was offset by significant one-off acquisition and integration costs of $3.3m and the impact of AASB 16: *Leases*, that was not included in the comparative profit.

On an underlying basis (refer to table below), the net profit after tax increased from $7.5m to $9.0m and the key highlights for the year included:

- Sales revenue up 22% and EBITDA up 30% on the prior comparative period, assisted by the contribution from the Uni-span acquisition, a strong focus on product sales, and improved trading from the Natform screens business.
- Excluding the financial impact of the strategic exit from the Sydney & Melbourne two-storey residential scaffold markets, pro-forma sales revenue and sales contribution increased 36% and 31% respectively.
- Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $15.0m, up 30%, and EBITDA margin of 17.3%, up 100 bpts.
- Underlying net profit after tax of $8.9m after adding back share-based payments and significant one-off items of acquisition and integration costs, up 16%, assisted by a tax credit but offset by a higher depreciation charge and higher funding costs.

Basic earnings per share was 1.55cps (2019: 2.88cps) statutory or 4.62cps (2019: 4.36cps) on an underlying net profit basis.

A final dividend of 1.05cps (fully franked) was declared. An interim dividend of 0.7cps fully franked had been declared but was subsequently cancelled as a response to the Covid-19 epidemic, therefore the full 2020 dividends paid and declared was 1.05cps fully franked.

Financial performance table

	2020 $'000	2019 $'000
Statutory net profit after tax	**3,013**	**4,948**
Add back share-based payments	1,345	1,420
Add back acquisition and integration costs	3,276	897
Add back impact of AASB 16	1,082	–
Add back accelerated depreciation on acquisition	266	–
Add back refinancing and break costs	–	241
Underlying net profit before tax	**8,982**	**7,506**

	2020 $'000	2019 $'000
Add back depreciation*	4,994	3,262
Add back interest*	1,363	723
Add back tax (benefit)/expense	(321)	59
EBITDA	**15,018**	**11,550**

* not including AASB 16 interest and depreciation

Financial position:

Net debt increased from $3.6m in 2019 to $14.6m, being cash $7.2m (2019: $3.3m) less debt of $21.8m (2019: $6.9m). This was predominantly due to both the acquisition and integration of Uni-span which included amortising bank debt of $13.75m and significant capital expenditure during the year. The gross cash increased from strong cash generation in the second half year, successful debtor management and Covid-19 mitigation measures. These will be discussed below.

Net gearing, being cash less bank debt increased from 7.1% to 20%.

Property plant and equipment increased from $47.0m to $76.0m due to the acquisition of Uni-span ($24.7m) and large capital expenditure ($12.1m) offset by depreciation.

Total trade receivables increased from $13.1m to $17.0m through both increased trading and the acquisition of Uni-span. During the year debtor's days improved from 65 to 58 days.

AASB 16 resulted in an increase in both assets and liabilities including a right of use asset of $32.4m and a lease liability of $34.2m.

Acquisition:

On 31 October 2019 Acrow acquired 100% shares of Uni-span Pty Limited (Uni-span).

Uni-span is a leading provider of engineered formwork systems servicing primarily the civil infrastructure market and scaffold hire solutions to the industrial markets.

The acquisition was financed through the issue of 10,000,000 shares in the Group, $12.6m debt and cash acquired (additional $1.1m debt for acquisition and integration costs). Two additional instalments of $1.5m and $3.5m are payable on 31 October 2020 and 2021. A further amount up to $4.3m is payable on 31 October 2021 if certain performance targets are met. This has not been accounted for due to low probability as at 30 June 2020.

Further information on the operating and financial review is contained in the Chairman's and Managing Director's Review on pages 2 to 6 of this Annual Report.

Operating results:

Refer to the Managing Director's Report on pages 2 to 6 of this Annual Report.

IMPACT OF COVID-19

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these consolidated financial statements. The estimation uncertainty is associated with:

- The extent and duration of the disruption to businesses arising from the actions by governments, businesses and consumers to contain the spread of the virus;
- The extent and duration of the expected economic downturn. This includes the disruption to capital markets, deteriorating availability of credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and
- The effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

The Group has developed estimates in these consolidated financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2020 about future events that the Directors believe are reasonable in the circumstances.

There is a considerable degree of judgement involved in preparing forecasts.

The underlying assumptions are subject to uncertainties which are often outside the control of the Group.

Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

DIVIDENDS

The Company paid a 1.0 cent unfranked dividend per share being a total of $1.75m for the financial year ending 30 June 2019 on 15 November 2019. Shares totalling 1,087,746 were issued under the Dividend Reinvestment Plan at $0.3141 cents per share.

The Directors declared an interim fully franked divided of 0.7 cents per share on 27 February 2020. This dividend was cancelled on 30 March 2020 in light of the Covid-19 pandemic to preserve cash.

Subsequent to year end, Directors declared a final dividend of 1.05cps (fully franked) on 25 August 2020. This dividend has not been provided for in this financial report.

ENVIRONMENTAL REGULATIONS

Acrow's operations are not subject to significant environmental regulations under the Commonwealth of Australia and State/Territory legislation. The Board believes that Acrow has adequate systems in place to manage its environmental responsibilities and is not aware of any breach of regulations.

The Group is also subject to environmental regulation in respect of its exploration activities in Ghana but not aware of any breach of those regulations.

NO OFFICERS ARE FORMER AUDITORS

No officer of the Company has been a partner in an audit firm, or a Director of an audit company, that is an auditor of the Company during the year or was such a partner or Director at a time when the audit firm or the audit company undertook an audit of the Company.

NON-AUDIT SERVICES

Following an audit tender process, the Board selected and approved Grant Thornton to replace KPMG as the new auditor of the Group, based on their industry expertise and competitive fee structure. This was approved by the Australian Securities & Investments Commission on 22 January 2020.

Prior to Grant Thornton being appointed as auditors for the Group, it performed certain non-audit services including due diligence and other advisory services related to the acquisition of Uni-span. Since appointment, Grant Thornton has performed tax compliance and advisory services in addition to their statutory duties for the Acrow business. The Board considers these non-audit services are compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor.

All the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor of the Group, Grant Thornton and their related practices for audit and non-audit services during the year are set in note 27.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 31 October 2019 Acrow acquired 100% shares of Uni-span Pty Limited (Uni-span), detailed in above.

There were no other significant changes in the Group's state of affairs.

REMUNERATION REPORT

Information on Acrow's remuneration framework and the outcomes for the Group are included in the Remuneration Report section of this Annual Report.

During the year, 1,200,000 options have been issued under the Employee Share Option Scheme (approved at the Annual General Meeting in November 2019).

Other than above, no new share rights or options were issued to Key Management Personnel or Non-executive directors during the year.

SHARE RIGHTS

At the date of this report, Acrow had 9,323,001 share options and rights outstanding relating to grants of deferred equity to Directors and employees under the previous Long-Term Incentive Plan. These have a range of vesting dates through to March 2024. During the year, 12,375,000 performance rights vested after achievement of targets and were exercised. In addition, 237,000 share options were exercised.

Subsequent to year end 15,108,000 Performance Rights were issued with vesting periods at the end of the financials years 2021 and 2022. If the vesting conditions are met each Performance Right can be exercised into one Fully Paid Ordinary Share at the holder's discretion until the expiry date of 31 July 2035. The Performance Rights were issued to employees of the Company under the Company's Rights Plan and form part of the new Long Term Variable Remuneration of the employees.

The remaining options and rights are unvested as holders are yet to complete a two-year continuous service condition due by March 2020.

Balance of outstanding options as at year end:

	Quantity outstanding	Weighted average exercise price	Expiry date
Options	9,323,001	$0.40	13 December 2020 to 16 July 2024
Loan funded options	2,475,000	$0.20	26 March 2023

For further details, refer to note 29 of this Annual Report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

For information about likely developments and expected results in the operations of the Company, refer to the Chairman's and Managing Director's Reports on pages 2 to 6 of this Annual Report.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under the terms of Article 35 of the Company's Constitution, and to the extent permitted by law, the Company has indemnified the directors of the Company named in this Directors' report, the Company Secretaries, and other persons concerned in or taking part in the management of Acrow. The indemnity applies when persons are acting in their capacity as officers of the Company in respect of:

- Liability to third parties (other than the Company or related bodies corporate), if the relevant officer has acted in good faith; and
- Costs and expenses of successfully defending legal proceedings in which relief under the *Corporations Act 2001* is granted to the relevant officer.

The Group has not made any indemnity payment during the year.

INSURANCE PREMIUMS

During the financial year, the Company paid a premium of $150,943 including GST for Directors' and Officers' Liability Insurance policy. The insurance provides cover for the Directors named in this Directors' Report, the Company Secretary, and officers and former Directors and officers of the Company. The insurance also provides cover for present and former Directors and officers of other companies in the Group.

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year and can be referred to on the Acrow Group website: https://www.acrow.com.au/investors/

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

As detailed above, the COVID-19 pandemic did not have any significant impact on the Group's operations during the year. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in Victoria, additional border closures between states, new stimulus measures (such as JobKeeper 2.0) and many other items. It is therefore not practical to estimate the potential impact, positive or negative, after reporting date.

Subsequent to year end, Directors declared a final dividend of 1.05cps (fully franked) on 25 August 2020. Payment is set for 13 November 2020, DRP participation is available for election.

On 31 July 2020 15,108,000 Performance Rights were issued in four tranches each with Earnings Per Share or Total Shareholder Return performance vesting conditions. Two tranches vest each at the end of the financials years 2021 and 2022. If the vesting conditions are met each Performance Right can be exercised into one Fully Paid Ordinary Share at the holder's discretion until the expiry date of 31 July 2035. The Performance Rights were issued to employees of the Company under the Company's Rights Plan and form part of the Long Term Variable Remuneration of the employees. The Rights Plan under which these Performance Rights were issued will be put to Shareholder approval at the Company's 2020 Annual General Meeting.

Premium finance loan of $868,754 was drawn on the 7th September 2020 repayable in full by 30 August 2021.

Other than the matters noted above, there has not arisen in the interval between the end of the financial year and the date of this Directors' report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of Acrow, the results of those operations, or the state of affairs of Acrow in future financial years

ROUNDING OF AMOUNTS

Acrow Formwork and Construction Services Limited is a company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Legislative Instrument, amounts in the Consolidated Financial Statements and this Directors' Report have been rounded off to the nearest dollar, unless stated otherwise.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration made under section 307C of the Corporations Act 2001 is set out on page 23 of the Annual Report and forms part of the Directors' Report for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors:

Peter Lancken
Chairman

Sydney, 24 September 2020

Steven Boland
Director, Chief Executive Officer

Sydney, 24 September 2020

Grant Thornton

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Sydney NSW 2000

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Auditor's Independence Declaration

To the Directors of Acrow Formwork and Construction Services Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Acrow Formwork and Construction Services Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 24 September 2020

1. Letter from the Chair of the Remuneration Committee

I am delighted to bring you this Remuneration Report of the Acrow Group. In preparing this report we have sought to assure shareholders that their Board is applying a high standard of governance to both remuneration and disclosure practices.

The development of remuneration policies and practices that meet the needs of the Company and expectations of stakeholders as circumstances evolve is challenging. To that end the Remuneration Committee will continue to review and seek feedback on remuneration practices from a range of sources including independent advisors, shareholders and other stakeholders. We invite our shareholders to write to the Remuneration Committee to provide feedback in this regard.

During the FY2020 reporting period, the Remuneration Committee has focussed on the performance of executives in delivering expected outcomes. We have also engaged external advisors to support the committee to identify those areas of remuneration policies, procedures and practices that will require ongoing change and improvement.

Gregg Taylor
Independent Non-Executive Director
Chair of the Remuneration Committee

2. Scope of the Remuneration Report and Individuals Classed as KMP

The Remuneration Report sets out the prescribed key management personnel (KMP) remuneration information and details in accordance with section 300A of the Corporations Act and associated regulations, including policies, procedures, governance, and factual practices as required.

In addition, Acrow Formwork and Construction Services Limited (Acrow, the Company) has decided to set out such further information as shareholders may require for them to obtain an accurate and complete understanding of the Company's approach to the remuneration of KMP.

KMP are the non-executive directors, the executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the consolidated entity. On that basis, the following roles/individuals are addressed in this report:

Non-executive Directors (NEDs)

- Mr Peter Lancken, independent non-executive Chairman since 27 March 2018,
- Mr Michael Hill, independent non-executive director and Chair of the Rem & Nom Committee, since 27 March 2018 through to resignation on 19 September 2019,
- Mr Josh May, independent non-executive director since 27 March 2018, Chair of the Audit & Risk Committee,
- Mr Gregg Taylor, independent non-executive director since 11 August 2017, Chair of the Rem & Nom Committee since 19 September 2019, and
- Mr David Moffat, independent non-executive director since 19 September 2019.

Senior Executives Classified as KMP During the Reporting Period,

- Mr Steven Boland, Chief Executive Officer (CEO) & Executive Director since 27 March 2018,
- Ms Margaret Prokop, Executive Director since 31 August 2018,
- Mr Andrew Crowther Chief Financial Officer (CFO) since 8 July 2019.

3. Context of KMP Remuneration for FY2020 and Into FY2021 – unaudited

3.1 Relevant Context for Remuneration Governance during FY2020

The KMP remuneration structures that appear in this report are largely those that prevailed over FY2020, as is required by regulation, but also address expectations for FY2021, to some extent.

The Board has undertaken to further develop remuneration governance, policies and practices applied to KMP of the Company, as well as other employees as the business matures. The following outlines important context for the decisions that were made in relation to remuneration for/during FY2020, the outcomes of which are presented in this report.

- A total of 1,200,000 options were issued to Andrew Crowther in July 2019 as part of his remuneration.
- The Company is focussed on delivering value for shareholders by executing on strategy including:
  - Becoming the leading engineered formwork sales and hire equipment solutions provider in Australia
  - After the acquisition of Uni-span, become the leading engineered scaffold solutions provider to the Australian Industrial Scaffold market
  - Actively pursuing strategically sensible acquisitions to accelerate profitable growth
  - Target high ROI organic growth opportunities across all states.

4. Overview of Acrow's Remuneration Governance Framework & Strategy

4.1 Transparency and Engagement

The Company seeks input regarding the governance of KMP remuneration from a wide range of sources, including:

- Shareholders and other stakeholders,
- Remuneration Committee Members,
- External remuneration consultants (ERCs),
- Other experts and professionals such as tax advisors and lawyers, and
- Company management to understand roles and issues facing the Company.

The following outlines a summary of Acrow's Remuneration Framework, including policies and practices to the extent developed. Shareholders can access a number of the related documents by visiting the investors portal on the Company website www.acrow.com.au. It is recommended that shareholders, proxy advisors and other interested parties consider all the available information.

4.2 Remuneration Committee Charter

The Remuneration Committee Charter (the Charter) governs the operation of the Remuneration Committee (the Committee). It sets out the Committee's role and responsibilities, composition, structure and membership requirements. The purpose of the Committee is to assist the Board by:

- Establishing appropriate processes regarding the review of the performance of directors, committees and the Board, and implementing them,
- Reviewing and making recommendations to the Board in relation to the remuneration packages of Senior Executives and non-executive directors, equity-based incentive plans and other employee benefit programs,
- Developing policies, procedures and practices that will allow the Company to attract, retain and motivate high calibre executives, and
- Ensuring a framework for a clear relationship between key executive performance and remuneration.

The Committee has the authority to obtain outside legal or other professional advice or assistance on any matters within its terms of reference.

Acrow recognises the importance of ensuring that any recommendations given to the Committee provided by remuneration consultants are provided independently of those to whom the recommendations relate. Further information about the parameters under which external remuneration consultants are engaged is provided below.

4.3 Senior Executive Remuneration Policy

The Company's senior executive remuneration policy may be summarised as follows:

- Remuneration for senior executives should be composed of:
  - Fixed Package inclusive of superannuation, allowances, benefits and any applicable fringe benefits tax (FBT),
  - Variable remuneration which is at-risk, creating opportunity for the Company to pay less than the potential variable remuneration when performance expectations have not been met, and which is partly an incentive to

reward executives for meeting or exceeding expectations, including:

- Short Term Incentive (STI) or Bonus opportunity which provides a reward for performance against annual objectives, and
- Long Term Variable Remuneration (LTVR) which provides an equity-based reward for performance against indicators of shareholder benefit or value creation, over a multi-year period, and

– In total the sum of the elements will constitute a total remuneration package (TRP).

- Both internal relativities and external market factors should be considered,
- Total remuneration packages (TRPs, which include Fixed Package and incentives) should be structured with reference to market practices, the practices of competitors for talent, and the circumstances of the Company at the time,
- Remuneration will be managed within a range so as to allow for the recognition of individual differences such as the calibre of the incumbent and the competency with which they fulfil a role (a range of +/- 20% is specified in line with common market practices), and
- Termination benefits will generally be limited to the default amount allowed for under the Corporations Act (without shareholder approval).

Changes to remuneration resulting from annual reviews are generally to be determined in relation to:

- external benchmarking, and/or market movements,
- whether current remuneration for the incumbent is above or below the policy midpoint/benchmark – those below the midpoint will tend to receive higher increases,
- the competence of the incumbent in fulfilling their role which determines their positioning within the policy range – higher calibre incumbents are intended to be positioned higher in the range, and
- any changes to internal relativities related to role/organisation design that have occurred since the previously review.

4.4 Non-executive Director Remuneration Policy

The Non-executive Director remuneration policy applies to non-executive directors (NEDs) of the Company in their capacity as directors and as members of committees, and may be summarised as follows:

- Remuneration may be composed of:
  - Board fees,
  - Committee fees,
  - Superannuation,
  - Other benefits, and
  - Equity (if appropriate at the time)
- Remuneration will be managed within the aggregate fee limit (AFL) or fee pool approved by shareholders of the Company, noting that equity does not count towards the AFL unless cash remuneration is sacrificed for a grant of equity, refer section 9,
- The Board may seek adjustment to the AFL in the case of the appointment of additional NEDs, or should the AFL become insufficient to attract or retain the appropriate calibre of NEDs,
- Remuneration should be reviewed annually,
- Committee fees may be used to recognise additional contributions to the work of the Board by members of committees in circumstances that the workload of the Board is not equally shared,
- The Board Chair fee will be set as a multiple of the fees payable to other NEDs, in recognition of the additional workload associated with this role.

4.5 Short-Term Incentive Policy

The short-term incentive policy of the Company is that an annual component of executive remuneration should be at-risk and allow the Company to modulate the cost of employment to align with individual and Company performance while motivating value creation for shareholders:

- The STI should be paid in cash and deferral should not apply since there is a separate component of remuneration (the LTVR) which is intended to address long term outcomes,
- Non-executive directors are excluded from participation,
- A termination of employment will trigger a forfeiture of some or all of unearned STI entitlements depending upon the circumstances of the termination. The Board retains discretion to trigger or accelerate payment or vesting of incentives provided the limitation on termination benefits as outlined in the Corporations Act are not breached.
- Short term awards are linked to the main drivers of value creation at the group, business unit or

individual level, as may be appropriate to the role and subject to Board decision.

4.6 Long-Term Incentive Policy

The long-term incentive policy of the Company is that a component of remuneration of executives should be at-risk and linked to equity in the Company to ensure that the interests of executives are aligned with those of shareholders, and share risk with shareholders:

- The LTVR should be based on Performance Rights or Options (which may include Loan Funded Shares arrangements) that produce a benefit for Participants when performance objectives are met (which may include increasing Share price),
- The measurement period for long term incentives should be at least two years,
- A termination of employment will trigger a forfeiture of some, or all of the long-term incentives held by an executive in respect of which performance conditions and hurdles have not yet been met, depending upon the circumstances of the termination. The Board retains discretion to trigger or accelerate payment or vesting of incentives provided the limitation on termination benefits as outlined in the Corporations Act are not breached.

4.7 Securities Trading Policy

The Company's Securities Trading Policy applies to Directors and executives classified as KMP (including their relatives and associates), those employees working closely with KMP, employees nominated by the Board, or any other employee holding inside information. It sets out the guidelines for dealing in any type of Company Securities by persons covered by the policy, and the requirement for the Company to be notified within 2 business days of any dealing. It also summarises the law relating to insider trading which applies to everyone at all times. Under the current policy, those covered by the policy may not trade during a "blackout period" or when they hold inside information (subject to exceptional circumstances arrangements, see the policy on the Company website). The following periods in a year are "blackout periods" as defined in the policy:

- 2 weeks prior to the release of the Company's half year results,
- From the financial year balance date until 24 hours following the release of the Company's preliminary full year results (Appendix 4E),
- Within 24 hours of release of price sensitive information to the market, and
- another date as declared by the Board ("ad-hoc").

4.8 Executive Remuneration Engagement Policy and Procedure

The Company intends to adopt an executive remuneration engagement policy and procedure to manage the interactions between the Company and ERCs, to ensure their independence and that the Remuneration Committee will have clarity regarding the extent of any interactions between management and the ERC. This policy enables the Board to state with confidence whether the advice received has been independent, and why that view is held. The Policy states that ERCs are to be approved and engaged by the Board before any advice is received, and that such advice may only be provided to a non-executive director. Interactions between management and the ERC must be approved and will be overseen by the Remuneration Committee when appropriate. Refer to section 13.

4.9 Variable Executive Remuneration – The Short-Term Incentive Bonus Plan

Short Term Incentive Plan (STIP)

Aspect	Plan, Offers and Comments
Purpose	The short-term incentive bonus plan's purpose is to give effect to an element of remuneration. This element of remuneration reinforces a performance focussed culture, encourages teamwork and co-operation among executive team members and maintains a stable executive team by helping retain key talent. These objectives aim to be achieved by a simple plan that rewards participants for their performance during a 12-month period.
Measurement Period	The Company's financial year (12 months). For the year ended 30 June 2020, the measurement period was from 1 July 2019 to 30 June 2020.

Short Term Incentive Plan (STIP)

Aspect	Plan, Offers and Comments
Award Opportunities	The CEO was offered an opportunity of up to 50% of Fixed Package which is based on achieving a range of measurable KPI's which are predominately based on achieving EBITDA targets and strategic goals, shareholder return and net debt reduction, working capital improvement and meeting safety standards. For other KMP Executives, their individual KPI's are determined by the CEO in collaboration with the Board.
Performance Assessments and Award Outcomes	Performance assessments are undertaken by the CEO in relation to other Senior Executives who then make recommendations to the Board, and by the Board in relation to the CEO. The Board has discretion to vary the recommendations of the CEO in determining final award outcomes.
Award Payment	Assessments and award determinations are performed following the end of the Measurement Period and the auditing of Company accounts. Awards will generally be paid in cash in the September following the end of the Measurement Period. They are to be paid through payroll with PAYG tax deducted as appropriate. Deferral has not been introduced due to the mix of short term and long-term incentives being appropriately weighted.
Cessation of Employment During a Measurement Period	In the event of cessation of employment due to dismissal for cause, all entitlements in relation to the Measurement Period are forfeited. In the event of cessation of employment due to resignation, all entitlements in relation to the Measurement Period are forfeited, unless the termination is classified as "good leaver" in the discretion of the Board, in which case the Board may make an award at the time of the termination, or assess outcomes at the normal time, following the termination.
Change of Control	In the event of a Change of Control including a takeover, the Board has discretion regarding the treatment of short-term incentive bonus opportunities.
Fraud, Gross Misconduct etc.	If the Board forms the view that a Participant has committed fraud, defalcation or gross misconduct in relation to the Company then all entitlements in relation to the Measurement Period will be forfeited by that participant.

4.10 Variable Executive Remuneration – Long Term Variable Remuneration Plan (LTVR) – Performance Rights, Options and Loan Funded Shares

Long Term Variable Remuneration Plan (LTVR)

Aspect	Plan, Offers and Comments
Purpose	The LTVR Plan's purpose is to provide an element of at-risk remuneration that constitutes part of a market competitive total remuneration package and aims to ensure that Senior Executives have commonly shared goals related to producing relatively high returns for Shareholders. Other purposes of the LTVR Plan are to assist Senior Executives to become Shareholders, provide a component of remuneration to enable the Company to compete effectively for the calibre of talent required for it to be successful and to help retain employees, thereby minimising turnover and stabilising the workforce such that in periods of poor performance the cost is lesser (applies to non-market measures under AASB2). As at balance date, the Company operates Options and Loan funded shares for the purposes of the LTVR.

Long Term Variable Remuneration Plan (LTVR)

Aspect	Plan, Offers and Comments
Form of Equity	The current plan in operation at balance date includes the ability to grant the following Rights to Eligible Employees which includes Directors and employees as nominated by the Board: ▪ Share Awards, ▪ Performance Rights, which are subject to performance related vesting conditions, and which may be settled upon exercise by new issues or on market purchase of ordinary fully paid Shares, ▪ Options, which are subject to an exercise price, and which typically have no intrinsic value when granted (exercise price is around the Share price), creating an incentive to increase Share price and grow shareholder value. The Options may be settled as "Cashless Exercise" in which case on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then market value of the Plan Shares as at the time of the exercise. Options may also be subject to performance related vesting conditions, and ▪ Loan funded shares and share purchase Loans, whereby the Company provides a non-recourse, interest free loan to executives to acquire fully paid ordinary shares, with an associated obligation to repay the lesser of the loan amount and the value of the Shares at the end of the term of the loan. This functions effectively the same as an Option, with no intrinsic value at the time the arrangement is made, however participants hold Shares at an earlier stage. The proceeds of the loan must be used to buy shares. As the only recourse on the loans is the shares and there are vesting conditions, the arrangement has been accounted for as share options, as required under accounting standards. No dividends accrue to unvested Rights or Options, and no voting rights are attached, however dividends do accrue to vested Loan Funded Shares (along with voting entitlements) which must be put towards repayment of the Loan if any amount is outstanding.
Plan Limit	Unless prior Shareholder Approval is obtained, the number of Awards which may be granted under this Plan (assuming all Options and Performance Rights were exercised) must not at any time exceed in aggregate 10% of the total Issued Capital of the Company at the date of any proposed new Awards.
LTI Value	The Board retains discretion to determine the LTVR to be offered each year, subject to shareholder approval in relation to Directors, when the Rights are to be settled in the form of a new issue of Company shares. The Board may also seek shareholder approval for grants to Directors in other circumstances, at its discretion. **FY2020 Invitations** Eligible employee Andrew Crowther was granted 1,200,000 share options with a total fair value of $73,742.10 No other form of LTI are have been granted during the year. **FY2021 Invitations** Subsequent to balance date a new LTVR plan was implemented. This is described in subsequent events notes to the financial statements.

Long Term Variable Remuneration Plan (LTVR)

Aspect	Plan, Offers and Comments
Measurement Period	The Measurement Period is determined by the Board as part of each grant. Only one employee, Andrew Crowther (CFO) received LTVR in the form of Options in FY2020. **Comments** Three-year Measurement Periods combined with annual grants will produce overlapping cycles that will promote a focus on producing long term sustainable performance/value improvement and mitigates the risk of manipulation and short-termism (continuous improvement). Because of the timing of grants, the life of the Right may be less than 3 years at times, however this does not impact the Measurement Period over which performance is measured.
Performance, Vesting and Forfeiture Conditions	The Board has discretion to set Vesting, Performance and Forfeiture Conditions and for each Invitation. When such conditions are not met, the entitlement lapses. **FY2020 Invitations** Except as indicated below, a participant must remain employed by the Company during the Measurement Period and the performance conditions must be satisfied for LTVR to vest. The following conditions apply to the grants of FY2020 made to Andrew Crowther as noted above: - Options: vesting is subject to continued service over four years across four equal tranches measured at end of each anniversary from the grant date, and a hurdle of the 20-day volume weighted average price of the Company's shares trading on the ASX exceeding 40 cents at any time from grant date.
Retesting	Retesting is not contemplated under the Plan Rules.
Amount Payable for Grants	The target value of LTVR is included in assessments of remuneration benchmarking and policy positioning. No amount is payable by participants for grants of Performance Rights. An Acquisition Price will apply in respect of grants of Loan Funded Shares (with an accompanying loan) and may also apply to grants of Share Awards, which may or may not have Vesting Conditions. Any loan must be repaid prior to the end of the Loan Term, up to the Market Value of the Loan Funded Shares (non-recourse). For the FY2018 grant, Loan Funded Shares were offered at a price of 20c each, being the share price at the time of the grant calculation, and a loan for this amount was provided to the Participant for this amount in respect of each Loan Funded Shares acquired. These shares have vested in March 2020 but remain unexercised at 30 June 2020. No new Loan Funded Shares have been granted since FY2019.
Exercise of Grants	Participants will be required to submit an Exercise Notice in respect of Options, in order to convert them to Shares, as well as the payment of the Exercise Price in respect of each Option exercised. For the FY2020 grants, the exercise price is 40c. Performance Rights were automatically exercised on the date the Vesting Notification which will be issued if the performance conditions and hurdles are met. No amount is payable by KMP on the exercise of Performance Rights.

Long Term Variable Remuneration Plan (LTVR)

Aspect	Plan, Offers and Comments
Disposal restrictions etc.	Options and/or Performance Rights granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless the consent of the Board is obtained, or due to the force of law in the case of the death of a Participant. The Board has discretion to determine the disposal restrictions attaching to Share Awards, Loan Funded Shares or Plan Shares (resulting from vesting and exercise of grants) as part of the Invitation terms.
Cessation of Employment	In the event of cessation of employment in the circumstances of a "Bad Leaver" (resignation or termination for cause), all unvested entitlements will be forfeited. In other circumstances, the treatment of unvested awards will be dealt with as determined by the Board. In the case of outstanding loans related to Loan Funded Shares, a Bad Leaver must repay the loan by the date of the cessation of employment. In other cases of termination, the Participant will have six months from the date of the termination, to repay the loan. If these requirements are not satisfied the Loan Shares are surrendered.
Change of Control of the Company (CoC)	If in the opinion of the Board a change of control event has occurred, or is likely to occur; a) Performance Rights granted will vest to the extent that the performance period has elapsed, and to the extent performance conditions have been met (may involve a pro-rata calculation), with the remainder lapsing, b) Options may be subject to accelerated vesting in the sole discretion of the Board, and c) Share Awards or Loan Funded Shares which do not vest will automatically be surrendered by the Participant, and any that do not lapse, and which are subject to an outstanding loan will be subject to the requirement of the loan being repaid by the date of the CoC.
Fraudulent or Dishonest Actions	If the Board takes the view that a Participant has acted fraudulently, dishonestly, or wilfully breaches their duties to the group, the Board has discretion to determine that unvested or unexercised awards are forfeited.

5. Proforma Executive Remuneration for FY2020 (non-statutory disclosure) – unaudited

The disclosures required under the Corporations Act (including regulations) and prepared in accordance with applicable accounting standards, do not provide shareholders with an understanding of the intended remuneration in a given year. For example, the LTVR disclosed is not reflective of the remuneration opportunity for the year being reported on, due to the requirements of AASB2. Therefore, the following table is provided to ensure that shareholders have an accurate understanding of the Board's intention regarding the remuneration offered to executives during FY2020. The values presented reflect the remuneration for a full year i.e. ignoring any part-year reporting impact.

Position	Incumbent	Fixed Package including Super	Target STI	LVTR Opportunity	Total Value of Package
Executive Director and Chief Executive Officer	Steven Boland	$550,954	$275,000	–	$825,954
Director	Margaret Prokop	$224,942	–	–	$224,942
Chief Financial Officer (appointed 8 July 2019)	Andrew Crowther	$321,003	$90,000	$73,742	$484,745

6. Vested/Awarded Incentives and Remuneration Outcomes in Respect of the Completed FY2020 Period (non-statutory disclosure) – UNAUDITED

The statutory disclosure requirements and accounting standards make it difficult for shareholders to obtain a clear understanding of what the actual remuneration outcomes for executives were in relation to a given reporting period. The following table brings these outcomes back to the year of performance outcome to which the award outcome relates, and which is the reporting period, i.e. LTI is presented as being part of the remuneration for the year during which performance testing was completed.

STI and LTI Outcomes

Position	Incumbent	Fixed Package including Super	Actual STI**	STI vested %	STI forfeited %	LVTR Value***	Total Value of Package
Executive Director and Chief Executive Officer	Steven Boland	$611,857	50,000	18%	82%	$482,195	$1,144,052
Director	Margaret Prokop	$225,117	–	0%	100%	Non-applicable	$225,117
Chief Financial Officer (appointed 8 July 2019)	Andrew Crowther*	$315,187	20,000	22%	78%	No vesting in terms of FY2020	$335,187

* For Andrew Crowther, the remuneration is from 8 July 2019 to 30 June 2020; full year for others.

** This is the value of the total STI award calculated and paid following the end of the FY2020.

*** LTVR vested in FY2020 includes options, loan funded shares and performance rights issued in March 2018 however only performance rights have been exercised at 31 March 2020 and disclosed in the above.

With Steven Boland (CEO), STI is capped at 50% of his package; with Andrew Crowther (CFO) STI is capped at 30% of his package subject to achieving individual KPIs and performance targets.

Details regarding the assessments of performance that gave rise to the short-term incentive bonus outcomes for FY2020 are given below.

7. Performance Outcomes for FY2020

7.1 Company Performance

The following outlines the performance of the Company over the FY16 and FY2020 period in accordance with the requirements of the Corporations Act:

Corporate Performance Measures

FY End Date	Revenue	Profit/ (loss) after Tax	Share Price	Change in Share Price	Total Dividend per share	ST change in Shareholder Value over 1-year value (SP increase + Dividends) Amount	%
30 June 2020	$81,681,600	$3,013,023	$0.315	$0.015	$0.010	$0.025	8%
30 June 2019	$68,858,910	$4,948,715	$0.300	$0.010	$0.015	$0.025	9%
30 June 2018*	$15,478,995	$10,510,658	$0.290	$0.170	Nil	$0.170	142%
30 June 2017**	$0	$(613,395)	$0.120	$(0.06)	Nil	$(0.06)	(33%)
30 June 2016	$0	$8,468,607	$0.180	n/a	Nil	n/a	n/a

* The above 30 June 2018 represents three-months consolidated result since Acrow's acquisition of the Acrow Holdings Group from April 18 to June 18.

** The Company was not listed between July 2013 to April 2016 and hence no further historical results provided.

7.2 Links Between Performance and Reward Including STI and LTVR Determinations

The remuneration of executive KMP is intended to be composed of three parts as outlined earlier, being:

- Fixed Package, which is not intended to vary with performance, but which tends to increase as the scale of the business increases (i.e. following success),
- STI which is intended to vary with indicators of annual Company and individual performance, and
- LTVR which is also intended to deliver a variable reward based on long-term measures of Company performance.

If STI is achieved, it is paid after the end of the financial period it related to. This level of potential award was considered appropriate under the STI process as it stood at the time, and strongly linked to performance.

Following the end of FY2020, reports on the Company's activities during the year were prepared for the Board. The Board then assessed the extent to which expectations had been met or exceeded in relation to the Company and each role, to calculate the total award payable. This included assessed NPAT, underlying EBITDA and EPS growth. This method of performance assessment was chosen because under the circumstances of capital raising and with the Company's business plans needing to be responsive to unexpected circumstances.

During the reporting period, grants of equity were made in relation to the LTVR scheme as part of remuneration for FY2020 but did not vest due to the presence of the long-term measurement period and vesting conditions that are yet to be completed/assessed.

7.3 Links Between Company Strategy and Remuneration

The Company intends to attract the superior talent required to successfully implement the Company's strategies at a reasonable and appropriately variable cost by:

- positioning Fixed Packages (the fixed element) around relevant market data benchmarks when they are undertaken,
- supplementing the Fixed Package with at-risk remuneration and incentives that motivate executive focus on:

– short to mid-term objectives linked to the strategy via annual performance assessments, and
– long term value creation for shareholders by linking a material component of remuneration to those factors that shareholders have expressed should be the long-term focus of executives and the Board, such as share price appreciation.

To the extent appropriate, the Company links strategic implementation and measures of success of the strategy, directly to incentives in the way that performance is assessed.

8. KMP Equity

8.1 Number of equities granted as remuneration

The following tables outline the changes in the amount of equity held by executives and non-executive directors. Only Andrew Crowther (CFO) has been granted 1,200,000 units of options during FY2020.

Executives:

		Number Held at 1 July 2019	Granted FY20		Forfeited	Vested and Exercised	Vested and Remaining Unexercised	Purchased/ Other	Number Held at 30 June 2020
Name	**Incumbent**	**Number**	**Date Granted**	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**
Steven Boland	Escrowed Shares*	1,000,000		–	–	–	–	(666,667)	333,333
	Loan Shares	510,000		–	–	–	510,000	–	510,000
	Options	340,000		–	–	–	340,000	–	340,000
	Performance Rights	2,550,000		–	–	(2,550,000)	–	–	–
	Unrestricted Shares	302,000		–	–	2,550,000		666,667	3,518,667
Margaret Prokop	Escrowed Shares	9,999,700		–	–	–	–	(9,999,700)	–
	Loan Shares	-		–	–	–	–	–	–
	Options	-		–	–	–	–	–	–
	Performance Rights	-		–	–	–	–	–	–
	Unrestricted Shares	392,981		–	–	–	–	10,330,573	10,723,554

Name	Incumbent	Number Held at 1 July 2019	Granted FY20		Forfeited	Vested and Exercised	Vested and Remaining Unexercised	Purchased/ Other	Number Held at 30 June 2020
		Number	Date Granted	Number	Number	Number	Number	Number	Number
Andrew Crowther	Escrowed Shares	–			–	–	–	–	–
	Loan Shares	–			–	–	–	–	–
	Options	–	16–Jul–19	1,200,000	–	–	–	–	1,200,000
	Performance Rights	–			–	–	–	–	–
	Unrestricted Shares	–			–	–	–		–
TOTALS		**15,094,681**		**1,200,000**	**–**	**–**	**850,000**	**330,873**	**16,625,554**

* Unrestricted shares: paid-up ordinary shares, no disposal restrictions.

NED's:

Name	Incumbent	Number Held at 1 July 2019	Granted FY20		Forfeited/ Disposed	Vested and Exercised	Vested and Remaining Unexercised	Purchased/ Other	Number Held at 30 June 2020
		Number	Date Granted	Number	Number	Number	Number	Number	Number
Peter Lancken	Escrowed Shares	5,000,000	–	–	–	–	–	(3,333,334)	1,666,666
	Loan Shares	525,000	–	–	–	–	525,000	–	525,000
	Options	350,000	–	–	–	–	350,000	–	350,000
	Performance Rights	2,625,000	–	–	–	(2,625,000)	–	–	–
	Unrestricted Shares	1,633,963	–	–	–	2,625,000	–	4,501,736	8,760,699
Michael Hill	Escrowed Shares	750,000	–	–	–	–	–	(500,000)	250,000
	Loan Shares	90,000	–	–	–		90,000	–	90,000
	Options	251,667	–	–	–	–	60,000	–	251,667
	Performance Rights	450,000	–	–	–	(450,000)	–	–	–
	Unrestricted Shares	2,979,826	–	–	–	450,000	–	500,000	3,929,826

Name	Incumbent	Number Held at 1 July 2019	Granted FY20		Forfeited/ Disposed	Vested and Exercised	Vested and Remaining Unexercised	Purchased/ Other	Number Held at 30 June 2020
		Number	Date Granted	Number	Number	Number	Number	Number	Number
Gregg Taylor	Escrowed Shares	250,000	–	–	–	–	–	(166,668)	83,332
	Loan Shares	90,000	–	–	–	–	90,000	–	90,000
	Options	400,000	–	–	–	–	200,000	–	400,000
	Options	60,000	–	–	–	–	60,000	–	60,000
	Performance Rights	450,000	–	–	–	(450,000)	–	–	–
	Unrestricted Shares	26,250	–	–	–	450,000	–	166,668	642,918
Joshua May	Escrowed Shares	750,000	–	–	–	–	–	(500,000)	250,000
	Loan Shares	450,000	–	–	–	–	–	–	450,000
	Options	300,000	–	–	–	–	–	–	300,000
	Performance Rights	2,250,000	–	–	–	(2,250,000)	–	–	–
	Unrestricted Shares	–	–	–	(500,000)	2,250,000	–	500,000	2,250,000
David Moffat	Escrowed Shares	–	–	–	–	–	–	–	–
	Loan Shares	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
	Performance Rights	–	–	–	–	–	–	–	–
	Unrestricted Shares	–	–	–	–	–	–	416,208	416,208
TOTALS		**19,681,706**	**–**	**–**	**(500,000)**	**–**	**1,375,000**	**1,584,610**	**20,766,316**

8.2 Value of equities granted as remuneration

Executives

Only selected employee have been granted options under the Employee Share Option Plan during the year and only Andrew Crowther has been granted options during the year, being 1,200,000 units at one to four years of service anniversary, valued at costs shown in the below table.

2020 Equity Grants

Name	Role	Type	Grant Date	Expiry Date	Fair Value per Unit	Total Value at Grant	Value Expensed in Previous Years	Value Expensed in FY20	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
Steven Boland	Executive Director and Chief Executive Officer	Loan Shares	27-Mar-18	27-Mar-23	0.1071	$54,621	$34,419	$20,202	–	–
		Options	27-Mar-18	27-Mar-21	0.0805	$27,370	$17,247	$10,123	–	–
		Performance Rights	27-Mar-18	27-Mar-21	0.2000	$510,000	$321,370	$188,630	–	–
Margaret Prokop	Executive Director	Loan Shares			–	–	–	–	–	–
		Options			–	–	–	–	–	–
		Performance Rights			–	–	–	–	–	–
Andrew Crowther	Chief Financial Officer (commenced 8 July 2019)	Options	16-Jul-19	16-Jul-24	0.0361	$10,843	$0	$10,369	$474	$474
		Options	16-Jul-19	16-Jul-24	0.0561	$16,816	$0	$8,051	$8,764	$8,764
		Options	16-Jul-19	16-Jul-24	0.0710	$21,301	$0	$6,802	$14,499	$14,499
		Options	16-Jul-19	16-Jul-24	0.0826	$24,782	$0	$5,937	$18,845	$18,845
TOTALS						**$665,733**	**$373,035**	**$250,115**	**$42,582**	**$42,582**

2019 Equity Grants

Name	Role	Type	Grant Date	Expiry Date	Fair Value per Unit	Total Value at Grant	Value Expensed in Previous Years	Value Expensed in FY19	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
Steven Boland	Executive Director and Chief Executive Officer	Loan Shares	27-Mar-18	27-Mar-23	0.1071	$54,621	$10,014	$24,404	$20,202	$20,202
		Options	27-Mar-18	27-Mar-21	0.0805	$27,370	$5,018	$12,229	$10,123	$10,123
		Performance Rights	27-Mar-18	27-Mar-21	0.2000	$510,000	$93,506	$227,864	$188,630	$188,630
Margaret Prokop	Executive Director	Loan Shares			–	–	–	–	–	–
		Options			–	–	–	–	–	–
		Performance Rights			–	–	–	–	–	–
David Williams	Chief Financial Officer (retired 29 June 2019)	Loan Shares	27-Mar-18	27-Mar-23	0	$17,752	$3,255	$7,931	$6,566	$6,566
		Options	27-Mar-18	27-Mar-21	0	$8,895	$1,631	$3,974	$3,290	$3,290
		Performance Rights	27-Mar-18	27-Mar-21	0	$165,750	$30,389	$74,056	$61,305	$61,305
TOTALS						**$784,388**	**$143,813**	**$350,459**	**$290,116**	**$290,116**

NED's

2020 Equity Grants

Name	Role	Type	Grant Date	Expiry Date	Fair Value per Unit	Total Value at Grant	Value Expensed in Previous Years	Value Expensed in FY20	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
Peter Lancken	Independent Non-executive Chairman	Loan Shares	27/3/18	27/3/23	0.1071	$56,228	$35,431	$20,797	–	–
		Options	27/3/18	27/3/21	0.0805	$28,175	$17,754	$10,421	–	–
		Performance Rights	27/3/18	27/3/21	0.2000	$525,000	$330,822	$194,178	–	–
Michael Hill	Independent Non-executive Director	Loan Shares	27/3/18	27/3/23	0.1071	$9,639	$6,074	$3,565	–	–
		Options	12/4/16	12/4/21	0.0309	$5,929	$5,929	–	–	–
		Options	27/3/18	27/3/21	0.0805	$4,830	$3,044	$1,786	–	–
		Performance Rights	27/3/18	27/3/21	0.2000	$90,000	$56,712	$33,288	–	–
Gregg Taylor	Independent Non-executive Director	Loan Shares	27/3/18	27/3/23	0.1071	$9,639	$6,074	$3,565	–	–
		Options	13/12/17	13/12/20	0.0708	$14,169	$14,169	$0	–	–
		Options	13/12/17	13/12/22	0.0874	$17,485	$17,485	$0	–	–
		Options	27/3/18	27/3/21	0.0805	$4,830	$3,044	$1,786	–	–
		Performance Rights	27/3/18	27/3/21	0.2000	$90,000	$56,712	$33,288	–	–
Joshua May	Independent Non-executive Director	Loan Shares	27/3/18	27/3/23	0.1071	$48,195	$30,369	$17,826	–	–
		Options	27/3/18	27/3/21	0.0805	$24,150	$15,218	$8,932	–	–
		Performance Rights	27/3/18	27/3/21	0.2000	$450,000	$283,562	$166,438	–	–
TOTALS						**$1,378,269**	**$882,399**	**$495,870**	**–**	**–**

No NED have been granted options in FY2020.

2019 Equity Grants

Name	Role	Type	Grant Date	Expiry Date	Fair Value per Unit	Total Value at Grant	Value Expensed in Previous Years	Value Expensed in FY19	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
Peter Lancken	Independent Non-executive Chairman	Loan Shares	27/3/18	27/3/23	0.1071	$56,228	$10,309	$25,122	$20,796	$20,796
		Options	27/3/18	27/3/21	0.0805	$28,175	$5,166	$12,588	$10,421	$10,421
		Performance Rights	27/3/18	27/3/21	0.2000	$525,000	$96,256	$234,566	$194,178	$194,178
Michael Hill	Independent Non-executive Director	Loan Shares	27/3/18	27/3/23	0.1071	$9,639	$1,767	$4,307	$3,565	$3,565
		Options	12/4/16	12/4/21	0.0309	$5,929	$5,929	$0	$0	$0
		Options	27/3/18	27/3/21	0.0805	$4,830	$886	$2,158	$1,786	$1,786
		Performance Rights	27/3/18	27/3/21	0.2000	$90,000	$16,501	$40,211	$33,288	$33,288
Gregg Taylor	Independent Non-executive Director	Loan Shares	27/3/18	27/3/23	0.1071	$9,639	$1,767	$4,307	$3,565	$3,565
		Options	13/12/17	13/12/20	0.0708	$14,169	$14,169	$0	$0	$0
		Options	13/12/17	13/12/22	0.0874	$17,485	$17,485	$0	$0	$0
		Options	27/3/18	27/3/21	0.0805	$4,830	$886	$2,158	$1,786	$1,786
		Performance Rights	27/3/18	27/3/21	0.2000	$90,000	$16,501	$40,211	$33,288	$33,288
Joshua May	Independent Non-executive Director	Loan Shares	27/3/18	27/3/23	0.1071	$48,195	$8,836	$21,533	$17,826	$17,826
		Options	27/3/18	27/3/21	0.0805	$24,150	$4,428	$10,790	$8,932	$8,932
		Performance Rights	27/3/18	27/3/21	0.2000	$450,000	$82,505	$201,057	$166,438	$166,438
TOTALS						**$1,378,269**	**$283,391**	**$599,008**	**$495,870**	**$495,870**

9. NED Fee Policy Rates for FY2020 and FY2021, and Fee Limit

Non-executive director fees are managed within the current annual fees limit (AFL or fee pool) of $500,000 which was approved by shareholders as part of the constitution of the Company since re-listing in April 2018.

The following table outlines the NED fee policy rates that were applicable as at the end of FY2020 unchanged since FY2018:

Director	Directors Fees/Executive Remuneration
Chairperson	$110,000
Other	$70,000 (full-time); $20,000 (part-time)

10. Remuneration Records for FY2020 – Statutory Disclosures

10.1 Senior Executive Remuneration

The following table outlines the remuneration received and receivable by Senior Executives of the Company prepared according to statutory disclosure requirements and applicable accounting standards:

FY2020

		Short Term						Share based payments			
Name	**Role**	**Salary**	**STI**	**Non-cash**	**Sub-total**	**Post employment**	**Other long term**	**Rights**	**Options**	**Total**	**% performance related**
Steven Boland	Executive Director and Chief Executive Officer	$504,951	$50,000	$85,904	$640,855	$21,003	$26,239	$188,630	$30,325	$907,052	30%
Margaret Prokop	Executive Director	$204,755	$0	$910	$205,665	$19,452	$31,532	$0	$0	$256,649	0%
Andrew Crowther	Chief Financial Officer (commenced 8 July 2019)	$294,565	$20,000	$0	$314,565	$20,622	$4,160	$0	$31,160	$370,507	14%
	Total KMP	**$1,004,271**	**$70,000**	**$86,814**	**$1,161,085**	**$61,077**	**$61,931**	**$188,630**	**$61,485**	**$1,534,208**	

STI of $70,000 was for FY2020, paid in July 2020.

FY2019

		Short Term						Share based payments			
Name	Role	Salary	STI	Non-cash	Sub-total	Post employment	Other long term	Rights	Options	Total	% performance related
Steven Boland	Chief Executive Officer	$479,951	$55,000	$6,975	$541,926	$20,531	$60,231	$227,864	$36,633	$887,186	36%
Margaret Prokop	Director	$167,832	$0	$0	$167,832	$15,944	$35,077	$0	$0	$218,853	0%
David Williams	Chief Finance Officer (resigned 29 June 19)	$295,131	$52,000	$15,427	$362,558	$20,531	$27,039	$74,056	$11,906	$496,089	28%
	Total KMP	**$942,914**	**$107,000**	**$22,402**	**$1,072,316**	**$57,006**	**$122,347**	**$301,920**	**$48,539**	**$1,602,128**	

10.2 NED Remuneration

Remuneration received by non-executive directors in FY2020 and FY2019 are disclosed below:

FY2020

		Short Term	Share based payments			
Name	Role	Board Fees	Rights	Options	Total	% performance related
Peter Lancken	Chairman	$109,996	$194,178	$31,217	$335,391	0%
Michael Hill	Independent NED	$32,500	$33,288	$5,352	$71,140	0%
Gregg Taylor	Independent NED	$70,000	$33,288	$5,352	$108,640	0%
Josh May	Independent NED	$70,000	$166,438	$26,758	$263,196	0%
David Moffat	Independent NED	$54,722	$0	$0	$54,722	0%
	Total NED	**$337,218**	**$427,192**	**$68,679**	**$833,089**	

FY2019

Name	Role	Short Term Board Fees	Share based payments Rights	Options	Total	% performance related
Peter Lancken	Chairman	$109,996	$234,566	$37,710	$382,272	0%
Michael Hill	Independent NED	$70,000	$40,211	$6,465	$116,676	0%
Gregg Taylor	Independent NED	$70,000	$40,211	$6,465	$116,676	0%
Josh May	Independent NED	$70,000	$201,057	$32,323	$303,380	0%
	Total NED	**$319,996**	**$516,045**	**$82,963**	**$919,004**	

11. Employment Terms for Key Management Personnel

11.1 Service Agreements

A summary of contract terms in relation to executive KMP is presented below:

Name	Position Held at Close of FY20	Employing Company	Duration of Contract	Period of Notice From Company	From KMP	Termination Payments
Steven Boland	Executive Director and Chief Executive Officer	Acrow Formwork and Construction Services Limited	Open-ended	6 months	6 months	Up to 6 months' Total Remuneration*
Margaret Prokop	Executive Director	Acrow Formwork and Construction Services Limited	Open-ended	6 months	6 months	Up to 6 months' Total Remuneration*
Andrew Crowther	Chief Financial Officer (commenced 8 July 2019)	Acrow Formwork and Construction Services Limited	Open-ended	6 months	6 months	Up to 6 months' Total Remuneration*

The treatment of incentives in the case of termination is addressed in separate sections of this report that give details of incentive design.

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation relevant to the office of the director. No contracts apply to the appointment of non-executive KMP.

12. Other Remuneration Related Matters

The following outlines other remuneration related matters that may be of interest to stakeholders, in the interests of transparency and disclosure:

- Other than in the case of grants of Loan Funded Shares, there were no loans to Directors or other KMP at any time during the reporting period, and
- Other transactions with KMP:

As with the previous year, the Company leases a number of industrial and commercial properties from Margaret Prokop's personal companies (MRP Property, MRP Property QLD & MRP Superannuation) through the Natform subsidiaries. Rental and related out-going payments to these companies amounted to $740,158 (2019: $665,087).

13. External Remuneration Consultant Advice

During the reporting period, the Board engaged Godfrey Remuneration Group Pty Ltd as an external remuneration consultant (ERC) to provide KMP remuneration recommendations relating to remuneration post the date of this report including the long term variable remuneration referred to in subsequent events in the directors report. The fees paid to the ERC was $16,500 exclusive of GST.

The Board reviewed the recommendations from the ERC directly and independent of executive management and are satisfied the recommendations were made free of undue influence of the relevant KMP's.

The Board has adopted a policy to govern any such future engagements, the details of which will be disclosed in future Remuneration Reports should they arise.

End of audited Remunerations Report.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2020

In dollars	Note	2020	2019
Continuing operations			
Revenue	4	81,681,600	68,858,910
Other income	5	2,096,471	881,092
Personnel expenses		(26,611,704)	(22,589,627)
Sub-contract labour costs		(18,498,438)	(18,005,200)
Inventory purchased, net of changes in finished goods		(13,303,195)	(9,120,271)
Depreciation		(9,639,607)	(3,261,936)
IT and telecommunication expenses		(1,331,878)	(876,211)
Freight costs		(1,252,113)	(810,466)
Property costs		(838,757)	(4,203,516)
Doubtful debts benefit/(expense)	10	322,690	(368,828)
Gain on fair value of derivatives	32	100,000	–
Other expenses	6	(7,524,863)	(4,532,209)
Profit before net finance costs and income tax		**5,200,206**	**5,971,738**
Finance income	7	37,211	11,261
Finance costs	7	(2,544,787)	(975,131)
Net finance costs		**(2,507,576)**	**(963,870)**
Profit before income tax		**2,692,630**	**5,007,868**
Income tax benefit/(expense)	8	320,705	(59,153)
Profit from continuing operations		**3,013,335**	**4,948,715**
Other comprehensive income			
Items that may be reclassified to profit / (loss)			
Foreign operations – foreign currency translation differences		(312)	(256)
Total comprehensive income for the year		**3,013,023**	**4,948,459**
Earnings per share from continuing operations			
Basic EPS (cents per share)	24	1.55	2.88
Diluted EPS (cents per share)	24	1.54	2.69

The Group applied AASB 16 Leases effective 1 July 2019 using the modified retrospective approach, per note 15. Under this approach, comparative information is not restated, and the cumulative effect is recognised in retained earnings at the date of initial application.

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

In dollars	Note	2020	2019
Current assets			
Cash and cash equivalents	9	7,238,511	3,289,617
Trade and other receivables	10	17,014,660	13,104,919
Inventories	11	5,577,745	3,413,361
Prepayments and other assets	12	2,355,240	1,125,992
Assets held for sale	13	72,854	71,296
Total current assets		**32,259,010**	**21,005,185**
Non-current assets			
Property, plant and equipment	14	76,038,493	46,992,624
Right-of-use lease assets	15	32,393,595	–
Intangibles	16	7,428,704	7,301,902
Other assets	12	99,411	–
Total non-current assets		**115,960,203**	**54,294,526**
Total assets		**148,219,213**	**75,299,711**
Current liabilities			
Trade payables	17	16,234,858	10,201,226
Other payables	17	3,492,952	2,230,199
Financial liability	32	350,000	–
Employee benefits	18	4,129,727	2,962,801
Lease liabilities	15	3,420,761	–
Loans and borrowings	19	5,981,098	2,102,006
Current tax liabilities	21	556,301	556,301
Liabilities held for sale	13	67,317	65,878
Total current liabilities		**34,233,014**	**18,118,411**
Non-current liabilities			
Other payables	17	3,331,309	2,128,080
Employee benefits	18	595,571	456,609
Lease liabilities	15	30,729,513	–
Loans and borrowings	19	15,837,398	4,837,086
Provisions	20	469,274	452,474
Deferred income tax liability	21	4,727,900	1,683,999
Total non-current liabilities		**55,690,965**	**9,558,248**
Total liabilities		**89,923,979**	**27,676,659**
Net assets		**58,295,234**	**47,623,052**
Equity			
Issued capital	22	45,674,176	34,814,339
Reserves		914,264	2,062,063
Retained earnings		11,706,794	10,746,650
Total equity		**58,295,234**	**47,623,052**

The Group applied AASB 16 Leases effective 1 July 2019 using the modified retrospective approach, per note 15. Under this approach, comparative information is not restated, and the cumulative effect is recognised in retained earnings at the date of initial application.

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

In dollars	Issued capital	Share based payments reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 30 June 2018	**29,377,927**	**623,011**	**56,286**	**8,403,983**	**38,461,207**
Total comprehensive income for the period					
Profit for the year	–	–	–	4,948,715	4,948,715
Other comprehensive income	–	–	(256)	–	(256)
Total comprehensive income	**–**	**–**	**(256)**	**4,948,715**	**4,948,459**
Transactions with owners of the Group					
Shares issued net of transaction costs	5,249,027	–	–	–	5,249,027
Dividends paid to shareholders	–	–	–	(2,107,019)	(2,107,019)
Shares issued under a Dividend Revinvestment Plan (DRP)				(499,029)	(499,029)
Equity settled share based payments	–	1,420,406	–	–	1,420,406
Proceeds from exercise of options	187,385	(37,384)	–	–	150,001
Balance at 30 June 2019 as previously reported	**34,814,339**	**2,006,033**	**56,030**	**10,746,650**	**47,623,052**
Adjustment from adoption of AASB 16 net of tax, per note 15	–	–	–	(302,854)	(302,854)
Restated balance at 1 July 2019	**34,814,339**	**2,006,033**	**56,030**	**10,443,796**	**47,320,198**
Total comprehensive income for the period					
Profit for the year	–	–	–	3,013,335	3,013,335
Other comprehensive income	–	–	(312)	–	(312)
Total comprehensive income	**–**	**–**	**(312)**	**3,013,335**	**3,013,023**
Transactions with owners of the Group					
Shares issued net of transaction costs	4,949,090	–	–	–	4,949,090
Shares issued under acquisition agreements	3,050,000	–	–	–	3,050,000
Performance rights converted to shares, net of costs	2,454,140	(2,475,000)	–	–	(20,860)
Dividends paid to shareholders	–	–	–	(1,750,337)	(1,750,337)
Shares issued under a Dividend Reinvestment Plan (DRP)	341,661	–	–	–	341,661
Equity settled share based payments	–	1,345,059	–	–	1,345,059
Transfer of option reserves to issued capital	17,546	(17,546)	–	–	–
Proceeds from exercise of options	47,400	–	–	–	47,400
Balance at 30 June 2020	**45,674,176**	**858,546**	**55,718**	**11,706,794**	**58,295,234**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

In dollars	Note	2020	2019
Cash flows from operating activities			
Receipts from customers		87,707,020	73,815,600
Payments to suppliers and employees		(71,418,334)	(64,260,069)
Cash generated from operations		16,288,686	9,555,531
Significant costs – acquisition and integration related costs	6	(2,999,612)	(896,610)
Finance income	7	37,211	11,261
Income tax paid		–	(114,729)
Net cash inflow from operating activities	26	**13,326,285**	**8,555,453**
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		5,302,646	2,151,417
Purchase of property, plant and equipment	14	(13,101,140)	(9,784,502)
Consideration paid for controlled entities, net of cash acquired	32	(12,182,477)	(6,729,487)
Deferred payment on acquisitions	17	(2,250,000)	–
Net cash outflow from investing activities		**(22,230,971)**	**(14,362,572)**
Cash flows from finance activities			
Proceeds from issue of shares	22	5,200,000	–
Capital raising costs		(271,771)	–
Proceeds from exercise of options	22	47,400	150,001
Proceeds from borrowings		19,915,010	8,091,238
Repayment of borrowings		(5,035,606)	(1,152,147)
Repayment of lease liabilities	15	(3,299,167)	–
Dividends paid net of DRP	22	(1,408,676)	(2,107,019)
Finance costs paid		(2,293,610)	(803,174)
Net cash inflow from financing activities		**12,853,580**	**4,178,899**
Net increase / (decrease) in cash and cash equivalents		**3,948,894**	**(1,628,220)**
Cash and cash equivalents at the beginning of the year		3,289,617	4,917,837
Cash and cash equivalents at the end of the year		**7,238,511**	**3,289,617**

* Reconciles to Note 32 Acquisition of Uni-span Group Pty Ltd, being cash consideration paid of $12,905,035 less cash and cash equivalents acquired of $1,174,659 plus a related company loan of $452,101.

The above statement should be read in conjunction with the accompanying notes.

Contents

1. Reporting entity

Acrow Formwork and Construction Services Limited (Acrow or the Group) is a limited company incorporated in Australia and whose shares are traded on the Australian Securities Exchange under the issuer code “ACF”.

The consolidated financial statements of Acrow for the year ended 30 June 2020 comprise of the Company and its controlled entities (the Group).

The Group is a for-profit entity and is primarily involved in the hire and sale of falsework, formwork, scaffolding and screen equipment, and other construction services.

Acrow’s Annual Report for prior reporting periods are available upon request from the Group’s registered office located at Level 5, 126 Phillip Street, Sydney NSW 2000, Australia or at www.acrow.com.au.

2. Basis of preparation

(a) Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and were authorised for issue by the Board of Directors on 24 September 2020.

Details of the Group’s significant accounting policies are included in note 3.

The Group adopted AASB 16 Leases (formerly AASB 117 Leases) from 1 July 2019 and this is the first set of the Group’s annual consolidated financial statements where AASB 16 Leases has been applied.

Further details are set out in note 3(o) New accounting standards and interpretations adopted and Note 15 Leases.

AASB 16 Leases introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets for properties, forklifts, motor vehicles and office equipment, representing its rights to use the underlying assets, and lease liabilities representing its obligation to meet lease payments.

2. Basis of Preparation (continued)

The Group acquired the Uni-span group of companies on 31 October 2019 and the consolidated financial statements includes those subsidiaries financial statements from 1 November 2019 to 30 June 2020.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivatives that are measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of consolidated 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 estimates are revised and in any future periods affected.

In particular, information about significant areas of estimations, uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements include the following:

Accounting estimate and judgements	Note
Revenue	4
Income tax (benefit)/expense	8
Trade and other receivables	10
Inventories	11
Property, plant and equipment	14
Leases	15
Intangibles	16
Employee benefits	18
Provisions	20
Deferred income tax liability and tax liability	21
Share based payments	29
Acquisition of Uni-span Group Pty Ltd	32

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

(e) Comparative information

Where applicable, comparative information is reclassified to comply with disclosure requirements and improve comparability. The impact of which is not material to the financial report.

(f) Working capital deficiency

The Statement of Profit or Loss and Other Comprehensive Income shows a profit for the period of $3,013,335 (2019: $4,948,715).

The Statement of Financial Position shows that as at 30 June 2020, current liabilities exceeded current assets by $1,974,004 (2019: net current asset position of $2,886,774) for the Group.

The deficit arises due to a combination of different factors being mainly:

- The current lease liability for the next 12 months being brought on the Statement of Financial Position for an amount of $3,420,761; and
- A deferred consideration payable of $3,842,952 related to the acquisition of Natform and Uni-span.

The directors have concluded as to the appropriateness of preparing the financial statements on a going concern basis in consideration of the forecast profitable operating results and positive cash flows from operations of the Group.

(g) Rounding

Acrow is a company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Legislative Instrument, amounts in these consolidated financial statements have been rounded off to the nearest dollar and are shown as such, unless stated otherwise.

(h) COVID-19 impact

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these consolidated financial statements. The estimation uncertainty is associated with:

(i) The extent and duration of the disruption to businesses arising from the actions by governments, businesses and consumers to contain the spread of the virus;

(ii) The extent and duration of the expected economic downturn. This includes the disruption to capital markets, deteriorating availability of credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and

(iii) The effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

The Group has developed estimates in these consolidated financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2020 about future events that the Directors believe are reasonable in the circumstances.

There is a considerable degree of judgement involved in preparing forecasts.

The underlying assumptions are subject to uncertainties which are often outside the control of the Group.

Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these consolidated financial statements.

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements have been prepared by aggregating the financial statements of all the entities that comprise the Group, being Acrow Formwork and Construction Services Limited and its controlled entities.

All inter-entity balances and transactions are eliminated in these consolidated financial statements.

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity, otherwise subsequent changes to the fair value of the contingent

3. Significant accounting policies (continued)

consideration are recognised in the statement of profit or loss.

(ii) Subsidiaries
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or (loss) on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognised in the statement of profit or loss, except for qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income.

(c) Financial instruments

(i) Non-derivative financial assets
The Group initially recognises receivables on the date that they are originated. All other financial assets (including assets held at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: receivables and cash and cash equivalents.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at the transaction price plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and cash equivalents, net of bank overdrafts. Cash equivalents represent highly liquid investments which are readily convertible to cash.

(ii) Non-derivative financial liabilities
The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities held at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

Financial liabilities comprise loans and borrowings, trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Issued 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.

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is 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 assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see below).

Cost also may include transfers from other comprehensive income of any gain or (loss) on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

The gains and (losses) on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in the statement of profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Right-of-use lease assets are depreciated over the shorter of the lease term and useful life, on a straight-line basis, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The expected useful lives for depreciation purposes are as follows:

- Hire equipment 13 – 33 years
- Leasehold improvements over the lease term
- Plant and equipment 3 – 20 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iv) Hire equipment loss provision

A hire equipment loss provision is recognised to cover the expected loss of equipment on hire. The provision is based on historical experience of unrecoverable losses incurred on the return of hire equipment from customers.

(e) Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at costs less any accumulated impairment losses.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost may also include transfers from other comprehensive income of any gain or (loss) on qualifying cash flow hedges of foreign currency purchases of inventories.

3. Significant accounting policies (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Impairment

(i) Non-derivative financial assets

Non-derivative financial assets comprise trade and other receivables and cash and cash equivalents.

Non-derivative financial instruments excluding financial assets at fair value in profit or loss are recognised initially at fair value plus transaction costs. Subsequent to initial recognition, non-derivative financial assets are measured at amortised cost less impairment losses.

A financial asset is recognised if the Group becomes a party to the contractual provisions of the asset.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

The Group recognises its financial assets at either amortised cost or fair value, depending on the contractual cash flow characteristics of the financial assets.

The classification of financial assets that the Group held at the date of initial application was based on the facts and circumstances of the financial assets held at that date.

Financial assets recognised at amortised cost are measured using the effective interest method, net of any impairment loss. Financial assets other than those classified as financial assets recognised at amortised cost are measured at fair value with any changes in fair value recognised in the statement of profit or loss.

Receivables

AASB 9 Financial Instruments requires an expected credit loss model.

For trade receivables, the Group has elected to apply the simplified lifetime expected credit loss approach, which includes consideration of customer specific factors and actual credit loss experience.

The Group provides for a loss allowance equivalent to the lifetime expected credit losses from initial recognition of those receivables.

Losses are recognised in the statement of profit or loss and reflected in an allowance account against trade receivables.

When a subsequent event causes the amount of impairment loss to decrease, the decrease is reversed through the statement of profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment, and if any such indication exists, then the asset's recoverable amount is estimated.

For intangible assets, namely goodwill that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 the risks specific to the asset.

For the purpose of annual impairment testing applicable to goodwill, such intangible 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 CGU.

Impairment losses are recognised in the statement of profit or loss.

Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of assets in the CGU (or group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs.

The benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

The calculation is performed using the projected unit credit method.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

If termination benefits are payable more than 12 months after the reporting period, the termination benefits are discounted to their present value.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(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 finance cost.

(i) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Future operating losses are not provided for.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3. Significant accounting policies (continued)

(iii) Make good

A provision for make good is measured at the present value of the cost of restoring leased properties to their original condition, at the conclusion of the lease.

(j) Revenue

Acrow is predominately a provider of falsework, formwork, scaffolding and screen equipment for hire or sale with revenue primarily generated via dry hire, project hire or sale.

Dry hire revenue is generated from the hire of equipment only.

Project hire involves the provision of scaffolding services and includes dry hire plus labour services, cartage services, consumable sales and/or other services. These form of contracts may vary in scope however all project hire have one common performance obligation, being the provision of scaffolding structures to the customer which includes the scaffolding equipment, the labour on installation and dismantling, cartage (transport to and from the customer) and any ancillary materials that are required to fulfill the obligation.

(i) Hire of equipment

Falsework, formwork, scaffolding and screen equipment are rented to customers under operating leases with rental periods averaging six months to less than one year.

The rental can be arranged as dry hire where only equipment is provided to the customer and revenue is recognised at fixed rates over the period of hire; or as part of a project hire where Acrow supplies labour and cartage services between warehouse and building sites.

Revenue recognition on equipment hire commences once falsework, formwork, scaffold and screen equipment is either collected by the customer, delivered to the customer or once a scaffolding structure has been certified to be safe and access granted to customers. Revenue is also recognised when screen equipment has been pre-assembled at a yard location, prior to the delivery to a customer.

Revenue is recognised over straight-line bases over the life of the hire agreements per AASB 16 Leases.

(ii) Labour and cartage services

Revenue from providing scaffolding labour in installation and dismantling, and equipment cartage, being transport to and from the customer, are recognised over time as services are rendered.

Revenue is recognised based on the actual service provided to the end of the reporting period because the customer receives and uses the benefits simultaneously.

Labour and cartage services revenue are recognised over time under AASB 15 Revenue from Contracts with Customers.

(iii) Consumable sales and other services

Revenue from sales are measured as the transaction price net of returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists, either by collection by the customer or by delivery of the goods to the customer such that the control been transferred to the buyer.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

A receivable is recognised when the goods are collected or delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue recognition of consumable sales and other services are at a point in time under AASB 15 Revenue from Contracts with Customers.

(k) Finance income and finance costs

Finance income comprises interest income on funds deposited. Interest income is recognised as it accrues in the statement of profit or loss, using the effective interest method.

Finance costs comprise interest expenses on loans and borrowings, lease liabilities and, where material, the 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 the statement of profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net (loss) position.

(l) Tax

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or (loss) for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or (loss).

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Exploration and evaluation assets

Exploration and evaluation expenditure relating to an area of interest is capitalised where exploration rights have been obtained.

The expenditure is only carried forward to the extent that they are expected to be recouped through successful development and exploitation or sale of the area or where the exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves and active exploration operations are continuing.

Expenditure is not subject to amortisation but is assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

(n) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows included in the statement of cash flows are on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO, are classified as operating cash flows.

(o) New accounting standards and interpretations adopted

The Group has adopted all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period being:

3. Significant accounting policies (continued)

Standard	Effective for annual reporting periods beginning on	Initially applied in the financial year ending
AASB 16 Leases	1 January 2019	30 June 2020
IFRIC 23 Uncertainty over income tax treatments	1 January 2019	30 June 2020

Additional information on the impact of adopting AASB 16 Leases is contained in Note 15 Leases.

IFRIC 23 Uncertainty over income tax treatments

The Group's net profit after tax assumes that certain income tax losses from previous periods relating to its subsidiary Acrow Formwork and Scaffold Pty Limited are available to continue offsetting assessable income. These income tax losses are not recognised in the statement of financial position.

Losses are carried forward under the "same business test" rule which the Group assumes the Australian Taxation Office (ATO) would accept.

The acquisition of the Uni-span group of companies on 31 October 2019 has led the Group to reassess the ability to continue to carry forward the losses and believe the same business test will still be passed.

If the same business test is determined by the ATO not to pass, the Group will be required to back pay taxes on relevant assessable income back to when the same business test was not passed.

While tax losses and temporary differences do not expire under current tax legislation, deferred tax assets have not been recognised in respect of these items as certain subsidiaries have experienced a number of years without taxable income and therefore recovery is not considered probable. The tax losses do not expire under current tax legislation and further information is included in Note 21 Deferred income tax liability.

(p) New accounting standards and interpretations not yet adopted

Australian Accounting Standards and Australian Accounting Standards Board (AASB) interpretations not yet adopted by the Group are not expected to have a material impact to the Group.

4. Revenue

In dollars	2020	2019
Revenue from contracts with customers		
Provision of labour services	16,637,186	16,836,386
Provision of cartage services	5,629,679	5,239,038
Other sales of goods	22,215,220	13,642,786
	44,482,085	**35,718,210**
Other revenue		
Hire of equipment	37,199,515	33,140,700
	81,681,600	**68,858,910**

5. Other income

In dollars	2020	2019
Disposal of property, plant and equipment		
Proceeds	5,302,646	2,151,417
Written down value	(3,206,175)	(1,270,325)
Net gain on disposal of property, plant and equipment	**2,096,471**	**881,092**

6. Other expenses

In dollars	2020	2019
Significant items – acquisition and integration related expenses	**(2,999,612)**	**(896,610)**
Audit, tax and legal expenses	(395,868)	(363,633)
Consumables	(328,187)	(318,622)
Due diligence	(306,687)	–
Insurance expenses	(810,623)	(593,153)
Motor vehicle expenses	(613,544)	(825,575)
Plant & equipment operation expenses	(298,541)	(647,904)
Travelling expenses	(494,081)	(425,852)
Others	(1,277,720)	(460,860)
	(7,524,863)	**(4,532,209)**

7. Finance income and finance costs

In dollars	2020	2019
Finance income		
Interest income	37,211	11,261
Finance costs		
Unwinding interest on deferred consideration	(251,291)	(171,957)
Interest expense on financial liabilities	(777,877)	(346,373)
Interest expense on leases	(1,144,161)	–
Borrowing costs	(232,607)	(427,571)
Net foreign exchange (loss)	(138,851)	(29,230)
	(2,544,787)	**(975,131)**
Net finance costs from continuing operations	**(2,507,576)**	**(963,870)**

8. Income tax benefit/(expense)

In dollars	2020	2019
Current income tax expense	1,318,500	(556,301)
Deferred income tax expense	(997,795)	497,148
Income tax benefit/(expense) attributable to profit	**320,705**	**(59,153)**

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

In dollars	2020	2019
Profit before income tax	**2,692,630**	**5,007,868**
Income tax (expense) using the Group's domestic tax rate (30%)	(807,789)	(1,502,360)
Income tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
Non-deductible losses on overseas entities	130	75
Non-deductible share-based payment expense	(403,518)	(426,122)
Non-deductible acquisition expense	(174,305)	(151,550)
Non-deductible impairment expense	(21,165)	(23,452)
Other non-deductible expenses	(3,318)	(110,122)
Over/under provision for income tax in prior year	26,824	–
Tax losses not brought to account	(57,409)	(25,452)
Utilization of prior year tax losses not previously recognised	1,761,255	2,179,830
Income tax benefit/(expense) attributable to profit	**320,705**	**(59,153)**

9. Cash and cash equivalents

In dollars	2020	2019
Cash and cash equivalents	7,238,511	3,289,617

10. Trade and other receivables

In dollars	2020	2019
Trade receivables	18,211,600	14,134,327
Provision for doubtful debts	(1,196,940)	(1,029,408)
	17,014,660	**13,104,919**

Movement in the provision of doubtful debts:

In dollars	2020	2019
At 1 July		
Opening balance	(1,029,408)	(831,931)
Addition through business combination	(1,100,000)	–
Impairment benefit/(expense) recognised during the year	322,690	(345,805)
Receivables written off/(back) during the year	609,778	843,525
AASB 9 Financial Instruments adoption	–	(584,408)
Claims insured	–	(110,789)
Balance at 30 June	**(1,196,940)**	**(1,029,408)**

Due to the short-term nature of current receivables, their carrying amount approximates their fair value. The ageing of trade receivables is outlined below:

In dollars	2020	2019
Current	8,084,287	6,395,010
31 to 60	6,401,245	4,046,059
61 to 90	1,446,874	1,144,164
90+	2,279,194	2,549,094
Impaired	(1,196,940)	(1,029,408)
	17,014,660	**13,104,919**

11. Inventories

In dollars	2020	2019
Finished goods	5,881,998	3,688,216
Provision for slow moving stock	(304,253)	(274,855)
	5,577,745	**3,413,361**

12. Prepayments and other assets

In dollars	2020	2019
Current		
Contract assets	239,747	259,316
Other receivables	933,026	158,013
Prepayments	1,182,467	708,663
	2,355,240	**1,125,992**
Non-current		
Other assets	99,411	–

13. Assets and liabilities held for sale

In dollars	2020	2019
Assets held for sale	72,854	71,296
Liabilities held for sale	67,317	65,878

Acrow continues to explore the divestment of Noble Mineral Resources Ghana Ltd, which owns the Group's exploration and evaluation assets in Ghana. The business remains non-core to the Group, has an immaterial financial and limited management impacts.

14. Property, plant and equipment

In dollars	Land and buildings	Plant and equipment	Hire equipment	Total
Cost				
Balance at 1 July 2018	388,645	10,741,359	32,149,571	43,279,575
Acquisitions through a business combination	–	118,950	9,386,173	9,505,123
Additions	–	247,862	9,536,640	9,784,502
Disposals	–	(56,315)	(1,340,230)	(1,396,545)
Balance at 30 June 2019	**388,645**	**11,051,856**	**49,732,154**	**61,172,655**
Cost				
Balance at 1 July 2019	388,645	11,051,856	49,732,154	61,172,655
Acquisitions through a business combination	28,580	343,535	24,119,241	24,491,356
Additions	58,764	212,976	12,829,400	13,101,140
Disposals	–	(80,053)	(3,915,090)	(3,995,143)
Balance at 30 June 2020	**475,989**	**11,528,314**	**82,765,705**	**94,770,008**

In dollars	Land and buildings	Plant and equipment	Hire equipment	Total
Depreciation and impairment losses				
Balance at 1 July 2018	300,585	10,351,471	916,521	11,568,577
Depreciation for the year	35,355	245,986	2,980,595	3,261,936
Disposals	–	(56,315)	(69,905)	(126,220)
Hire equipment loss adjustment	–	–	(524,262)	(524,262)
Balance at 30 June 2019	**335,940**	**10,541,142**	**3,302,949**	**14,180,031**
Balance at 1 July 2019	335,940	10,541,142	3,302,949	14,180,031
Acquisitions through a business combination	–	(89,398)	–	(89,398)
Depreciation for the year	18,618	320,385	4,921,121	5,260,124
Disposals	–	(78,328)	(711,182)	(789,510)
Hire equipment loss adjustment	–	–	170,268	170,268
Balance at 30 June 2020	**354,558**	**10,693,801**	**7,683,156**	**18,731,515**
Carrying amounts				
At 1 July 2018	88,060	389,888	31,233,050	31,710,998
At 30 June 2019	**52,705**	**510,714**	**46,429,205**	**46,992,624**
At 1 July 2019	52,705	510,714	46,429,205	46,992,624
At 30 June 2020	**121,431**	**834,513**	**75,082,549**	**76,038,493**

Property, plant and equipment are at times sold prior to the end of its useful life however this is irregular and only under specific conditions. On acquisition of property plant and equipment there is no intention to dispose through sale. In the case property, plant and equipment is sold, it is not transferred to inventory rather it is sold directly out of property, plant and equipment.

15. Leases

AASB 16 Leases replaces AASB 117 Leases and was adopted by the Group on 1 July 2019.

The Group leases property, forklifts, motor vehicles and office equipment.

Property lease terms are from 1 to 10 years and often include extension options. Forklift lease terms are for 7 years, motor vehicle lease terms from 1 to 3 years, whilst all office equipment are for a 5-year lease term.

All leased office equipment forms one master lease agreement while all other leases are negotiated on an individual basis and contain a broad range of terms and conditions.

Lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

AASB 16 Leases replaces the current distinction between operating and financing leases and requires the recognition of an asset (the right to use the underlying asset) and a financial liability to pay rentals for all lease contracts.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Each lease payment is allocated between the liability and finance cost (interest). The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the lease term on a straight-line basis.

The right-of-use asset and lease liability are initially measured at the net present value of the future minimum lease payments.

15. Leases (continued)

Lease payments include:

- Variable lease payments that are based on an index or rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if Acrow is reasonably certain to exercise that option;
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- Payment of penalties for terminating the lease, if the lease term reflects Acrow exercising that option.

Lease payments are discounted using the interest rate implicit in the lease, if determinable or at the Group's incremental borrowing rate.

Right-of-use assets are measured at cost and comprise:

- Any initial direct costs incurred by the lessee;
- An estimate of restoration or make good costs;
- The amount of the initial measurement of the lease liability and
- Any lease payments made at or before the commencement date, less any lease incentives received.

Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or change in circumstance occurs which affects this assessment and that is within the control of the lessee.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. A short-term lease is defined as a lease at commencement date with a lease term of 12 months or less. A low value asset per AASB 16 Leases has an asset value of USD5,000 or lower per AASB 16. BC100. Low value assets mainly represent IT equipment.

Impact of the adoption of AASB 16 *Leases* on 1 July 2019

On adoption of AASB 16 Leases, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the property yields at various locations and the Group's incremental borrowing rate for short term finances as at 1 July 2019.

In applying AASB 16 Leases for the first time, the Group has used the following practical expedients permitted by the standard:

- Relying on previous assessments as to whether a lease is onerous.
- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The exclusion of initial direct costs for the measurement of the right-to-use asset at the date of initial application.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.

The Group has also elected not to apply AASB 16 Leases to contracts that were not identified as containing a lease under AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

The recognition of the lease liability can be reconciled to the operating lease commitments disclosed at 30 June 2019 as follows:

In dollars	Total
Operating lease commitments disclosed at 30 June 2019	**19,744,728**
Discounted using the Group's incremental borrowing rates	(1,227,960)
Less: Short-term leases and low value leases recognised on a straight-line basis as an expense	(79,909)
Lease liability recognised as at 1 July 2019	**18,436,859**

All right-of-use assets for leases were measured using the modified retrospective method as if the new rules had always been applied since the later of either the commencement of the lease or the date of business combinations.

In accordance with AASB 16 Leases, the Group has not restated comparatives as permitted under the specific transition provisions in the standard.

Following implementation of AASB 16 Leases on 1 July 2019:

- Property, plant and equipment increased by $17,771,714 to recognise the net right-of-use asset, after the impairment of onerous leases.
- Lease liabilities increased by $18,436,859
- Retained earnings reduced by $302,854
- Deferred tax assets increased by $21,090
- Accrued lease incentive was reduced by $341,202

Lease amounts recognised in the Statement of Financial Position:

In dollars	2020	2019
Right-of-use assets		
Properties	29,896,913	–
Forklifts and office equipment	2,130,164	–
Motor vehicles	366,518	–
Total right-of-use assets	**32,393,595**	**–**
Lease liabilities		
Current	3,420,761	–
Non-current	30,729,513	–
Total lease liabilities	**34,150,274**	**–**

Lease amounts recognised in the Statement of Profit or loss and Other Comprehensive Income:

In dollars	2020	2019
Depreciation charge for right-of-use assets:		
Properties	3,686,922	–
Forklifts and office equipment	402,223	–
Motor vehicles	290,336	–
Total depreciation charge for right-of-use assets	**4,379,481**	**–**
Interest expense (included in finance costs)	**1,144,161**	**–**
Net expense relating to short term and low value asset leases	**272,842**	**–**

Impacts to the Statement of Profit or loss and Other Comprehensive Income:

In dollars	2020	2019
(Increase) in depreciation expense	(4,379,481)	–
(Increase) in interest expense	(1,144,161)	–
Decrease in lease payments	4,443,328	–
Net impact to net profit before income tax	**(1,080,314)**	**–**

The Statement of Cash Flows at 30 June 2020 includes cash outflows for lease liabilities of $3,299,167 and lease interest of $1,144,161 within cash flows from financing activities. The cash flows for the year ended 30 June 2019 have not been restated. Cash outflows associated with lease payments are included in payments to suppliers and employees within cash flows from operating activities.

16. Intangibles

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at costs less any accumulated impairment losses.

Acrow annually tests goodwill with indefinite useful lives for impairment. An asset that does not generate independent cash flows is tested for impairment as part of a cash generating unit (CGU).

Where there is an impairment loss, it is recognised in the statement of profit or loss when the carrying amount of an asset exceeds its recoverable amount. The asset's recoverable amount is estimated based on the higher of its value-in-use and fair value less costs to sell.

The recoverable amount of a CGU is determined based on a value-in-use calculation. This calculation uses discounted cash flow projections based upon management's projected EBITDA and financial budgets approved by the board of directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the cash flows for year 5 and the estimated long-term growth rates.

The discount rate used is the Group's weighted average cost of capital. The terminal growth rate reflects the management's outlook on growth.

In dollars	2020	2019
Average growth rate 1 – 5 years*	11.8%	13.7%
Terminal growth rate	1.5%	2.5%
Post-tax discount rate	10.7%	10.0%

In dollars	2020	2019
Opening goodwill balance	7,301,902	7,301,902
Additions	126,802	–
Reductions	–	–
Closing balance	**7,428,704**	**7,301,902**

Allocation to CGU Groups

In dollars	2020	2019
Natform companies	7,301,902	7,301,902
Uni-span companies	126,802	–
	7,428,704	**7,301,902**

* Increase in EBIT from 2020 to 2021 is 20.9% and between 7.2% and 12.3% for the following 4 years. The large increase in the 2021 year is predicated Natform strategic review now in place. The 2021 year forecast is consistent with the last quarter of 2020. It is expected that EBIT will continue to grow as a result of less CAPEX being required.

Impairment testing on Natform companies

Goodwill of $7,301,902 was recorded at 31 August 2018 with respect to the acquisition of Natform Pty Ltd and Natform (QLD) Pty Ltd. The recoverable amount of CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Impairment testing on Uni-span companies

Goodwill of $126,802 was recorded on 31 October 2019 on acquisition of the Uni-span Group Pty Ltd and its subsidiaries.

Sensitivity

Management has made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the carrying value of goodwill may vary. Any reasonable change in the key assumptions on which the estimates and/or the discount rate are based would not cause the carrying amount of the CGU to exceed the recoverable amount.

17. Trade and other payables

In dollars	2020	2019
Current		
Trade payables		
Trade payables	10,353,721	6,925,662
Accrued expenses	5,881,137	3,275,564
	16,234,858	**10,201,226**
Other payables		
Natform deferred consideration	2,230,661	2,230,199
Uni-span deferred consideration	1,262,291	–
	3,492,952	**2,230,199**
Non-current		
Other payables		
Natform deferred consideration	–	2,128,080
Uni-span deferred consideration	3,331,309	–
	3,331,309	**2,128,080**

Other payables represent the present values of deferred considerations relating to the acquisitions of the Natform and Uni-span group of companies and completion adjustments.

Two equal payments of $2,250,000 relating to Natform were payable. The first payment of $2,250,000 was paid in September 2019 and the second payment of $2,250,000 is payable in September 2020.

Two payments relating to Uni-span totalling $5,000,000 are payable. The first payment of $1,500,000 is payable in September 2020 and the second payment of $3,500,000 is payable in September 2021. A contingent consideration payable in September 2021 has not been provided for as the probability is deemed low. Refer to note 32 for further details.

All Natform and Uni-span deferred considerations are recognised at the present value of future expected cash outflows, based on Acrow's incremental borrowing rate.

18. Employee benefits

In dollars	2020	2019
Current		
Annual leave	1,690,499	1,169,722
Long service leave	1,357,493	1,068,654
Other employee benefits	1,081,735	724,425
	4,129,727	**2,962,801**
Non-current		
Long service leave	595,571	456,609

All employees have defined contribution plans for superannuation and the expense recognised during the year was $1,935,108 (2019: $1,465,313).

19. Loans and borrowings

In dollars	2020	2019
Current	5,981,098	2,102,006
Non-current	15,837,398	4,837,086
	21,818,496	**6,939,092**
Borrowings are represented by the following finance facilities:		
Secured amortising business loan of $13,750,000, commenced in October 2019, maturing in 30 April 2024 (Uni-span acquisition).	12,602,000	–
Secured amortising business loan of $5,394,000, commenced in October 2018, maturing in 8 May 2023 (Natform acquisition).	4,664,000	5,978,000
Equipment finance facility, revolving 3-year limit of $5,000,000	4,539,975	961,092
Headroom	**460,025**	**4,038,908**
Working capital facility, $3m including $1.4m bank guarantee (2019: $0.9m) and $1.6m bank overdraft (2019: $2.1m):	–	–
Headroom	**1,600,000**	**2,100,000**
Insurance premium funding	12,521	–
Borrowings utilised	**21,818,496**	**6,939,092**
Headroom	**2,060,025**	**6,138,908**
Total borrowings	**23,878,521**	**13,078,000**

All borrowings are secured by interlocking guarantees across all Group companies.

Interest rates on secured amortised business loans are variable and dependent on prevailing market rates and bank margins.

The maturity date of the two secured business loans includes an extension of 6 months agreed to by our banker as part of our response to the COVID-19 response.

All borrowing costs incurred in the year have been expensed.

20. Provisions

In dollars	2020	2019
Make good	469,274	452,474
Movements during the year were as follows:		
Balance at 1 July	452,474	452,474
Addition through business combination	769,587	–
Amounts used during the year	(752,787)	–
Balance at 30 June	**469,274**	**452,474**

A provision for make good is measured at the present value of the cost of restoring leased properties to their original condition, at the conclusion of the lease. With the acquisition of Uni-span and the integration of the business into the greater Acrow structure, impact on the provision is negligible.

21. Deferred income tax liability and tax liability

In dollars	2020	2019
Deferred income tax liability movement during the year:		
Opening balance at 1 July	1,683,999	–
The balance comprises temporary differences attributed to:		
Recognised in business combination	3,385,694	2,181,147
Provisions	(850,759)	7,538
Accruals	(204,448)	35,494
Property, plant and equipment	2,053,004	(540,180)
Revenue tax loss	(1,318,500)	–
Recognised in equity	(21,090)	
Closing balance at 30 June	**4,727,900**	**1,683,999**
Income tax liabilities		
Current tax liabilities	–	556,301
Carried forward unpaid tax liabilities	556,301	–
Unrecognised deferred tax assets		
Deferred tax assets not recognised for the following items:		
Revenue tax losses	12,877,219	13,654,771
Capital losses	674,802	202,441
Temporary differences	(4,592,901)	(2,911,668)
	8,959,120	**10,945,544**

While tax losses and temporary differences do not expire under current tax legislation, deferred tax assets have not been recognised in respect of these items as certain subsidiaries have experienced a number of years without taxable income and therefore recovery is not considered probable. The tax losses do not expire under current tax legislation.

The potential benefit of the deferred tax asset in respect of tax losses carried forward will only be obtained if:

21. Deferred income tax liability and tax liability (continued)

(i) The subsidiaries continue to derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised;

(ii) The subsidiaries continue to comply with the conditions for deductibility imposed by the law;

(iii) No changes in tax legislation adversely affect the subsidiaries in realising the asset and

(iv) The subsidiaries pass the continuity of ownership test, or the same business test as outlined by the Australian Taxation Office.

22. Issued capital

In dollars	2020	2019
Number of shares		
On issue at 1 July	**175,006,455**	**162,982,615**
Issue of shares (i)	1,087,746	11,273,839
	176,094,201	174,256,454
Shares issued at Uni-span acquisition (ii)	10,000,000	–
	186,094,201	174,256,454
Issue of shares for cash (iii)	17,333,333	–
	203,427,534	174,256,454
Shares issued through conversion of performance rights (iv)	12,375,000	–
	215,802,534	174,256,454
Exercise of share options (v)	237,000	750,001
On issue at 30 June	**216,039,534**	**175,006,455**

(i) 1,087,746 shares were issued at $0.3141 cents per share following the dividend declaration on 29 August 2019 pursuant to the Dividend Reinvestment Plan (DRP);

(ii) 10,000,000 shares were issued on 15 November 2019 as part of the consideration for the acquisition of the Uni-span group of companies and are escrowed until 31 October 2020;

(iii) 17,333,333 shares were issued on 4 December 2019 at $0.30 cents per share;

(iv) 12,375,000 shares were issued through the exercise of performance rights and

(v) 237,000 options were exercised at $0.20 cents per share.

The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

Dividends

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

The following dividends were declared and paid by the Group during the year:

In dollars	2020	2019
Dividends on ordinary shares declared and paid:		
Final dividend in respect of the previous reporting period:		
FY 19: 1.0 cent per share (FY18: 0.5 cent per share)		
– Paid in cash	1,408,676	672,803
– Paid via DRP	341,661	192,114
Interim dividend for the current reporting period:		
FY 20: Nil (FY19: 1.0 cent per share)		
– Paid in cash	–	1,434,216
– Paid via DRP	–	306,914
	1,750,337	**2,606,047**

A final unfranked dividend of $1,750,337 for the year ended 30 June 2019 was paid on 15 November 2019 at 1.0 cent per share, with 1,087,746 new shares issued as part of the DRP.

An interim dividend of 0.7 cents per share fully franked was declared on 27 February 2020. This dividend was cancelled on 30 March 2020 in light of the COVID-19 pandemic in order to prudently preserve cash.

Subsequent to balance date, the Directors declared a dividend of 1.05 cents per share fully franked on 25 August 2020.

Franking credit balance at 30 June 2020 was $3,016,901 (2019: $1,958,742).

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on translation of the Group entities that do not have functional currency of AUD dollars and have been translated for presentation purpose.

Share based payments reserve

The share based payments reserve is used to recognize the grant date fair value of shares issued to employees and directors that have not yet vested.

23. Capital management

Management monitors the capital of the Group, in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and borrowings.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks 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 Board is targeting a dividend payout ratio of between 30% and 50% of its operating cash profit which it defines as EBITDA less maintenance capital expenditure and less tax paid.

24. Earnings per share

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

In dollars	2020	2019
Earnings reconciliation		
Profit excluding significant items	8,981,371	7,507,206
Net share based payments and significant items*	(5,968,036)	(2,558,491)
Net profit after tax	**3,013,335**	**4,948,715**

* Jun-20 includes the net impact of AASB 16 Leases adoption so that profit excluding significant items are comparable, per note 6.

In dollars	2020	2019
Number of ordinary shares:		
Weighted average number of ordinary shares used in the calculation of basic EPS	194,591,893	172,002,461
Weighted average number of ordinary shares used in the calculation of diluted EPS	195,904,881	183,997,435
Basic EPS excluding significant items (cents per share)	4.62	4.36
Diluted EPS excluding significant items (cents per share)	4.58	4.08
Basic EPS (cents per share)	1.55	2.88
Diluted EPS (cents per share)	1.54	2.69

25. Capital and leasing commitments

In dollars	2020	2019
Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities as follows:		
Plant and equipment	2,940,237	2,344,645
Leases as lessee		
Non-cancellable operating lease rentals payable as follows:		
Less than one year	114,526	4,420,142
Between one and five years	65,216	13,999,409
More than five years	–	1,325,177
	179,742	**19,744,728**

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease and whether the lease is an operating or a finance lease.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the Group, are classified as finance leases, otherwise classified as operating leases.

Prior to the adoption of AASB 16 Leases on the 1 July 2019, all Acrow's leases were operating leases which were not recognised in the statement of financial position. Lease payments were recognised as an expense on a straight-line basis over the term of lease.

With the adoption of AASB 16 Leases, applying practical expedience allowable under the standard, only payments associated with short term leases and leases of low value assets (less than USD 5,000) are recognised on straight-line basis as expenses, all other leases are accounted for using AASB 16 Leases.

For the year ended 30 June 2020, $272,842 (2019: $4,424,644) was recognised as an expense in the statement of profit or loss in respect of operating leases.

26. Reconciliation of cash flows from operating activities

In dollars	2020	2019
Cash flows from operating activities		
Profit	**3,013,335**	**4,948,715**
Adjustments for:		
▪ Depreciation and impairment	5,260,125	3,261,936
▪ Depreciation on leases	4,379,481	–
▪ Hire equipment loss provision	170,268	(524,263)
▪ (Gain)/loss on disposal of assets	(2,096,471)	(881,092)
▪ Share based payment	1,345,059	1,420,406
▪ Remeasurement of shares issued on Uni-span acquisitions	(100,000)	–

26. Reconciliation of cash flows from operating activities (continued)

In dollars	2020	2019
Net changes in working capital:		
■ Deferred tax	(320,705)	–
■ Other financial assets	–	803,410
■ Trade and other receivables	853,787	(2,017,311)
■ Inventories	(610,383)	(954,928)
■ Prepayments and other assets	(1,190,656)	(560,854)
■ Assets held for sale	(1,558)	–
■ Trade and other payables	(729,314)	2,759,932
■ Provisions and employee benefits	465,888	(503,672)
■ Liabilities held for sale	1,439	–
■ Lease incentive write-off	341,203	–
Cash generated from operating activities	**10,781,498**	**7,752,279**
Finance costs paid	2,544,787	803,174
Net cash from operating activities	**13,326,285**	**8,555,453**

27. Remuneration of auditors

During the year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd (GT) as the auditor of the parent entity, by GT's related network firms and by non-related audit firms:

In dollars	2020	2019
(a) Auditors of the Group – GT and related network firms		
Audit and review of financial reports		
Group and controlled entities	129,143	–
Total audit and review of financial reports	**129,143**	**–**
Other statutory assurance services		
Other assurance services	17,004	–
Other services		
Tax advisory services	10,869	–
Tax compliance services		
Consulting services (provided before appointment as auditors)	305,996	–
Total other non-audit services	**316,865**	**–**
Total services provided by GT	**463,012**	**–**

In dollars	2020	2019
(b) Other auditors (KPMG) and their related network firms		
Audit and review of financial reports		
Group and controlled entities	207,242	318,198
Other statutory assurance services		
Other assurance services	–	–
Other non-audit services		
Tax advisory services	–	–
Tax compliance services	20,700	107,368
Consulting services	65,000	–
Total services provided by other auditors (excluding GT)	**292,942**	**425,566**

28. Related parties

Key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise, of the Group.

In dollars	2020	2019
Key management personnel compensation for the period:		
■ Short term employment benefits	1,498,304	1,392,312
■ Long term employment benefits	61,931	122,347
■ Post-employment benefits	61,077	57,006
■ Share based payments	745,985	949,467
Total compensation paid to key management personnel	**2,367,297**	**2,521,132**

Other related party transactions

Acrow also leases a number of industrial and commercial properties from Margaret Prokop's personal companies (MRP Property Pty Ltd & MRP Superannuation Pty Ltd) through the Natform subsidiaries.

Margaret Prokop was previously a director of Natform companies and upon the sale of Natform to Acrow, Margaret was appointed as a director of the Group. Rental and related property payments to her companies amounted to $740,158 (2019: $665,087). Lease terms are up to 8 years. Balance outstanding at 30 June 2020 was nil (2019: nil).

The first $2,250,000 deferred consideration was paid to Margaret Prokop for the acquisition of Natform companies on the 7 September 2019 and a further $2,250,000 is payable on 7 September 2020.

Natform engages Margaret Prokop's brother, the proprietor of Nat Pty Ltd to manufacture and assemble screens for Natform, the amount incurred was $917,660 in 2020 (2019: $824,349); balance outstanding at 30 June 2020 was nil (2019: $82,551).

During the year there were no transactions between the parent entity and the subsidiaries within the Group.

29. Share based payments

At 30 June 2020 the Group had the following share based payment arrangements.

Loan Funded Shares

The Group carries forward only Loan Funded Shares issued in 2018 where selected employees and directors of the Group had been granted an interest-free loan to subscribe to shares of Acrow Formwork and Construction Services Limited.

These loans are non-recourse other than to the shares held by that employee/director, and the proceeds of the loan must be used to buy shares. As the only recourse on the loans is the shares and there are vesting conditions, the arrangement has been accounted for as share options, as required under accounting standards.

These options entitle the holders to receive dividends on ordinary shares of the Group, and these dividends are required to be used to repay the loans described above.

The Loan Funded Shares have the following terms:

(i) Date of issue: 27 March 2018

(ii) Loan term: 5 years;

(iii) Interest: No interest is payable; and

(iv) Vesting hurdles: subject to being a continuous employee or director of the Group for 2 years from the date of issue, and the 20-day (at any point over the vesting period) volume weighted average share price ("VWAP") of the Group's share price exceeding 40 cents per share (post the share consolidation). The fair value at grant date was determined using an adjusted form of the Monte-Carlo model that factors in market conditions. The grant date fair value of rights granted in the year was $0.1071.

All vesting hurdles have been met at 27 March 2020, none of these have been exercised at reporting date and thus no corresponding loan have been affected.

The model inputs for the in-substance options granted had included:

a) Exercise price $0.20

b) Share price at grant date $0.20

c) Expected price volatility 75% – based on comparable companies

d) Expected dividend yield 0%

e) Risk-free interest rate 2.41%

f) Expected life 3 years

Reconciliation of outstanding loan funded share options:

The number and weighted average exercise prices of loan funded options were as follows:

	2020		2019	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Outstanding at 1 July	2,475,000	$0.20	2,475,000	$0.20
Granted during the year	–	–	–	–
Exercised during the year	–	–	–	–
Outstanding at 30 June	**2,475,000**	**$0.20**	**2,475,000**	**$0.20**

Options

A total of 1,200,000 options over four equal tranches of 300,000 each were granted to Andrew Crowther under the Employee Share Options Scheme on 16 July 2019 at total fair value of $73,742.10.

These options bear the following terms:

(i) Exercise price: 40 cents per option;

(ii) Vesting hurdles: subject to being an employee of the Group continuously over one-year, two-year, three-year and four-year periods with four equal set of tranches, no VWAP; and

(iii) Expiry date: 5 years from the date of issue, being 16 July 2024.

The fair value at grant date was determined using an adjusted form of the Monte Carlo Model that factors in market conditions. The model inputs and fair value of options granted in the year were as follow:

Grant date	Units	Share price at grant date	Service period	Expected price volatility	Expected dividend yield	Risk-free interest rate	Fair value per option
16 July 2019	300,000	$0.3250	One year	50%	3.67%	1.02%	$0.0361
16 July 2019	300,000	$0.3250	Two years	50%	3.67%	0.95%	$0.0561
16 July 2019	300,000	$0.3250	Three years	50%	3.67%	0.96%	$0.0710
16 July 2019	300,000	$0.3250	Four years	50%	3.67%	0.97%	$0.0826

Balance of all outstanding options at balanced date are as follow:

		2020		2019	
Grant date	**Expiry date**	**Exercise price**	**Number of options**	**Exercise price**	**Number of options**
12 April 2016	12 April 2021	$0.20	750,001	$0.20	750,001
23 November 2016	23 November 2019 & 2021	$0.20	50,000	$0.20	100,000
13 December 2017	13 December 2020 & 2022	$0.20	400,000	$0.20	400,000
27 March 2018	27 March 2021	$0.20	1,463,000	$0.20	1,650,000
14 January 2019	14 January 2024	$0.50	5,100,000	$0.50	5,100,000
4 March 2019	4 March 2024	$0.50	360,000	$0.50	360,000
16 July 2019	16 July 2024	$0.40	1,200,000	–	–
Balance at 30 June			**9,323,001**		**8,360,001**

29. Share based payments (continued)

Reconciliation of outstanding share options:

	2020		2019	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Outstanding at 1 July	8,360,001	$0.40	3,650,002	$0.20
Granted during the year	1,200,000	$0.40	5,460,000	$0.50
Exercised during the year	(237,000)	$0.20	(750,001)	$0.20
Outstanding at 30 June	**9,323,001**	**$0.40**	**8,360,001**	**$0.40**

Performance Rights

In March 2018 the Group granted 12,375,000 performance rights to selected employees and directors, all these were vested and exercised in the 2020 financial year. No new performance rights have been granted during FY2020.

The performance rights had the following terms:

(i) Exercise price: Nil;

(ii) Conversion: upon vesting, conversion to shares on a 1 for 1 basis;

(iii) Dividends: not entitled until performance rights are exercised;

(iv) Vesting hurdles: subject to continuous service by an employee or a director of the Group for 2 years from the date of issue, and satisfaction of performance hurdles being FY19 EBITDA exceeding $11m, this has been achieved at last reporting date;

The fair value at grant date was determined to be $0.20, equivalent to the share price on 27 March 2018.

30. Financial risk management

Risk management objectives and policies

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

The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or speculative instruments.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk. There was one open foreign exchange contract at 30 June 2020.

Fair value hierarchy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair value inputs are summarised as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Fair value inputs are summarised as follows:

	Fair Value Hierarchy	Valuation Technique
Derivatives – forward exchange contracts	Level 2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on a yield curve sourced from available market data quoted for the respective currencies.
Derivatives – financial liability with equity instrument on Uni-span acquisition	Level 2	The fair value of shares issued to the sellers of Uni-span is determined using quoted share price on the date of acquisition. Any subsequent movement of the share price is remeasured at the reporting date until the end of the escrow period and any further liability is settled either by way of cash or additional issue of shares.

Fair value hierarchy is re-assessed annually for any change in circumstance that may suggest a revised level be assigned to a type of balance measured at fair value.

The Group's risk management is coordinated by management, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

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

Exposure to currency risk

As at 30 June 2020 the Group no longer held trade payables in GBP. The Group held a USD300,000 forward exchange contract, and its currency risks in USD and EUR at balance date are below:

	30 June 2020		30 June 2019	
	USD	EUR	USD	GBP
Trade payables	747,227	200,617	1,167,631	8,993
Purchase orders at 30 June	2,194,066	15,684	164,089	–
Forward exchange contracts	(300,000)	–	–	–
Net exposure	**2,641,293**	**216,301**	**1,331,720**	**8,993**

Foreign currency sensitivity

A reasonable possible strengthening/(weakening) of the USD or the EUR at 30 June would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores the impact of forecast purchases.

	Profit or loss	
	Strengthening	Weakening
USD (10% movement)	352,528	(387,781)
EUR (10% movement)	18,685	(20,554)

30. Financial risk management (continued)

Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing.

At 30 June 2020 the Group has the following exposure to interest rates on borrowings:

	2020	2019
Fixed rate instruments		
Loans and borrowings	4,552,496	961,092
Variable rate instruments		
Loans and borrowings	17,266,000	5,978,000

Interest Rate Sensitivity

At 30 June 2020, the Group held interest bearing loans of $21,818,496 (2019: $6,939,092) and held interest bearing cash accounts of $7,238,511 (2019: $3,289,617).

A reasonable increase of 100 basis points in interest rates on variable instruments at the reporting date would have $130,860 negative impact on the net profit, whereas a decrease of 100 basis points would have $147,260 positive impact on the net profit.

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk principally through receivables from customers. The Group leases hire gear and provides services to consumers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2020	2019
Classes of financial assets		
Cash and cash equivalents	7,238,511	3,289,617
Trade and other receivables	17,014,660	13,104,919
	24,253,171	**16,394,536**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group maintains a provision for receivable losses equivalent to the lifetime expected credit losses from initial recognition of those receivables.

The process for establishing the provision for losses is critical to the Group's results of operations and financial condition. Credit risk grew in-line with the growth of the loan and lease receivables. The Group uses a simplified lifetime expected credit loss approach, which includes consideration of customer specific factors, current conditions, future expected economic conditions, and actual credit loss experience.

Macroeconomic Scenarios

Expected credit losses ("ECL") are a probability-weighted estimate of credit losses over the expected life of the financial instrument. The Group has a process for incorporating forward looking economic scenarios and determining the probability weightings assigned to each scenario in determining the overall ECL. The Group prepares a base, best and worst-case scenarios based on economic variables.

The Group has incorporated this by use of a management overlay or economic risk reserve as explained below.

Management overlay

An economic risk reserve through management overlay was established in the prior year and increased on the acquisition of Uni-span to incorporate unexpected economic shocks. This overlay is therefore in addition to the standard modelled provision under AASB 9 Financial Instruments.

As the full impacts of the COVID-19 pandemic were yet to be felt at balance date, the Group has yet to see the anticipated increase in delinquencies which would flow through to the modelled expected loss provision. In fact, at year end, debtor days had improved by 7 days from the previous year end. As these likely future delinquencies are not currently captured in the modelled outcome, the Group has specifically considered the likely industry specific impacts and customer impacts.

The modelled performance of these receivables will evolve as the situation unfolds and more data is available to model or understand the credit risk and loss implications from the COVID-19 pandemic and the mitigating impact of government stimulus. Over time as the impacts work their way into the reported variables the overlay can be expected to reduce as the impact becomes reflected in the routine modelled outcome.

Write-off policy

The Group writes off financial assets in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral such that there is no reasonable expectation of full recovery.

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations.

The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Net cash requirements are compared to available borrowing facilities to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period. Refer to note 19 for undrawn borrowing facilities.

The Group's objective is to maintain cash to meet its liquidity requirements for 30-day periods at a minimum. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, notably its cash resources and trade receivables.

30. Financial risk management (continued)

The following liquidity risk disclosures reflect all contractually fixed repayments and interest resulting from recognised financial liabilities and derivatives as of 30 June 2020. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

		Contractual cash flow			
	Carrying amount	**Total**	**1 year or less**	**1 to 5 years**	**Over 5 years**
2020					
Non-derivative financial liabilities					
Deferred consideration	7,174,261	(7,250,000)	(3,750,000)	(3,500,000)	–
Trade payables and accrued expenses	16,234,858	(16,234,858)	(16,234,858)	–	–
Loans and borrowings	21,818,496	(24,057,877)	(6,918,396)	(17,139,481)	–
Lease liabilities	34,150,274	(41,667,283)	(5,036,502)	(21,808,904)	(14,821,877)
	79,377,889	**(89,210,018)**	**(31,939,756)**	**(42,448,385)**	**(14,821,877)**
Derivative financial liabilities					
Forward exchange contracts	(18,653)	(18,653)	(18,653)	–	–
Financial liability on Uni-span purchase	350,000	(350,000)	(350,000)	–	–
2019					
Non-derivative financial liabilities					
Deferred consideration	4,358,279	(4,500,000)	(2,250,000)	(2,250,000)	–
Trade payables and accrued expenses	10,201,225	(10,201,225)	(10,201,225)	–	–
Loans and borrowings	6,939,092	(7,625,175)	(2,436,935)	(5,173,221)	–
	21,498,596	**(22,326,400)**	**(14,888,160)**	**(7,423,221)**	**–**

31. Group entities

The consolidated financial statements include the financial statements of the following wholly-owned subsidiaries:

	Place of incorporation	% Equity interest
Acrow Holdings Pty Limited (a), (b)	NSW	100%
Acrow Formwork and Scaffolding Pty Ltd (a), (b)	NSW	100%
Natform Pty Ltd (a), (b)	NSW	100%
Natform (QLD) Pty Ltd (a), (b)	QLD	100%
Uni-span Group Pty Ltd (a), (b)	QLD	100%
Uni-span Height Safety Pty Ltd (a), (b)	QLD	100%
Unispan Australia Pty Ltd (a), (b)	QLD	100%
Uni-span Formwork Solutions Pty Ltd (a), (b)	QLD	100%
Acrow Group Investments Pty Ltd (a), (b)	NSW	100%
Noble Mineral Resources Ghana Limited	Ghana	100%

(a) These subsidiaries have been granted relief from the necessity to prepare financial reports under the option available to the Group under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.

(b) These subsidiaries, along with Acrow Formwork and Construction Services Limited (the parent entity of the Group), form the Deed of Cross Guarantee Group described further from note 35.

32. Acquisition of Uni-span Group Pty Ltd

On 31 October 2019 Acrow acquired 100% of the issued shares of Uni-span Group Pty Ltd ACN 131 921 116 and its subsidiaries, per below:

- Uni-span Height Safety Pty Ltd ACN 122 411 198;
- Unispan Australia Pty Ltd ACN 099 939 287; and
- Uni-span Formwork Solutions Pty Ltd ACN 158 121 361

Uni-span's product and service offering was highly complementary to Acrow, provided access to new clients and markets across the energy, mining and industrial sectors, and scale benefits across Acrow's national footprint. Further, it allowed Acrow to have an exclusive supply agreement with European Formwork manufacturer ULMA, providing a product range and formwork engineering expertise operating globally at the cutting edge of new developments in our industry.

Uni-span is a leading provider of engineered formwork systems servicing primarily the civil Infrastructure market and scaffold hire solutions, focussing on industrial markets, in Queensland and New South Wales.

In addition, it supplies an industrial labour service to complement its scaffold hire, to the energy, mining and industrial sectors.

Details of the consideration and the fair value of identified assets acquired, liabilities assumed, and goodwill determined are set out below.

(i) $12,905,035 cash paid;

(ii) 10,000,000 Acrow shares valued at $0.305 each issued on the 15 November 2019, escrowed for 12 months (where if the closing price at end of escrow period is below $0.35 per share, Acrow is liable to pay each seller the amount of the difference multiplied by the number of shares issued within 7 days or at its discretion decide to issue additional shares to the sellers at the then current market value, in lieu of cash), this contingent payment is recognised as financial liability and remeasured at each reporting date;

(iii) Deferred considerations of $1,500,000 due on 30 September 2020 and $3,500,000 due on 30 September 2021 respectively; and

(iv) A contingent payment up to $4,250,000 cash, provided the Acrow group's EBITDA exceeds $18,000,000 for the 2021 financial year. At reporting date, the contingent payment is estimated to be nil.

32. Acquisition of Uni-span Group Pty Ltd (continued)

A financial liability at acquisition of $450,000 was recognised being the difference between the deemed value of the 10,000,000 shares at $0.35 and the actual value of $0.305. As at year end, the share price increased from $0.305 to $0.315 and the financial liability reduced by a fair value gain of $100,000 to $350,000.

Remeasurement will continue until the end of the escrow period.

Uni-span Group Pty Ltd and its subsidiaries

In dollars	$
Fair value of consideration transferred	
Amount settled in cash	12,905,035
Amount settled in equity	3,050,000
Contingent consideration	450,000
Fair value of deferred consideration	4,464,691
Fair value of contingent consideration	–
Total consideration	**20,869,726**
Assets	
Cash and cash equivalents	1,174,659
Receivables	4,856,007
Inventory	1,554,001
Property, plant and equipment	24,581,296
Right-of-use lease assets	324,938
Provision for income tax	62,622
Other	45,525
Total assets	**32,599,048**
Liabilities	
Trade and other payables	**6,089,419**
Lease liabilities	335,959
Provisions	1,530,331
Borrowings	452,101
Deferred tax liabilities	3,448,316
Total liabilities	**11,856,124**
Fair value of net assets acquired	**20,742,924**
Purchase consideration paid and payable	**20,869,726**
Less: Fair value of net identifiable assets acquired	(20,742,924)
Goodwill on acquisition	**126,802**
Consideration transferred in cash	12,905,035
Cash and cash equivalents acquired	(1,174,659)
Related company loan	452,101
Net cash outflow on acquisition	**12,182,477**

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Asset acquired	Valuation Technique
Hire equipment	An independent valuer has been engaged to determine depreciated replacement cost of the assets. The depreciated replacement costs reflect adjustments for physical deterioration as well as functional and economic obsolescence.

The statement of profit or loss includes the following revenue and net profit resulting from the acquisition made since 31 October 2019:

Revenue	20,581,574
Net profit after tax	768,085

If the acquisition had taken place at the beginning of the financial year (1 July 2019), the following revenue and net profit after tax would have been included:

Revenue	30,872,361
Net profit after tax	1,152,098

33. Operating segments

The Group manages all its construction-related operations, being all the Australian based formwork and scaffolding subsidiaries as one segment and the mining operation in Ghana as a separate segment. The executive management team (the chief operating decision makers) assesses the financial performance of the construction-related operations on an integrated basis only and accordingly.

All revenue is generated by external customers in Australia on formwork and construction-related services.

The mineral exploration assets and liabilities are held for sale per note 13.

The Group has the following segments:

- *Formwork and construction services:* the provision of falsework, formwork, scaffolding, screens and related materials for hire and sales; and
- *Mineral exploration activities*

33. Operating segments (continued)

Segment Information as at 30 June 2020

	Formwork and construction services	Mineral exploration	Total
Hire of equipment	37,199,515	–	37,199,515
Provision of labour and contracting services	22,266,865	–	22,266,865
Other hardware sales	22,215,220	–	22,215,220
Other income	2,096,471	–	2,096,471
Segment revenue	**83,778,071**	**–**	**83,778,071**
Segment operating profit	7,048,045	(70,117)	6,977,928
Unallocated corporate overhead costs			(1,777,722)
Finance costs	(2,507,576)	–	(2,507,576)
Profit before income tax			**2,692,630**
Income tax benefit	320,705	–	320,705
Profit after income tax			**3,013,335**
Other material items:			
Goodwill on acquisition	7,428,704	–	7,428,704
Capital expenditure	13,101,140	–	13,101,140
Depreciation and amortisation	5,260,125	–	5,260,125
Segment assets	**148,146,232**	**72,981**	**148,219,213**
Segment liabilities	**89,526,237**	**397,742**	**89,923,979**

Segment Information as at 30 June 2019

	Formwork and construction services	Mineral exploration	Total
Hire of equipment	33,140,700		33,140,700
Provision of labour and contracting services	22,075,424		22,075,424
Other hardware sales	13,642,786		13,642,786
Other income	881,092		881,092
Segment revenue	**69,740,002**	**–**	**69,740,002**
Segment operating profit	7,888,356	(67,532)	7,820,824
Unallocated corporate overhead costs			(1,849,086)
Finance costs	(963,870)	–	(963,870)
Profit before income tax			**5,007,868**
Income tax (expense)	(59,153)	–	(59,153)
Profit after income tax			**4,948,715**
Other material items:			
Goodwill on acquisition	7,301,902	–	7,301,902
Capital expenditure	9,784,502	–	9,784,502
Depreciation and amortisation	3,261,936	–	3,261,936
Segment assets	**75,228,415**	**71,296**	**75,299,711**
Segment liabilities	**27,610,781**	**65,878**	**27,676,659**

Geographical information

The Group's formwork and construction-related services segment operates in Australia and the mineral exploration segment operates in Ghana.

34. Parent entity disclosures

Results of the parent entity

	2020	2019
Loss for the period	(2,405,628)	(1,781,830)
Total comprehensive income/(expense) for the period	**(2,405,628)**	**(1,781,830)**
Financial position of the parent entity at year end		
Current assets	66,346	6,709
Non-current assets	52,020,439	39,527,860
Total assets	**52,086,785**	**39,534,569**
Current liabilities	7,284,181	288,349
Total liabilities	**7,284,181**	**288,349**
Net assets	**44,802,604**	**39,246,220**
Total equity of parent entity comprising:		
Issued capital	45,674,176	34,814,339
Share based payments reserve	858,545	2,006,033
Accumulated profits/(losses)	(1,730,117)	2,425,848
Total equity	**44,802,604**	**39,246,220**
Movement to accumulated profits/(losses):		
Opening balance at 1 July	**2,425,848**	**(4,011,375)**
Transfer from reserves for gain on bargain purchase of Acrow Holdings Pty Ltd and Acrow Formwork and Scaffolding Pty Ltd	–	10,825,100
Dividend paid and reinvested through DRP	(1,750,337)	(2,606,047)
Loss for the period	(2,405,628)	(1,781,830)
Closing balance at 30 June	**(1,730,117)**	**2,425,848**

35. Deed of cross guarantee

Under the terms of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, certain wholly owned controlled entities have been granted relief from the requirement to prepare audited financial reports.

Acrow entered into an approved Deed of Indemnity on 26 June 2018 for the cross-guarantee of liabilities with Acrow Formwork and Scaffolding Pty Ltd and Acrow Holdings Pty Ltd, then on 19 December 2018, an Assumption Deed was executed to include newly formed entity Acrow Group Investments Pty Ltd and acquired companies, Natform Pty Ltd and Natform (QLD) Pty Ltd.

A further assumption deed was executed on 3 May 2020 to include the new acquired Uni-span group of companies.

The following statement of profit or loss and statement of financial position comprises Acrow and its controlled entities which are party to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed.

Statement of Profit or Loss

For the year ended 30 June 2020

	2020	2019
Continuing operations		
Revenue	81,681,600	68,858,910
Other income	2,096,471	881,092
Personnel expenses	(26,541,588)	(22,589,627)
Sub-contract labour costs	18,498,438)	(18,005,200)
Inventory purchased, net of changes in finished goods	(13,303,195)	(9,120,271)
Depreciation	(9,639,607)	(3,261,936)
IT and telecommunication expenses	(1,331,878)	(876,211)
Freight costs	(1,252,113)	(810,466)
Property costs	(838,757)	(4,203,516)
Gain on fair value of derivatives	100,000	–
Other expenses	(7,272,722)	(4,901,287)
Profit before net finance costs and income tax	**5,199,773**	**5,971,488**
Finance income	37,211	11,261
Finance costs	(2,544,787)	(975,131)
Net finance costs	**(2,507,576)**	**(963,870)**
Profit before income tax	**2,692,197**	**5,007,618**
Income tax benefit/(expense)	320,705	(59,153)
Profit from continuing operations	**3,012,902**	**4,948,465**

Statement of Financial Position

As at 30 June 2020

	2020	2019
Current assets		
Cash and cash equivalents	7,238,395	3,289,503
Trade and other receivables	17,014,660	13,104,919
Inventories	5,577,745	3,413,361
Prepayments and other assets	2,355,240	1,125,992
Total current assets	**32,186,040**	**20,933,775**
Non-current assets		
Property, plant and equipment	76,038,493	46,992,624
Right-of-use lease assets	32,393,595	–
Intangibles	7,428,694	7,301,892
Other assets	99,411	–
Total non-current assets	**115,960,193**	**54,294,516**
Total assets	**148,146,233**	**75,228,291**

35. Deed of cross guarantee (continued)

	2020	2019
Current liabilities		
Trade payables	16,234,859	10,201,225
Other payables	3,492,952	2,230,199
Financial liability	350,000	–
Employee benefits	4,129,727	2,962,801
Lease liabilities	3,420,761	–
Borrowings	5,981,098	2,102,006
Current tax liabilities	556,301	556,301
Total current liabilities	**34,165,698**	**18,052,532**
Non-current liabilities		
Other payables	3,331,309	2,128,080
Employee benefits	595,571	456,609
Lease liabilities	30,729,513	–
Loans and borrowings	15,837,398	4,837,087
Provisions	469,274	452,474
Deferred income tax liability	4,727,900	1,683,999
Total non-current liabilities	**55,690,965**	**9,558,249**
Total liabilities	**89,856,663**	**27,610,781**
Net assets	**58,289,570**	**47,617,510**
Equity		
Issued capital	45,674,176	34,814,339
Share based payments reserve	858,546	2,006,033
Retained earnings	11,756,848	10,797,138
Total equity	**58,289,570**	**47,617,510**

36. Subsequent events

On 31 July 2020 15,108,000 Performance Rights were issued in four tranches, each with Earnings Per Share or Total Shareholder Return performance vesting conditions. Two tranches vest each at the end of the financials years 2021 and 2022. If the vesting conditions are met, each Performance Right can be exercised into one Fully Paid Ordinary Share at the holder's discretion until the expiry date of 31 July 2035. The Performance Rights were issued to employees of the Company under the Company's Rights Plan and form part of the Long Term Variable Remuneration of the employees. The Rights Plan under which these Performance Rights were issued will be put to Shareholder approval at the Company's 2020 Annual General Meeting.

On 25 August 2020 the Directors declared a franked dividend of 1.05 cent per share to be paid on Friday 13 November 2020. Dividend Reinvestment Plan is available for election. The dividend has not been provided for in this financial report as it was not declared until after 30 June 2020.

Premium finance loan of $868,754 was drawn on the 7th September 2020 repayable in full by 30 August 2021.

Impact of COVID-19

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these consolidated financial statements. The estimation uncertainty is associated with:

- The extent and duration of the disruption to businesses arising from the actions by governments, businesses and consumers to contain the spread of the virus;
- The extent and duration of the expected economic downturn. This includes the disruption to capital markets, deteriorating availability of credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and
- The effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

The Group has developed estimates in these consolidated financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2020 about future events that the Directors believe are reasonable in the circumstances.

There is a considerable degree of judgement involved in preparing forecasts.

The underlying assumptions are subject to uncertainties which are often outside the control of the Group.

Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

Other than the above matters there has not otherwise arisen between the end of the year end period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of the affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

for the year ended 30 June 2019

In the opinion of the Directors of Acrow Formwork and Construction Services Ltd (the Group):

(a) the consolidated financial statements and notes set out on pages 45 to 91 and the Remuneration Report in the Directors' Report, set out on pages 24 to 44 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards, International Financial Report Standards and the *Corporations Regulations 2001*;

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

(c) There are reasonable grounds to believe that Acrow Formwork and Construction Services Limited and its controlled entities identified in note 31 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between Acrow Formwork and Construction Services Limited and its controlled entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

(d) The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors:

Peter Lancken
Chairman

Sydney, 24 September 2020

Steven Boland
Director, Chief Executive Officer

Sydney, 24 September 2020

GrantThornton

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Independent Auditor's Report

To the Members of Acrow Formwork and Construction Services Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Acrow Formwork and Construction Services Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

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

Basis for opinion

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

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

GrantThornton

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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Carrying value of goodwill (Note 16)</td></tr>
<tr><td>As disclosed in Note 16, intangibles comprise goodwill relating to the acquisition of Natform Pty Ltd and Natform (QLD) Pty Ltd which amounts to $7.4 million.

In accordance with AASB 136 Impairment of Assets, the Group is required to test the carrying value of goodwill annually.

Management has tested goodwill for impairment by comparing the carrying value of the assets related to this cash-generating unit to a valuation model based on the value-in-use of these assets.

We have determined this is a key audit matter as this assessment requires the exercise of significant judgement about forecasting future revenues and expenses, including discount rates applied to cash flows.</td><td>Our procedures included, amongst others:

• Enquiring with management to obtain and document an understanding of the processes and controls related to the assessment of impairment, including the calculation of the recoverable amount;
• Obtaining management's value in use calculations to:
    ○ Test the mathematical accuracy;
    ○ Evaluate management's ability to perform accurate estimates by comparing historical forecasting to actual results;
    ○ Test forecast cash inflows and outflows; and
    ○ Assess the discount rates applied to forecast future cash flows;
• Evaluating the value in use model against the requirements of AASB 136, including consultation with our valuations experts;
• Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing the calculation; and
• Assessing the adequacy of financial report and accounting policy disclosures.</td></tr>
<tr><td colspan="2">Acquisition of Uni-span Group Pty Ltd (Note 32)</td></tr>
<tr><td>On 31 October 2019, the Group acquired 100% of the issued shares of Uni-span Group Pty Ltd for a consideration of $20.9 million.

In accordance with AASB 3 Business Combinations, acquisition accounting of a business involves the recognition and measurement of identifiable assets and liabilities at their fair value.

This process is inherently complex and requires a level of judgement and assumptions and is therefore considered important to the audit.

As a result, this is a key audit matter due the complexity and judgements involved within the assessment of AASB 3 and the estimation involved in the valuation of the acquired assets and the valuation of the deferred and contingent considerations.</td><td>Our procedures included, amongst others:

• Obtaining the purchase agreement and management's accounting memorandum to confirm the terms of the contract;
• Obtaining the financial information related to Uni-span Group Pty Ltd and agreeing material balances to supporting documentation;
• Assessing the appropriateness of the accounting treatment of the acquisition in accordance with AASB 3;
• Assessing the qualifications and experience of the Independent Expert engaged by management and their suitability to perform the valuation engagement;
• Assessing the accounting treatment of contingent and deferred considerations and the underlying calculations of these liabilities; and
• Assessing the adequacy of the Group's disclosures in respect of the business acquisitions against the requirements of AASB 3.</td></tr>
</table>

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

Grant Thornton

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/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 24 to 44 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Acrow Formwork and Construction Services Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 24 September 2020

SHAREHOLDER INFORMATION

for the year ended 30 June 2019

The shareholder information set out below was applicable as at 18 September 2020.

Substantial shareholders

Top holders	Securities	%
Peter Lancken	10,952,365	5.01%
Evergreen Partners Limited	10,982,830	5.03%
Keneco Property Pty Ltd	13,086,667	5.99%
Schroders Investment Management Australia Limited	14,792,872	6.77%
Perennial Value Management Limited	24,578,995	11.25%

Holding distribution

Analysis of numbers of equity holders by size of holding:

Ordinary shares

Holding ranges	Holders	Total units	% of Issued Share Capital
Above 0 up to and including 1,000	1,542	97,913	0.04%
Above 1,000 up to and including 5,000	326	949,042	0.43%
Above 5,000 up to and including 10,000	198	1,663,176	0.76%
Above 10,000 up to and including 100,000	738	29,438,973	13.47%
Above 100,000	224	186,365,430	85.29%
Totals	**3,028**	**218,514,534**	**100.00%**

Unlisted options

Holding ranges	Holders	Total units	% of Issued Share Capital
Above 0 up to and including 1,000	0	0	0.00%
Above 1,000 up to and including 5,000	0	0	0.00%
Above 5,000 up to and including 10,000	0	0	0.00%
Above 10,000 up to and including 100,000	9	527,500	5.66%
Above 100,000	16	8,795.501	94.34%
Totals	**25**	**9,323,001**	**100.00%**

Performance rights

Holding ranges	Holders	Total units	% of Issued Share Capital
Above 0 up to and including 1,000	0	0	0.00%
Above 1,000 up to and including 5,000	0	0	0.00%
Above 5,000 up to and including 10,000	0	0	0.00%
Above 10,000 up to and including 100,000	0	0	0.00%
Above 100,000	38	15,108,000	100.00%
Totals	**38**	**15,108,000**	**100.00%**

Based on the price per security, number of holders with an unmarketable holding: 1,566, with a total 127,797, amounting to 0.06% of Issued Capital.

Voting Rights

Fully Paid Ordinary Shares – on a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share have one vote.

Options and Performance Rights – do not have voting rights.

Shares subject to voluntary escrow

2,583,331 shares voluntarily escrowed until the Company's FY20 results are lodged with ASX (i.e. upon the release of this report)

10,000,000 shares voluntarily escrowed until 31 October 2020. Issued to the Uni-Span vendors as part consideration of the Uni-Span acquisition completed 31 October 2019.

Unlisted Securities

Unlisted Securities include: 9,323,001 unlisted options and 15,108,000 performance rights.

There are no holders of more than 20% in either the options or performance rights classes.

On-market buy-back

The Company is not currently conducting an on-market buy-back.

Top holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Position	Holder name	Holding	% IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,072,559	8.73%
2	BNP PARIBAS NOMS PTY LTD <DRP>	12,210,419	5.59%
3	EVERGREEN PARTNERS NO 4 LP	10,982,830	5.03%
4	KENECO PROPERTY PTY LTD <FAMIGLIA A LTD PARTNER A/C>	10,420,000	4.77%
5	NATIONAL NOMINEES LIMITED	7,276,081	3.33%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,018,111	3.21%
7	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	6,467,038	2.96%
8	MARGARET ANNA PROKOP	6,434,004	2.94%
9	MRP PROPERTY PTY LTD <MRP GROUP FAMILY A/C>	4,289,550	1.96%
10	BIBBY INVESTMENTS PTY LTD	3,996,024	1.83%
11	CARL ERICH ROETGER & BARBARA WILHELMINA ROETGER	3,700,210	1.69%
12	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,678,822	1.68%
13	WHOOSHKA NOMINEES PTY LTD <WALLY WHOOSHKA A/C>	3,104,591	1.42%
14	MARYVILLE PTY LTD <BOLAND FAMILY A/C>	3,060,000	1.40%
15	JOSAMBA PTY LTD <WR&P GIBSON SUPER FUND A/C>	2,500,000	1.14%
16	SYMDANE PTY LIMITED	2,200,000	1.01%
17	TOTAL CONSTRUCTION PTY LIMITED	2,010,492	0.92%
18	MR ROBERT CAPORELLA	2,004,527	0.92%
19	DR DAVID JOHN RITCHIE & DR GILLIAN JOAN RITCHIE <D J RITCHIE SUPER FUND A/C>	2,000,000	0.92%
20	DRACKA PTY LTD <THE DRACKA A/C>	1,939,854	0.89%
	Totals	**114,365,112**	**52.34%**
	Total Issued Capital	**218,514,534**	**100.00%**

[redacted]

Origin APLNG (Industrial scaffold team), Surat Basin QLD

www.acrow.com.au

Legacy Way, Brisbane QLD