AQUIRIAN

Aquirian Limited

ABN 23 634 457 506

Appendix 4E and Annual Financial Report - 30 June 2022

Results for Announcement to the Market

In accordance with the Listing Rules, Aquirian Limited encloses for immediate release the following information:

1. Appendix 4E
2. Audited Financial Statements for the year ended 30 June 2022

Aquirian Limited
Appendix 4E

1. Company Details

Name of entity:	Aquirian Limited
ABN:	23 634 457 506
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

The financial statements have been audited and an unqualified opinion has been issued.

Statutory Results[1]				**$**
Revenues from ordinary activities	Up	39.8%	to	17,428,041
EBITDA[2] from ordinary activities	Up	57.6%	to	2,746,249
Profit from ordinary activities after tax attributable to the members of Aquirian Limited	Down	10.5%	to	558,148
Profit for the year attributable to the members of Aquirian Limited	Down	10.5%	to	558,148

Results for the period
Refer to the Directors' Report.

Dividends
No dividends have been declared during or subsequent to the financial year, and the Company does not have a dividend reinvestment plan.

The Company confirms that it expects to utilise the funds raised under its prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact

[1] Statutory Results - unless otherwise stated, statutory financial information for the Group.
[2] EBITDA refers to earnings before interest costs, taxation, depreciation and amortisation costs as set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Audited Accounts, based on inputs calculated in accordance with Australian Accounting Standards and reviewed by the Group's auditors.

Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	9.85	3.73

3. Control gained over entities

Not applicable.

4. Loss of control over entities

Not applicable.

5. Details of associates and joint venture entities

Not applicable.

About Aquirian

Aquirian is an emerging specialist mining services company providing people, equipment and innovative products that support mining clients across their operations.

The Company has a strong national and international presence with reputable, in-house capabilities and, through its extensive, in-depth relationships built up over many years of working in mining services locally and globally, it has attracted and maintained a long-term, tier-one client base. It provides specialised People Services (training, labour, recruitment) under the **Modular Training**, **TBS Workforce** and **Primed Professionals** brands, and Mining Services (equipment leasing, maintenance & repair, engineering services, drill and blast products and onsite field services) under the **Cybem Services**, **TBS Mining Solutions** and **MagLok** brands to the mining and resources, and civil and defence sectors in Australia and internationally.

AQUIRIAN LIMITED

ABN: 23 634 457 506
AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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AQUIRIAN LIMITED AND CONTROLLED ENTITIES
CORPORATE DIRECTORY
30 June 2022

Directors	Bruce McFadzean (appointed 9 April 2021) Alexandra Atkins (appointed 9 April 2021) David Kelly (appointed 27 June 2019) Gregory Patching (appointed 27 June 2019)
Company Secretary	Victor Goh C/- Small Cap Corporate Pty Ltd Suite 1 295 Rokeby Road Subiaco WA 6008
Registered Office	Level 3 190 St Georges Terrace Perth WA 6000
Share register	Automic Group Level 5 191 St Georges Terrace Perth WA 6000
Auditors	Pitcher Partners BA&A Pty Ltd Level 11 12-14 The Esplanade Perth WA 6000
Legal Advisers	Grondal Bruining Pty Ltd Level 5 22 Delhi Street West Perth WA 6005
Website	https://www.aquirian.com/
Corporate Governance Statement	A copy of the Corporate Governance statement can be found at https://www.aquirian.com/

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of Aquirian Limited ("the Company") and the entities it controlled ("the Group"), for the year ended 30 June 2022 and auditor's report thereon.

Directors

The names of Directors in office at any time during or since the end of the year are:

Bruce McFadzean – Non-Executive Chairperson
Alexandra Atkins – Non-Executive Director
David Kelly – Managing Director
Gregory Patching – Executive Director

The Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Group during the year were the development of technology and innovative products, provision of equipment, maintenance and repairs, onsite field services, workforce, and training solutions to the mining and resources industry.

Review of operations

The Group remains focused on the safety and wellbeing of its employees, ESG, quality service provision, and providing real solutions to customers. The ongoing development (and intellectual property (IP) protection) of the Collar Keeper® and the Collar Keeper® System technology and innovation remains central to providing clients with 'end-to-end' total quality assurance in blast hole drilling.

The year ended 30 June 2022 demonstrated the capability of the organisational and the ability to execute our strategy as we continue to grow and diversify the business. During the year the Group has seen growth in its mining equipment fleet, completion of the Cybem acquisition, continued technology, intellectual property (IP) and patent development and, significant focus of our People Services division while operating within a challenging global environment. The Group continues to leverage the synergies from the Group's individual businesses through cross pollination of opportunities as we deliver an increased range of client offerings.

Significant progress on the development and commercialisation pathway for the Collar Keeper® System was achieved in the financial year. We launched the Phase 1(Manual version) of our Collar Keeper® System in mid Q4 after Covid protocols impacted anticipated volumes. Pleasingly though, we adapted onto 5 rigs in WA & Zambia with growth profiles to accelerate in 2023. Our Engineering team also commenced Phase II (Mechanisation) of the Collar Keeper® System in Q4 as part of our Technology Pathway. This Phase will allow our clients drilling crews to remain 'in-cab' throughout the drill shift, further improving efficiencies, hole quality and safety with 5 rigs.

The Mining Services division delivered good growth with the asset bases expanding across both the underground and ancillary fleet. The Maglok relocation to new South Australian premises was also finalised during the year and output was solid across the year.

The People Services division showed resilience in a very challenging market, particularly on the labour front in the first half of the year, through the second half the People Services Division saw strong growth in resourcing provided to Aquirian's customers through the TBS Workforce business unit. The team has delivered exceptional service which has resulted in both an increase in placed personnel and a growing client base for the business.

Modular Training continued to grow with increased uptake across the board. Additional training competency to the existing scope was added and as part of Modular's integrated learning strategy, Specialist field personnel were increased to deliver services direct on customer sites.

Results

The Group's consolidated profit after providing for income tax was $558,148 (30 June 2021: $623,358) down 10.5%.

Revenue from ordinary activities for the year ended 30 June 2022 was $17,428,041 (30 June 2021: $12,462,652) up 39.8%. The increase is primarily related to existing Mining Services business and the acquisition of Cybem Services in Q4.

The Group generated positive cash from operating activities for the year of $2,104,319 (30 June 2021: $1,247,163). Cash and cash equivalents as at 30 June 2022 was $7,993,305 (30 June 2021: $1,673,655). Primary increase in cash and cash equivalents are the net proceeds of the initial public offering on the 27 July 2021 of $7,611,328.

The table below provides a comparison of key results for the year ended 30 June 2022 to the preceding year:

Statement of Profit or Loss	**30 June 2022 $**	**30 June 2021 $**
Revenue from ordinary activities	17,428,041	12,462,652
Consolidated profit after providing for income tax	558,148	623,358
EBITDA [2]	2,746,249	1,742,181

[2] EBITDA refers to earnings before interest costs, taxation, depreciation, and amortisation costs as set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of the audited accounts, based on inputs calculated in accordance with Australian Accounting Standards.

Statement of Financial Position	**30 June 2022 $**	**30 June 2021 $**
Net assets	11,054,542	2,415,627
Cash and cash equivalents	7,993,305	1,673,655
Borrowings	6,111,255	2,872,208
Net cash / (debt)	1,882,050	(1,198,553)
Share capital	7,708,571	100

Significant changes in the state of affairs

On 27 July 2021, Aquirian Limited listed on the Australian Securities Exchange (ASX).

On the 1 April 2022, the Group acquired 100% of the business assets of Cybem Mechanical Services Pty Ltd, a provider of on-site labour support, field service and mechanical repair services. Total consideration paid for the acquisition was $3,000,000, net of adjustment for certain liabilities assumed.

The financial statements reflect the continuing business of the Group.

There were no other significant changes in the state of affairs of the Group during the financial year, other than those referred to elsewhere in the report.

Subsequent events

No other matters or circumstances have arisen since 30 June 2022 that has materially affected, or may materially affect the Group's operations, the results of those operations, or its state of affairs in future financial years.

Capital management discipline and cash conversion

The Group's objective in managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. The Group continued to generate positive cash from operations cashflow, maintains a net cash position, and has a strong balance sheet position. This healthy financial position provides a safeguard for potential changing market conditions and provides the ability to pursue opportunities as they arise that align to the company's growth strategy.

Strategies

Following the successful listing of Aquirian Limited on the Australian Securities Exchange (ASX), we are executing against the prospectus strategy of Aquirian strengthening its position as an Australian-based, globally oriented, technology focused, integrated mining services business. To this end, we are pleased to report that during FY22:

- Commercialisation of stage 1 of the Collar Keeper® system.
- Expansion of the Mining Equipment fleet with additional service offerings.
- Continued development of the technology pipeline working towards full automation.
- Acquisition of the business and assets of Cybem Mechanical Services Pty Ltd providing additional service offering to customers, expanding our customer base and business synergies.
- Relocation of Maglok to new large premises that provides the ability for capacity and capability of additional and new service offerings
- People Services division engaging with our customer base and providing new service offerings across both recruitment and training.

Likely developments

As the Group develops its technology, grows its equipment fleet, and expands its manufacturing capacity, in line with the proposed use of funds statement included in its prospects, the Group expects to grow its customer base in Australia and internationally.

The Group will continue to invest in new technology and the development of the Collar Keeper® System will continue as outlined:

- Phase 1 – Manual System – continue commercialisation
- Phase 2 – Mechanised System – continue development with a view to commercialisation in the second half of FY23
- Phase 3 – Automated System – it is anticipated the Group will commence development of this in the second half of FY23

The Group's outlook for FY23 is positive. Despite the macroeconomic factors that are currently impacting all sectors of the economy and market sentiment generally, the Group believes that the fundamentals driving demand for its varied services and multiple business units remain strong.

Over the prior 12 months, the Group has laid a solid foundation for growth across its business divisions which, when coupled with the continued commercialisation of the Collar Keeper® System in FY23 and beyond, is expected to generate increasing revenue and margin over the medium to long term

Environmental regulation
The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Risk Management
The Group defines risk management as the identification, assessment and management of risks that have the potential to materially impact on its operations, people, reputation, and financial results.

Outlined below is an overview of a number of material risks facing the Group. These risks are not set out in any particular order and do not comprise every risk that the Group could encounter when conducting its business. Rather, they are the most significant risks that, in the opinion of the Board, should be considered and monitored by both existing shareholders and potential shareholders in the Company.

Activity levels in key industry sectors may change

The Group's client base is spread across a range of industry sectors, including mining, defence and law enforcement.

Financial performance is connected to the strength of the mining industry, and in particular the demand for mining equipment and personnel, in the regions where the Group operates. Mining industry activity can be volatile, cyclical and sensitive to a number of factors beyond the control or prediction of the Group.

A contraction in the mining industry, including a reduction in demand for mining equipment or personnel, in the regions where the Group operates, may negatively affect the growth prospects, operating results and financial performance of Aquirian.

Any adverse developments which impact the other industry sectors in which the Group operates (defence and law enforcement) also have the potential to in turn impact the demand for Group's services, which could adversely impact the future financial performance and/or financial position.

Cash flows

The Group funds its activities via operating cash flow and through asset finance. Projects, operations, cash flows and liquidity, could be adversely affected if the Group miscalculates the resources, cost or time needed to complete a project, or is unable to receive cash from clients in respect of services rendered on a timely basis.

Reliance on key personnel

Given the current scale of the Group, its operational success will depend substantially on the continuing efforts of its senior executives and key employees. A loss of key personnel may impact on corporate knowledge, client relationships and operational continuity.

Intellectual property risk

The Group's ability to leverage its strategy and expertise in part depends on its ability to protect its intellectual property and any improvements to it. The Group's future performance may be impacted if its product development objectives are unsuccessful, or if applications for the grant of patents are unsuccessful.

Reliance on key clients and the issue of purchase orders

The Group's business model involves engaging with clients through the Group's entities using master services agreements, and by accepting any purchase orders subsequently issued by the client. There is no obligation on the part of the client to issue or the Group entity to accept any purchase orders.

Given this business model, operational success will depend on clients continuing to do business with the Group by issuing purchase orders, which is something that the Group cannot control. A loss of key clients, by their failure to issue purchase orders, may impact on the revenue of the Group.

Loss of production capability of Collar Keeper®

The Group relies upon production and export of the Collar Keeper® range from its supplier based in China. The Group and its distributors hold stock of Collar Keeper® in Australia, the US and Chile. The Group has engaged with manufacturers in those countries to seek to identify and put in place alternative manufacturing sources.

However, there is a risk that the Group's Chinese supplier may lose its ability to produce or export the Collar Keeper® product. This will mean that the Group will be forced to locate a suitable alternative supplier. There is a risk that this may not be achievable immediately or within adequate timeframes to prevent disruptions to the supply of the Collar Keeper® to customers. This will likely result in a loss of revenue for the Group and may adversely impact on the financial performance and/or financial position of the Group.

Ability to win new business

If the Group is unable to establish new customer relationships and win new work and tenders, this may adversely affect the Group's growth prospects and its financial performance and/or financial position.

Specialist labour shortages

The Group relies on specialist labour to provide its services. If the Group is unable to retain or engage sufficient persons with the requisite skills and experience to undertake its operations as and when needed, this will impact on the Group's ability to generate revenue.

Regulatory risk

The Group is required to maintain 'good standing' and comply with the requirements of a number of industry regulators to maintain its licences to operate. A change in regulation or a change in the Group's 'standing' with regulators may adversely impact on the financial performance and/or financial position of the Group.

Access to sufficient used and new equipment

Some of the services provided by the Group's Mining Services Division are dependent on access to used and new mining equipment. If the Group experiences difficulty in securing adequate supplies of mining equipment at appropriate prices, or if the quality of the equipment is not acceptable or suitable, the Group's ability to perform or commence new projects may be adversely affected. This may have an adverse impact on the financial performance and/or financial position of the Group.

Risk of Underpayment Claims

The Group's People Services Division relies on its employment advisers' interpretation of industry awards in determining the applicable pay rates of its temporary workforce. The industry awards are complex and, whilst unlikely, there is a risk that the employment advisers have misinterpreted the industry awards and that the pay rates determined for the temporary workforce are incorrect.

There is also a risk of misclassification of employees as casuals given current case law.
This may mean the temporary workforce have been underpaid, which may result in the Group being required to pay compensation to the temporary workforce with respect to the shortfall as well as additional interest, costs, fines, or other penalties.

The Group's standard contracts with its clients contain clauses providing that such costs are passed through to the client, such that Group would not bear the ultimate cost.

However, if the Group was unable (for whatever reason) to successfully recover those pass through amounts from the client, it may be required to bear those costs itself. Further, such an event may lead to a loss of reputation and repeat business.

COVID-19 and other infectious diseases

If the COVID-19, or another infectious disease, spreads to mine sites, or causes travel restrictions or quarantine restrictions that prevent the Group's personnel accessing sites, there is a risk that the Group will not be able to provide services. Further, there is a risk that a pandemic could enliven force majeure clauses in contracts or negatively affect the cash position of clients, such that clients are able to suspend the performance of their commitments under the contracts or are unable to provide payments on a timely basis.

Health and safety

Health and safety risks are inherent in the mining services industry environment. These include major safety incidents, general operational hazards, failure to comply with policies, terrorism and general health and safety.

A serious site safety incident, particularly one contributed by or affecting the Group's hired out equipment or personnel, could have an adverse impact on the reputation and financial outcomes for the Group.

M&A challenges

The Group's future strategies and growth opportunities rely in part upon the development of the business through identifying selective, accretive M&A opportunities that further integrate into Aquirian's equipment supply chain to improve Aquirian's operating margins.

There is no assurance that suitable M&A opportunities will be identified at a price and on terms acceptable to the Group or that if suitable opportunities are identified that the Group will be in a position at those times to finance and complete them.

Any future M&A may be subject to unanticipated risks and/or liabilities, or disrupt the Group's operations and divert management's attention from day to day operations. In addition, there is no assurance that any M&A completed by the Group will be profitable or be successfully and smoothly integrated into the Group's operations or that they will not have a material and adverse effect on the Group's business, financial position, operations, and prospects.

Remote locations and country risk

The Group conducts its business in remote locations, such as the West Australian outback, and emerging markets, such as in Africa and South America. There are risks inherent in conducting business in such locations, including exposing the Group to increased risk of a shortage of skilled and general labour, increased costs, logistical challenges and (in respect of foreign markets) political, legal and operational risk.

Currency movement

The Group currently acquires overseas supplied products and sells products to overseas clients in USD. The Group utilises its relationships with its banks' foreign exchange division and analyses market trends to determine appropriate times to repatriate those funds to AUD. However, fluctuations in the currency occur on a daily basis and adverse movements in the exchange rate between the AUD and USD, and any other foreign currencies used as a result of future international expansion, may cause the Group to incur foreign currency losses. Such losses may impact and reduce the Group's profitability.

Financing Risk

The Group has financing facilities with external financiers. A default under any of these facilities could result in withdrawal of financial support or an increase in the cost of financing.

Cyber Security

The potential for cyber security attacks, misuse and release of sensitive information pose a risk for the Group.

Dividends
No dividends were paid, recommended, or declared since the start of the financial year (period ended 30 June 2022 (2021: $NIL).

Share options and performance rights granted to Directors
Options over unissued ordinary shares granted by Aquirian Limited during the year, including options granted to Directors of the Group (other than the Directors), were as follows:

Directors	Options granted	Performance Rights *
Bruce McFadzean	550,000	-
David Kelly	-	862,849
Gregory Patching	-	674,596
Alexandra Atkins	450,000	-

* The above performance rights were approved for issue by shareholders of Aquirian Limited at the most recent Annual General Meeting held on 25 November 2021. These instruments were issued on the 10 February 2022.

The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024. The performance hurdles are:

A. 3-year Compound Annual Growth Rate (CAGR) Earnings per Share (EPS) (weighting 50%); and
B. 3-year CAGR Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (weighting 50%).

The number of performance rights that vest (if any) is dependent on whether either one or both performance hurdles is achieved by the Group at the end of the performance period. The performance hurdles will be assessed independently.

Set out below are the number of performance rights expected to vest depending upon the results of the Groups' operations:

CAGR over the performance period (1 July 2021 – 30 June 2024)	% of Performance Rights that will vest
Below 15%	NIL
15%	50% (Target)
Between 15% and 25%	Straight line pro-rata vesting between 50% and 100%
At or greater than 25%	100%

Shares under option at 30 June 2022
Unissued ordinary shares of Aquirian Limited under option at the date of this report are as follows:

Date granted	Number of unissued ordinary shares under option	Exercise price of shares	Expiry date of the options
27 July 2021	1,250,000 options	$0.25	27 July 2024
27 July 2021	1,250,000 options	$0.35	27 July 2025

No option holder has any right under the options to participate in any other share issue of Aquirian Limited.

Date performance rights issued	Number of performance rights granted	Date of performance rights grant	Date of vesting of performance rights
10 February 2022	2,749,891	1 July 2021	30 June 2024

The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period ending on 30 June 2024. The above represents the maximum amount of performance rights attainable.

Shares issued on exercise of options
No shares were issued during the reporting period or up to the date of this report on exercise of options.

Information on Directors and company secretary
The qualifications, experience and special responsibilities of each person who has been a Director of Aquirian Limited at any time during or since 1 July 2021 is provided below, together with details of the company secretary as at the year end.

Bruce McFadzean
Non-Executive Chairperson
(Appointed 9 April 2021)

Bruce is a qualified mining engineer with more than 40 years' experience in the global resources industry. Bruce has led the financing, development, and operation of several new mines around the world. His professional career includes 15 years with BHP Billiton and Rio Tinto in a variety of positions and four years as Managing Director of Catalpa Resources Limited, a successful Western Australian gold miner which, under his management, saw its market capitalisation grow from $10 million to $1.2 billion following its merger with Evolution Mining.

Bruce is currently a Non-Executive Director of Hastings Technology Metals Limited (ASX: HAS), Non-Executive Chairperson of Ardiden Limited (ASX: ADV), and Non-Executive Director of Argosy Minerals Limited (ASX: AGY).

David Kelly
Managing Director
(Appointed 27 June 2019)

David has worked globally in the mining industry for over 20 years, predominantly in the drill and blast sector. David joined the Group shortly after it was founded. Prior to joining Aquirian Limited, he was the founding Managing Director of Hanwha Mining Services in Australia. His career has also included over a decade with Orica where he worked in various commercial and operations roles in Australia, Hong Kong and Indonesia, including leading group training globally.

David has a Graduate Certificate in Business from UWA, has completed the AICD International Directors Course and is a member of the AICD.

Gregory Patching
Executive Director
(Appointed 27 June 2019)

Gregory has worked in the mining industry for over 30 years, predominantly in the drill and blast sector. With over 20 years with Orica, Gregory served as the President Director of Indonesia along with global customer management with all the major mining houses.

Gregory founded the Group and has a long track record of delivery across a number of businesses. Managing the innovation and intellectual property (IP) commercialisation pipeline is his prime focus. Gregory is also a graduate of the AICD.

Alexandra Atkins
Non-Executive Director
(Appointed 9 April 2021)

Alexandra has over 8 years of Non-Executive Director experience with listed companies and NFPs.

Alexandra has over 25 years multi-disciplinary and multi-commodity mining experience across the full value chain throughout Australia and Papua New Guinea in roles that find, design and run mines, regulate mines and has also worked at Deloitte. She is also Managing Director and Principal at Alex Atkins & Associates, a mining risk consultancy focused on protection/conformance (assurance) and performance (digital transformation).

With core competencies as a mining and geotechnical engineer, Alexandra has developed strong skills in finance, strategy, risk and governance which she has further honed during her time at Deloitte, as an executive consultant and on boards. "Alex's X-Factor" is her leadership of the digital transformation of mining whilst managing mining's critical material risks.

Alexandra is currently a Non-Executive Director of Perenti Global Limited (ASX: PRN) and a Non-Executive Director of Strandline Resources Limited (ASX: STA). She is a former Non-Executive Director of IWiM (International Women in Mining) and a former Director of the Australasian Institute of Mining and Metallurgy. She is a member of the 30% Club Steering Committee, with a remit to lead strategy on diversifying the mining industry's leadership pipeline.

Victor Goh
Company Secretary

Victor is a Chartered Accountant with 8 years of experience as an auditor, with a client base primarily consisting of ASX-listed companies. Victor currently works as a corporate advisor at SmallCap Corporate and provides company secretarial, accounting, and financial management services for a number of listed and unlisted companies.

Victor holds a Bachelor of Commerce from the University of Western Australia and is a member of Chartered Accountants Australia and New Zealand.

Directors' meetings

The number of meetings of the board of Directors and of each Board committee held during the financial year and the numbers of meetings attended by each Director were:

	Board of Directors	
	Eligible to attend	**Attended**
Bruce McFadzean	11	11
David Kelly	11	11
Gregory Patching	11	11
Alexandra Atkins	11	11

Directors' interests in shares or options

Directors' relevant interests in shares of Aquirian Limited or options over shares in the Group as at the date of this report are detailed below:

Directors' relevant interests in:	Ordinary shares of Aquirian Limited	Performance Rights*	Options over shares in Aquirian Limited
Bruce McFadzean	740,345	-	550,000
David Kelly	6,983,551	862,849	-
Gregory Patching	20,279,000	674,596	-
Alexandra Atkins	-	-	450,000

* The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024.

Indemnification and insurance of Directors and Officers
The Group has indemnified the Directors and executives of the Group for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

Proceedings on behalf of the Group
No person has applied for leave of Court to bring proceedings on behalf of Aquirian Limited or any of its subsidiaries.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Non-audit services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise with the Group is important. Non-audit services were provided by the Group's current auditors, Pitcher Partners BA&A Pty Ltd.

The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

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 (including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Aquirian Limited or any of its related entities, acting as an advocate for Aquirian Limited or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of Aquirian Limited or any of its related entities.

	2022 **$**	**2021** **$**
Amounts paid and payable to Pitcher Partners BA&A Pty Ltd and related entities for non-audit services:		
Due diligence services	12,855	27,396
Taxation services	30,310	47,650
Total auditors' remuneration for non-audit services	**43,165**	**75,046**

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Remuneration report (Audited)

The Directors present the Group's 2022 remuneration report which details the remuneration information for Aquirian Limited's Directors and other key management personnel.

A. Details of key management personnel

(i) Directors	**Period of Responsibility**	**Position**
Bruce McFadzean	Appointed 9 April 2021	Non-Executive Chairperson
David Kelly	Appointed 27 June 2019	Managing Director
Gregory Patching	Appointed 27 June 2019	Executive Director
Alexandra Atkins	Appointed 9 April 2021	Non-Executive Director
(ii) Key Management Personnel		
Mark Hunter	Appointed 27 April 2021	Chief Financial Officer

B. Remuneration policies

The board has established a policy for determining the nature and amount of remuneration of key management personnel that is agreed by the board of Directors as a whole.

The board obtains independent professional advice where necessary to ensure that the Group attracts and retains talented and motivated Directors and employees who can enhance group performance through their contributions and leadership.

For executives, the Group provides a remuneration package that incorporates both cash-based remuneration and an entitlement to participate in share-based remuneration as part of the Group's short and long term incentive plans.

The contracts for service between the Group and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning executives and shareholder interests.

Non-executive Directors receive fees (salary) and may receive options for the purposes of aligning their interest more closely with the interest of the Group without conflicting on their obligation to bring independent judgement to matters before the board.

The Board determines the maximum amount for remuneration, including thresholds for share-based remuneration, for Directors by resolution.

Service Agreements

The Group has entered into service agreements with the following key management personnel. Key terms of their service agreements have been outlined below:

Bruce McFadzean
Non-Executive Chairperson

- A cash salary of $55,000 per annum, inclusive of any statutory superannuation obligations;
- A restraint period of 6 months following cease of employment which prevents connection or interest to any business that competes with the Group; and
- The Group and Mr McFadzean may terminate this agreement at any point in time with no minimum notice period.

David Kelly
Managing Director

- Fixed remuneration of $323,568, inclusive of any statutory superannuation obligations;
- Provision of other non-cash benefits, including a company vehicle (or allowance) and parking
- Entitlement to participate in any short or long-term incentive plans
- A restraint and non-compete period of 12 months following cessation of employment with the Group which prevents Mr Kelly from soliciting Group employees or business relationships;
- The Group and Mr Kelly may terminate the agreement at any time by giving the other party 6 months notice, or the Group making payment in lieu of notice for all or part of this notice period; and

- Termination can be made at any point with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law.

Gregory Patching
Executive Director

- Fixed remuneration of $303,568, inclusive of any statutory superannuation obligations;
- Provision of other non-cash benefits, including a company vehicle (or allowance) and parking
- Entitlement to participate in any short or long-term incentive plans
- A restraint and non-compete period of 12 months following cessation of employment with the Group which prevents Mr Patching from soliciting Group employees or business relationships;
- The Group and Mr Patching may terminate the agreement at any time by giving the other party 6 months notice, or the Group making payment in lieu of notice for all or part of this notice period; and
- Termination can be made at any point with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law.

Alexandra Atkins
Non-Executive Director

- A cash salary of $45,000 per annum, inclusive of any statutory superannuation obligations;
- A restraint period of 6 months following cease of employment which prevents connection or interest to any business that competes with the Group; and
- The Group and Ms Atkins may terminate this agreement at any point in time with no minimum notice period.

Mark Hunter
Chief Financial Officer

- Fixed remuneration of $253,000, inclusive of any statutory superannuation obligations;
- Entitlement to participate in any short or long-term incentive plans
- A restraint and non-compete period of 12 months following cessation of employment with the Group which prevents Mr Hunter from soliciting Group employees or business relationships;
- The Group and Mr Hunter may terminate the agreement at any time by giving the other party 3 months notice, or the Group making payment in lieu of notice for all or part of this notice period; and
- Termination can be made at any point with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law.

Group earnings and shareholder wealth (2 year summary)

	2022	2021
Revenue ($)	17,649,094	12,742,730
Profit attributable to owners of Aquirian Limited ($)	558,148	623,358
Basic earnings per share (cents per share)	0.007	0.016
Dividends paid (cents per share)	-	-
Share price at the end of the financial year ($)	0.30	-
Total remuneration ($)	1,486,636	714,145
Total performance based remuneration ($)	423,820	-

* On 27 July 2021, Aquirian Limited successfully listed on the ASX, in accordance with the prospectus, the listing included: Issue of 40,000,000 shares at $0.20 per share to raise $8,000,000 (before costs). Applying the weighted average number of ordinary shares for 2022 to 2021 calculates a basic earning per share of 0.008 for the 2021 year.

The targeted remuneration mix for executive KMP for the year ended 30 June 2022 is outlined below

		At risk	
	Fixed remuneration	**Short-term incentive**	**Long-term incentive**
David Kelly Chief Executive Officer (CEO) and Managing Director	74%	19%	7%
Gregory Patching Executive Director	75%	19%	6%
Mark Hunter Chief Financial Officer (CFO)	79%	16%	5%

1. The % of long-term incentive is based on the expense recognised in accounts in respect to performance rights.

2. The fixed remuneration above does not include a vehicle allowance or company vehicle where provided.

Fixed remuneration

The fixed remuneration paid to executive KMP is based on the size and scope of their role, knowledge and experience, and market benchmarks for that role.

Fixed remuneration comprises base salary and superannuation.

Remuneration levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external advisors may be used to ensure the KMP's remuneration is competitive with the market and relevant industry peers. During the year, benchmarking was completed using an external remuneration consultant.

FY22 Short-term incentive ("STI")

During FY22, the STI provided to executive KMP had the following features:

Description	KMP and other senior management are able to participate in the STI.
Performance criteria and payments	STI awards are subject to performance criteria framework and weightings determined by the Board. Performance criteria includes a mix of financial and non-financial KPI's, which are set at Group, Divisional and Individual level. The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Board. The Board approves the final STI award based on this assessment of performance after which the STI is paid in cash
Performance period	Performance against the STI targets relate to the period from 1 July 2021 to 30 June 2022.
Board Discretion	The Board has the right to modify, reduce or remove the STI opportunity at any time.
Cessation of employment	If an Eligible Participant ceases employment during a Performance Year, due to: a) retirement; (b) genuine redundancy; (c) total and permanent disablement; (d) death; or (e) terminal illness subject to the Board's discretion to determine otherwise, they will remain entitled to a pro-rata STI Award for that Performance Year, and assessed at target. Unless the Board determines otherwise, if a Participant ceases employment for any other reason during a Performance Year, or prior to payment for a year in which an entitlement has already been earned but not yet paid, they will not be eligible for an STI Award for the Performance Year.
Change of Control	In the event a Change of Control occurs during the performance year, a participant will receive a pro-rata STI award, assessed at target.

Long-term Incentive ("LTI")

At the discretion of the Board, the Group provides a LTI opportunity to executive KMP and other senior executives through the grant of performance rights. These performance rights can vest into fully paid ordinary shares in Aquirian Limited, for no consideration, subject to meeting a performance condition and a continued employment condition.

The purpose of the Plan is to assist in the reward, retention and motivation of participants, link the reward of participants to shareholder value creation and align the interests of participants with shareholders of the Aquirian Group.

Description	KMP and other senior management are able to participate in the LTI.
Terms and conditions	The Board has the discretion to set the terms and conditions on which it will offer Performance Rights under the Plan, including the terms of the invitations. To the extent permitted by the Listing Rules and the Plan, the Board retains the discretion to vary or amend the terms and conditions of the Plan.
Performance period	The performance period is at the end of three years, which commences on 1 July each year.
Dividends and voting rights	Performance rights do not have dividend or voting rights. Shares allocated upon vesting of performance rights rank equally with other ordinary shares on issue.
Change of control	Where a change of control event occurs, or the Board determines that such an event is likely to occur, Performance Rights will vest where pro rata performance is in line with the vesting conditions applicable to those Performance Rights on the date that the event occurs, or the Board determines that the event is likely to occur.
Cessation of employment	In the event of resignation or termination of employment or engagement with the Group prior to the Performance Rights vesting, in general, unvested performance rights will lapse and the participant will have no further interest in the rights. Unless the Board determines otherwise, if employment ceases in other circumstances (e.g. retirement, redundancy, death or terminal illness, total and permanent disablement etc.), the Performance Rights would be retained on a pro-rata basis based on time served during the performance period, with the vesting conditions being tested in accordance with the applicable vesting conditions to determine the number of Performance Rights which may vest at this time (if any). The Board has the discretion to apply any other treatment that it deems appropriate in the circumstances.
Performance criteria, vesting conditions	For all Performance rights issued on the 1 July 2021, vesting at the end of the performance period, is dependent upon the satisfaction of the two performance hurdles vesting conditions: • 50% of the performance rights are subject to a Compound Annual Growth Rate (CAGR) in Aquirian Limited's Earnings per Share (EPS); and • 50% of the performance rights are subject to a CAGR in Aquirian Limited's Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

The number of performance rights that vest (if any) is dependent on whether either one or both performance hurdles is achieved by the Group at the end of the performance period. The performance hurdles will be assessed independently.

Set out below are the number of performance rights expected to vest depending upon the results of the Groups' operations:

	CAGR over the performance period (1 July 2021 – 30 June 2024)	**% of Performance Rights that will vest**
3-year CAGR for EPS	Below 15%	NIL
	15%	50% (Target)
	Between 15% and 25%	Straight line pro-rata vesting between 50% and 100%
	At or greater than 25%	100%

	CAGR over the performance period (1 July 2021 – 30 June 2024)	**% of Performance Rights that will vest**
3-year CAGR for EBITDA	Below 15%	NIL
	15%	50% (Target)
	Between 15% and 25%	Straight line pro-rata vesting between 50% and 100%
	At or greater than 25%	100%

Clawback	The Plan contains clauses that address fraud, malfeasance, material misstatement, inappropriate benefits and clawback that will result in the forfeiture of unvested and unexercised Performance Rights and vested Shares and their value, and which may apply at any time, including during employment
Trading restrictions	Performance Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with, except by force of law. Shares resulting from the exercise of performance rights will be subject to disposal restrictions due to compliance with: • the Plan; • the Aquirian Trading Policy; and • insider trading provisions of the Corporations Act.

C. Details of Directors and key management personnel (KMP) remuneration

Details of the remuneration of the Directors and key management personnel of the Group for the year ended 30 June 2022 and 30 June 2021 are set out in the following table.

	Short-Term				**Post-employment**		**Long-Term**	**Share-based payments[4]**		**TOTAL**	**Total performance related**
2022	Salary fees	Cash bonus	Non-monetary [3]	Other [3]	Super-annuation	Retirement benefits	Incentive plans	LTI - Performance Rights	Options		
	$	$	$	$	$	$	$	$	$	$	%
Directors											
Bruce McFadzean	50,000	-	-	-	5,000	-	-	-	59,218	114,218	52%
David Kelly	300,000	97,904	-	43,000	23,568	-	-	32,357	-	496,829	26%
Gregory Patching	280,000	81,220	39,680	-	23,568	-	-	25,297	-	449,765	24%
Alexandra Atkins	40,909	-	-	-	4,091	-	-	-	48,451	93,451	52%
KMP											
Mark Hunter	230,000	62,506	-	-	23,000	-	-	16,867	-	332,373	24%
	900,909	241,630	39,680	43,000	79,227	-	-	74,521	107,669	1,486,636	29%
2021											
Directors											
Bruce McFadzean (1)	8,371	-	-	-	795	-	-	-	-	9,166	-
David Kelly	268,000	-	-	30,396	29,260	-	-	-	-	327,656	-
Gregory Patching	268,000	-	30,396	-	29,260	-	-	-	-	327,656	-
Alexandra Atkins (1)	6,849	-	-	-	651	-	-	-	-	7,500	-
KMP											
Mark Hunter (2)	38,551	-	-	-	3,616	-	-	-	-	42,167	-
	589,771	-	30,396	30,396	63,582	-	-	-	-	714,145	-

(1) Appointed 9 April 2021
(2) Appointed 27 April 2021
(3) Short-term benefits received relating to vehicle and/or vehicle allowances
(4) Relates to the expense recognised in accounts in respect to the performance rights

Performance related cash bonuses

The remuneration of executive directors and other key management personnel includes the award of short-term cash bonuses payable upon the satisfaction of specified performance conditions.

STI awards are subject to performance criteria framework and weightings determined by the Board. Performance criteria includes a mix of financial and non-financial KPI's, which are set at Group, Divisional and Individual level.

Group level KPIs for FY22 were 15% weighting for ESG, and a weighting range from 35%-55% for EBITDA determined by role. Remaining weighting applied to divisional and individual performance criteria.

	FY22 Maximum STI Available	Amount included in remuneration	Percentage vested in the financial year %	Percentage forfeited in the financial year %
David Kelly Chief Executive Officer (CEO) and Managing Director	161,784	97,904	61%	39%
Gregory Patching Executive Director	151,784	81,220	54%	46%
Mark Hunter Chief Financial Officer (CFO)	101,200	62,506	62%	38%

D. Key management personnel's share-based compensation

Non-Executive Directors were granted options in the Group in order to align their personal interests with shareholders. Refer to the Directors' Report for further information pertaining to the number of options issued and held by key management personnel.

No shares were issued upon exercise of these options during the year.

E. Key management personnel's equity holdings

(a) Number of options held by key management personnel

Information about share options awarded to executive directors and other key management personnel is outlined in the following table:

2022 Options									
	Grant Date	**Expiry Date**	**Exercise Price**	**Balance at 1 July 2021**	**Granted during the year**	**Exercised during the year**	**Expired during the year**	**Balance at 30 June 2022**	**Exercisable at 30 June 2022**
Bruce McFadzean	27 July 2021	27 July 2024	$0.25	-	275,000	-	-	275,000	275,000
	27 July 2021	27 July 2025	$0.35	-	275,000	-	-	275,000	-
Alexandra Atkins	27 July 2021	27 July 2024	$0.25	-	225,000	-	-	225,000	225,000
	27 July 2021	27 July 2025	$0.35	-	225,000	-	-	225,000	-

Options are granted over ordinary shares of Aquirian Limited.

The fair value of options granted during the financial year is determined at grant date, using the Black-Scholes model. This amount is included in remuneration of executive directors and other key management personnel during the year. No options were exercised during the year.

2022 Performance rights								
	Grant Date	**Expiry Date**	**Balance at 1 July 2021**	**Granted during the year**	**Exercised during the year**	**Expired during the year**	**Balance at 30 June 2022**	**Exercisable at 30 June 2022**
David Kelly	1 July 2021	30 June 2024	-	862,849	-	-	862,849	-
Gregory Patching	1 July 2021	30 June 2024	-	674,596	-	-	674,596	-
Mark Hunter	1 July 2021	30 June 2024	-	449,778	-	-	449,778	-

The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024. The above represents the maximum amount of performance rights attainable.

(b) Number of shares held by key management personnel (consolidated)

2022	Balance 1/07/2021	Number of ordinary shares granted as remuneration during the year	Number of ordinary shares received on the exercise of options during the year	Net Other changes during the year	Total balance at 30/06/2022	Number held nominally at 30/6/2022
Directors						
Bruce McFadzean	-	-	-	740,345	740,345	740,345
David Kelly	6,000,000	-	-	983,551	6,983,551	6,983,551
Gregory Patching	20,000,000	-	-	279,000	20,279,000	20,279,000
Alexandra Atkins	-	-	-	-	-	-
KMP						
Mark Hunter	-	-	-	155,271	155,271	155,271
	26,000,000	-	-	2,158,167	28,158,167	28,158,167

F. *Loans to key management personnel*

No loans were made, guaranteed, or secured, directly or indirectly, by the Group and any of its subsidiaries, in the financial year to key management personnel, their close family members or their related entities during the year.

G. Other transactions with key management personnel

During the year, there were no material contracts or transactions entered into with Directors, key management personnel or other related parties outside of their agreement compensation for services rendered in their capacity as Directors or employees.

H. Use of remuneration consultants

As per the Group's remuneration policy, the Board engaged the services of IMS Consulting Pty Ltd for professional advice in establishing the remuneration of the Directors and executives ahead of its IPO. IMS Consulting Pty Ltd were paid a total of $9,880 (excl. GST) for these services in FY2021.

The recommendations from IMS Consulting were accepted by the Board for the following roles:

(i) Managing Director

(ii) Executive Director

(iii) Chief Financial Officer

The report provided an analysis of similar executive positions across the relevant industries that the Group operates within. IMS Consulting Pty Ltd formally presented its findings to the Directors. The Directors who were conflicted in approving remuneration were excused from the meeting and discussion when it related to their remuneration, they also abstained from voting.

The Directors are therefore satisfied that the remuneration recommendations made were free from undue influence from key management personnel.

I. Non-binding vote of adoption by shareholders at the 2021 annual general meeting

This is the first remuneration report since Aquirian Limited listed on the Australian Securities Exchange (ASX) on the 27 July 2021. No remuneration report was presented at the 2021 annual general meeting.

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the Directors.

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David Kelly
Managing Director

Perth

29 August 2022

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF AQUIRIAN LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of Aquirian Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 29 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 $	30 June 2021 $
Revenue and other income			
Revenue from contracts with customers	4	17,428,041	12,462,652
Other income	5	221,053	280,078
		17,649,094	12,742,730
Less: expenses			
Materials, labour hire and consumables used	6	(7,461,357)	(7,047,323)
Depreciation and amortisation	6	(1,730,682)	(783,855)
Director fees		(90,909)	(15,221)
Share based payments		(372,296)	-
Employee benefits expense	6	(4,976,412)	(2,604,657)
Occupancy expenses		(136,669)	(89,098)
Advertising expense		(96,395)	(100,555)
Finance costs	6	(120,376)	(139,878)
Other expenses		(1,761,377)	(1,143,624)
		(16,746,473)	(11,924,211)
Profit before income tax expense		902,621	818,519
Income tax expense	7	(344,473)	(195,161)
Net profit from continuing operations		558,148	623,358
Other comprehensive income for the year		-	-
Total comprehensive income for the year		558,148	623,358
Basic earnings per share for profit attributable to owners of Aquirian Limited	24	0.007	0.016
Diluted earnings per share for profit attributable to owners of Aquirian limited	24	0.007	0.016

The accompanying Notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	30 June 2022 $	30 June 2021 $
Current assets			
Cash and cash equivalents	8	7,993,305	1,673,655
Receivables	9	2,991,806	1,607,201
Inventories	10	848,955	142,343
Other assets	11	715,522	304,898
Current tax assets	7	646,983	-
Total current assets		13,196,571	3,728,097
Non-current assets			
Plant and equipment	12	5,677,681	3,158,241
Lease assets	13	918,165	314,574
Intangible assets	14	3,177,664	921,752
Deferred tax assets	7	-	101,631
Total non-current assets		9,773,510	4,496,198
Total assets		22,970,081	8,224,295
Current liabilities			
Lease liabilities	13	411,123	111,364
Payables	15	3,819,380	2,051,799
Borrowings	16	1,933,678	1,066,240
Provisions	17	410,571	275,015
Current tax liabilities	7	-	273,074
Total current liabilities		6,574,752	3,777,492
Non-current liabilities			
Lease liabilities	13	547,903	225,208
Borrowings	16	4,177,577	1,805,968
Deferred tax liabilities	7	615,307	-
Total non-current liabilities		5,340,787	2,031,176
Total liabilities		11,915,539	5,808,668
Net assets		11,054,542	2,415,627
Equity			
Share based payments reserve	18	372,296	-
Share capital	19	7,708,571	100
Retained earnings	20	2,973,675	2,415,527
Total equity		11,054,542	2,415,627

The accompanying Notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Contributed equity $	Reserves $	Retained earnings $	Total equity $
Balance as at 1 July 2020	100	-	1,792,169	1,792,269
Profit for the year	-	-	623,358	623,358
Total comprehensive income for the year	-	-	623,358	623,358
Balance as at 30 June 2021	100	-	2,415,527	2,415,627
Balance as at 1 July 2021	100	-	2,415,527	2,415,627
Profit for the year	-	-	558,148	558,148
Total comprehensive income for the year	-	-	558,148	558,148
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (Note 19)	8,000,000	-	-	8,000,000
Less Share issue costs	(291,529)	-	-	(291,529)
Share based payments (Note 18)	-	372,296	-	372,296
Total transactions with owners in their capacity as owners	7,708,471	372,296	-	8,080,767
Balance as at 30 June 2022	7,708,571	372,296	2,973,675	11,054,542

The accompanying Notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 $	30 June 2021 $
Cash flow from operating activities	22		
Receipts from customers		17,647,482	13,322,917
Payments to suppliers and employees		(14,979,768)	(11,567,425)
Interest received		7,430	71
Finance costs - other		(98,858)	(126,035)
Income tax paid		(450,449)	(368,522)
Finance costs - lease liabilities		(21,518)	(13,843)
Net cash provided by operating activities		2,104,319	1,247,163
Cash flow from investing activities			
Proceeds from sale of plant and equipment		282,386	280,592
Payment for plant and equipment		(2,435,444)	(738,146)
Payment for intangibles		(998,143)	(43,605)
Payments for the acquisition of Maglok Australia	23	-	(690,000)
Payments for the acquisition of Cybem Mechanical	23	(2,914,126)	-
Net cash (used in) investing activities		(6,065,327)	(1,191,159)
Cash flow from financing activities	22		
Proceeds from issue of shares		8,000,000	-
Share issue costs		(388,672)	-
Repayment of borrowings		(1,325,069)	(546,715)
Proceeds received from borrowings		4,214,116	500,000
Principal portion of lease payments		(219,717)	(109,640)
Net cash provided by / (used in) financing activities		10,280,658	(156,355)
Reconciliation of cash			
Cash at beginning of the year		1,673,655	1,774,006
Net increase / (decrease) in cash held		6,319,650	(100,351)
Cash at end of the year	22	7,993,305	1,673,655

The accompanying Notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

The following are the significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report covers the Company and the Group. The Company is a company limited by shares, incorporated, and domiciled in Australia. The address of the Company's registered office and principal place of business is Level 3, 190 St Georges Terrace, Perth. The Company is a for-profit entity for the purpose of preparing the financial report.

The financial report was approved by the Directors as at the date of the Directors' report.

Compliance with IFRS

The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the consolidated financial statements.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(c) Equity and reserves

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

(d) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

(e) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is measured at its acquisition date fair value.

Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer’s previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired, and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer’s previously held equity interest, the difference is immediately recognised as a gain in profit or loss.

Acquisition related costs are expensed as incurred.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Comparative information

The comparative information presented is for the period from the 1 July 2020 to 30 June 2021.

(h) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Other long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high-quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(iii) Share-based payments

The Group operates share-based payment employee share and option schemes. Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. Share-based payment transactions are recognised in equity if the goods or services were received in an equity-settled share-based payment transaction, or as a liability if the goods and services were acquired in a cash settled share-based payment transaction. The fair value of options is determined using a Black-Scholes Merton option pricing model. The number of share options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The probability of achieving non-market based vesting conditions of performance rights is assessed at each reporting period.

The Group has applied judgement in assessing the likelihood of achieving the performance milestones in relation to the performance rights issued in the period.

(iv) Bonus plan

The Group recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

(i) Financial instruments

Initial recognition and measurement

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

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

Classification of financial assets

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

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the Group's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

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

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

Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30-45 days.

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

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

(a) debt instruments measured at amortised cost;

(b) debt instruments classified at fair value through other comprehensive income; and

(c) receivables from contracts with customers, contract assets and lease receivables.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

(j) Foreign currency transactions and balances

Functional and presentation currency

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

Transactions and Balances

Transactions undertaken in foreign currencies are recognised in the Group's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

(k) Goods and services tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received, and all grant conditions are met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

(m) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income, to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(n) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(o) Intangible Assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer’s previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Separately acquired Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

The Group has applied for, and currently holds, a number of patents across jurisdictions. The Group capitalises costs associated with patent design and application. Capitalised patent costs are amortised over a 20 year useful life, in line with the patent exclusivity period.

IT software development costs

Costs incurred in developing IT software are initially recognised as an asset and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Formation costs

Formation costs are recognised as an expense when incurred.

(p) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(q) Leases

At the commencement date of a lease (*other than leases of 12-months or less and leases of low value assets*), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(r) Other revenue and other income

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

(s) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter group balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly, or indirectly, to the Group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition by acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income and the statement of financial position respectively.

(t) Plant and equipment

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

	2022	2021
Plant and equipment at cost:	10% – 50%	10% – 50%

(u) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(v) Revenue from contracts with customers

The Group derives revenue from the manufacturing, sale and rental of mining equipment. Revenue is also derived labour hire services and educational training.

Revenue recognised at a point in time

Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

Revenue recognised over time

For rental of mining equipment and provision of labour hire and educational training services, as the customer simultaneously receives and consumes the benefits, the Group has an enforceable right to payment and as such the performance obligation is satisfied over time.

During the period, the Group, as a result of its acquisition of Cybem Mechanical Services Pty Ltd (refer Note 23), commenced the provision of equipment repairs, maintenance and reconditioning, engineering services and onsite field services. The Group identifies one performance obligation in its contractual arrangement with customers for such activities. Revenue is recognised using an input method to measure progress towards complete satisfaction of the performance obligation, because the customer simultaneously receives and consumes the benefits provided by the Group.

Consideration included in the measurement of revenue

The consideration to be received from customers may include fixed amounts, variable amounts, or both. Where the contract includes a right to variable consideration, the Group estimates the amount of variable consideration using the most likely amount approach on a contract-by-contract basis. Variable consideration is included in the measurement of revenue only to the extent that it is highly probable, based on historical experience, that a significant reversal of the cumulative amount recognised will not occur when the uncertainty associated with the variability is subsequently resolved.

Receivables from contracts with customers

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

Contract assets and liabilities

AASB 15 Revenue from Contracts with Customers uses the terms "contract asset" and "contract liability" to describe what is commonly known as "accrued revenue" and "deferred revenue." Accrued revenue arises where work has been performed however is yet to be invoiced. Deferred revenue arises where payment Is received prior to work being performed and is allocated to the performance obligations within the contract and recognised on satisfaction of the performance obligation.

(w) New and revised accounting standards effective at 30 June 2022

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2021.

(x) Accounting standards issued but not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:

(a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;

(b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;

(c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

(d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;

(e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and

(f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]

AASB 2021-7a amends various standards, interpretations and other pronouncements for editorial corrections made by accounting standards boards since December 2017.

AASB 2021-7a mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

AASB 2021-5 amends AASB 112 Income Taxes to clarify the accounting for deferred tax transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences

This amending standard mandatorily apply to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

AASB 2021-2 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:

(a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

(b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;

(c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;

(d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and

(e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

(y) Rounding of amounts

The Group have applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the Directors' report have been rounded to the nearest dollars.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of goodwill

Goodwill is allocated to a cash generating unit or units (CGU's) according to management's expectations regarding which assets will be expected to benefit from the synergies arising from the business combination that gave rise to the goodwill. The recoverable amount of a CGU is based on value in use calculations. Refer to Note 14.

(b) Impairment of non-financial assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

(c) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.
Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

NOTE 3: FINANCIAL RISK MANAGEMENT CONTINUED

The Board of Directors has overall responsibility for identifying and managing operational and financial risks. The Group holds the following financial instruments:

	2022 $	2021 $
Financial assets		
Amortised cost:		
- Cash and cash equivalents	7,993,305	1,673,655
- Receivables	2,991,806	1,607,201
	10,985,111	3,280,856
Financial liabilities		
Amortised cost:		
- Payables	2,088,172	1,692,828
- Lease liabilities	959,026	336,572
- Borrowings	6,111,255	2,872,208
	9,158,453	4,901,608

(a) Currency risk
The Group undertakes transactions denominated in foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group manages its currency risk by transacting in AUD (where possible). Where amounts are received in foreign currencies, namely USD, a portion of receipts are maintained in USD and utilised for payment of USD denominated invoices.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the reporting date are:

	Monetary assets		Monetary liabilities	
	2022 AUD $	2021 AUD $	2022 AUD $	2021 AUD $
United States Dollar denominated	944,798	234,903	47,859	84,410

	2022 $	2021 $
+/- 10% movement in exchange rates		
Impact on profit after tax	81,540	13,681
Impact on equity	(81,540)	(13,681)

(b) Interest rate risk

The Group is exposed to interest rate risk in relation to its borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group manages its interest rate risk by maintaining a mix of variable rate and fixed rate borrowings, and by utilising interest rate swap contracts.

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

The following table outlines the Group’s exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities:

NOTE 3: FINANCIAL RISK MANAGEMENT CONTINUED

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate	Fixed / variable rate
30 June 2022	**$**	**$**	**$**	**%**	
(i) Financial assets					
Cash	750,000	7,243,305	7,993,305	0.3%	Fixed
Total financial assets	750,000	7,243,305	7,993,305		
(ii) Financial liabilities					
Bank borrowings (fixed)	2,777,915	-	2,777,915	3.4%	Fixed
Bank borrowings (variable)	3,333,340	-	3,333,340	5.1%	Variable
Lease liabilities	959,026	-	959,026	3.9%	Fixed
Total financial liabilities	7,070,281	-	7,070,281		
30 June 2021					
(i) Financial assets					
Cash	-	1,673,655	1,673,655		
Total financial assets	-	1,673,655	1,673,655		
(ii) Financial liabilities					
Bank borrowings (fixed)	2,438,872	-	2,438,872	3.0%	Fixed
Bank borrowing (variable)	433,336	-	433,336	4.5%	Variable
Lease liabilities	336,572	-	336,572	3.6%	Fixed
Total financial liabilities	3,208,780	-	3,208,780		

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

If variable interest rates were to increase/decrease by 100 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact on profit for the year and equity would be as follows:

	2022	2021
+/- 100 basis points	$	$
Impact on profit after tax	927	802
Impact on equity	(927)	(802)

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the counterparty by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date of recognised financial assets is the carrying amount of those assets, net of any allowance for credit losses, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

The Group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Group.

i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with a major Australian bank of at least AA credit rating.

ii) Receivables from contracts with customers

Credit risk for receivables from contracts with customers is managed by transacting with a large number of customers, undertaking credit checks for all new customers and managing customer service supply commensurate with their assessed credit risk. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

NOTE 3: FINANCIAL RISK MANAGEMENT CONTINUED

(d) Liquidity risk

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

Well established cash flow management processes and liquidity risk management are established for the consolidated entity to maintain sufficient liquidity (mainly cash and cash equivalents) to pay debts as and when they become due and payable.

The following table outlines the Group's remaining contractual maturities for non-derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

	0-12 months	1-5 years	Total contractual cash flows	Carrying amount
30 June 2022	**$**	**$**	**$**	**$**
Payables	2,088,172	-	2,088,172	2,088,172
Bank borrowings	1,933,678	4,177,577	6,111,255	6,111,255
Lease liabilities	411,123	547,903	959,026	959,026
	4,432,973	4,725,480	9,158,453	9,158,453
30 June 2021				
Payables	1,692,828	-	1,692,828	1,692,828
Bank borrowings	1,066,240	1,805,968	2,872,208	2,872,208
Lease liabilities	111,364	225,208	336,572	336,572
	2,870,432	2,031,176	4,901,608	4,901,608

(e) Fair value compared with carrying amounts

The carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value as at the reporting date, given borrowing arrangements are at market rates and/or their short-term basis to maturity.

NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers from continuing operations

	2022 $	2021 $
Revenue recognised at a point in time	8,531,690	3,774,749
Revenue recognised over time	8,896,351	8,687,903
	17,428,041	12,462,652
Revenue from contracts with customers is disclosed in the segment note as follows:		
Mining Services	10,753,524	5,882,782
People Services	6,674,517	6,579,870
	17,428,041	12,462,652
The aggregate amount of transaction prices (unrecognised revenue) allocated to remaining performance obligations, at the reporting date, is as follows:		
People Services	34,605	-
Mining Services	232,129	178,477
	266,734	178,477

The aggregate amount of transaction prices (unearned revenue) allocated to remaining performance obligations, at the reporting date (as disclosed above), is expected to be recognised as revenue within 6 months of the reporting date. This unearned amount is currently recognised within trade and other payables.

NOTE 5: OTHER INCOME

Other revenue and other income from continuing operations

	2022 $	2021 $
Other income		
Net gain on disposal of plant & equipment	186,844	674
Government grants received - COVID19 Incentives	-	202,017
Foreign exchange gains	22,135	9,065
Interest received	7,430	71
Other income	4,644	68,251
	221,053	280,078

NOTE 6: PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations before income tax has been determined after the following:	2022	2021
	$	$
Materials, labour hire and consumables used		
Hire of equipment	157,372	164,804
Repairs and maintenance on equipment rented to customers	464,536	310,953
Labour hire personnel	4,763,441	4,805,897
Raw materials and consumables used	1,639,964	1,392,047
Other material and labour hire expenses	436,044	373,622
	7,461,357	7,047,323
Employee benefits expense		
Salaries and wages	4,119,824	2,125,740
Superannuation guarantee contributions	431,808	211,599
Other employee benefits	424,780	267,318
	4,976,412	2,604,657
Depreciation expense		
Plant and equipment	1,475,462	665,917
Lease expenses (excluding finance costs on lease liabilities)	238,580	116,883
	1,714,042	782,800
Amortisation expense		
Trademarks, patents, design and development	5,643	1,055
Internal software	10,997	-
	16,640	1,055
Finance costs expensed		
Financial liabilities measured at amortised cost:		
- Bank borrowings	98,858	126,035
- Lease liabilities	21,518	13,843
	120,376	139,878

NOTE 7: INCOME TAX	2022 $	2021 $
(a) Components of tax expense:		
Current tax	-	131,361
Deferred tax	346,319	60,826
Revaluation of Deferred tax position	3,909	9,372
Under/(over) provision in prior years	(5,755)	(6,398)
	344,473	195,161

(b) Income tax reconciliation

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

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

	2022 $	2021 $
Prima facie income tax payable on profit before income tax at 25% (2021: 26%)	225,656	212,815
Add / (Less) tax effect of:		
- Entertainment	7,662	-
- Other non-allowable items	19,927	(20,628)
- Share based payments	93,074	-
- Revaluation of deferred tax position due to change in tax rate	3,909	-
Under / (over) provision in prior years	(5,755)	2,974
Income tax expense attributable to profit	344,473	195,161

(c) Current tax

Current tax relates to the following:

	2022 $	2021 $
Current tax liabilities / (assets)		
Opening balance	273,074	512,321
Income tax	-	131,361
Losses carried back	(463,570)	-
Instalments paid	(450,449)	(368,522)
Under / (over) provisions	(6,038)	(2,086)
Current tax liabilities / (assets)	(646,983)	273,074

(d) Deferred tax

Deferred tax relates to the following:

	2022 $	2021 $
Deferred tax assets balance comprises:		
Employee benefits	102,643	82,150
Business related costs	89,624	83,839
Accruals	378,152	53,031
Borrowing costs	4,788	-
Capital raising costs	77,715	-
Property, plant & Equipment under lease	10,215	5,719
Tax losses	88,317	47,609
	751,454	272,348
Deferred tax liabilities balance comprises:		
Accrued revenue	62,135	11,427
Prepayments	125,717	60,840
Plant & Equipment	1,178,909	98,450
	1,366,761	170,717
Net deferred tax (liabilities) / assets	(615,307)	101,631

NOTE 7: INCOME TAX CONTINUED

(e) Deferred income tax (revenue)/expense included in income tax expense comprises:

	2022	2021
	$	$
Decrease / (increase) in deferred tax assets	(1,007,188)	(58,169)
(Decrease) / increase in deferred tax liabilities	1,353,507	118,995
	346,319	60,826

(f) Deferred income tax related to items charged or credited directly to equity:

	2022	2021
	$	$
Decrease / (increase) in deferred tax assets	97,143	-
(Decrease) / increase in deferred tax liabilities	-	-
	97,143	-

(g) Changes in applicable tax rate(s)

During the 30 June 2022 year, the applicable tax rate of the Group changed from 26% to 25%, in line with Government legislation. As disclosed above this change impacted the amount recognised by the Group for deferred tax assets brought to account.

NOTE 8: CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
Cash at bank and on hand	7,243,305	1,673,655
Deposits at call	750,000	-
	7,993,305	1,673,655

NOTE 9: RECEIVABLES

	2022	2021
	$	$
CURRENT		
Receivables from contracts with customers	3,035,418	1,501,870
Allowance for credit losses	(43,612)	-
	2,991,806	1,501,870
Other receivables	-	105,331
	2,991,806	1,607,201

<u>Receivables from contracts with customers</u>

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a monthly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

<u>Impairment of receivables from contracts with customers, lease receivables and other receivables</u>

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

NOTE 9: RECEIVABLES CONTINUED

Receivables written off during the year

The gross carrying amount of a receivable balance is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the outstanding balance. The receivable written off remains subject to enforcement action by the Group.

NOTE 10: INVENTORIES

	2022 $	2021 $
CURRENT		
Finished goods - at cost	224,115	142,343
Work in progress - at cost	85,735	-
Stores holdings - at cost	539,105	-
Total inventories	848,955	142,343

NOTE 11: OTHER CURRENT ASSETS

	2022 $	2021 $
Prepayments	502,866	230,702
Bonds and deposits	2,400	12,400
Contract assets	210,256	61,796
	715,522	304,898

A contract asset represents the Group's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods or services transferred to the customer. Contract assets are measured at the amount of consideration that the Group expects to be entitled in exchange for goods or services transferred to the customer. Contract assets arise in relation to labour hire services, when performed in advance of invoicing the customer. Amounts included in the balance of contract assets are reclassified to receivables at the time of invoicing the customer, which generally occurs on a monthly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

Impairment of contract assets

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

NOTE 12: PLANT AND EQUIPMENT

	2022 $	2021 $
Plant & equipment		
At cost	8,223,710	3,799,313
Accumulated depreciation	(2,658,413)	(1,411,104)
	5,565,297	2,388,209
Assets under construction		
At cost	112,384	770,032
Total plant and equipment	5,677,681	3,158,241

Assets under construction pertains to equipment that is currently undergoing pre-commissioning and not held ready for use.

Reconciliations	2022 $	2021 $
Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year		
Plant & equipment		
Carrying amount at beginning of year	2,388,209	1,374,170
Additions	2,673,060	1,812,324
Disposals	(95,542)	(279,918)
Additions through business combinations (Note 23)	1,305,000	147,550
Transfers from assets under construction	770,032	-
Depreciation expense	(1,475,462)	(665,917)
Carrying amount end of year	5,565,297	2,388,209
Assets under construction		
Carrying amount at beginning of year	770,032	-
Additions	112,384	770,032
Transfers between classes	(770,032)	-
Carrying amount end of year	112,384	770,032

NOTE 13: LEASE ASSETS AND LEASE LIABILITIES

	2022 $	2021 $
Lease assets		
Carrying amount of lease assets, by class of underlying asset:		
Buildings under lease arrangements		
At cost	1,398,709	556,538
Accumulated depreciation	(480,544)	(241,964)
Total carrying amount of lease assets	918,165	314,574

Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:	Total $
Carrying amount at 1 July 2020	431,457
Additions	-
Depreciation	(116,883)
Carrying amount at 30 June 2021	314,574
Additions - New lease premises for MagLok and Cybem operations	842,171
Depreciation	(238,580)
Carrying amount at 30 June 2022	918,165

The Group has six leases in place which includes Perth: workshops, a warehouse and offices, a Kalgoorlie workshop and the Maglok operations in Adelaide.

Additionally, the Group has options to extend the lease term on some of its premises. It has exercised its judgement and determined at this point in time extension of lease terms is less likely.

The Group does not have an option to purchase any properties at the end of the lease term.

Interest expense is recognised within finance costs. Refer note 6.

	2022 $	2021 $
Lease liabilities		
Current lease liabilities	411,123	111,364
Non-current lease liabilities	547,903	225,208
Total carrying amount of lease liabilities	959,026	336,572

The lease liabilities relate to the lease assets disclosed above.

	2022 $	2021 $
Lease expenses and cashflows		
Interest expense on lease liabilities	21,518	13,843
Expense relating to leases of 12-months or less (for which a lease asset and lease liability has not been recognised)	136,669	77,994
Depreciation expense on lease assets	238,580	116,883
Total cash outflow in relation to leases	(241,235)	(123,483)

NOTE 14: INTANGIBLE ASSETS

	2022 $	2021 $
Goodwill		
At cost	1,964,360	689,951
	1,964,360	689,951
Trademarks, patents and designs		
At cost	385,186	240,046
Accumulated amortisation	(13,888)	(8,245)
	371,298	231,801
Capitalised internal software costs		
At cost	264,745	-
Accumulated amortisation	(10,997)	-
	253,748	-
Capitalised development costs		
At cost	588,258	-
Accumulated amortisation	-	-
	588,258	-
Total intangible assets	3,177,664	921,752

Reconciliation

	Goodwill $	Trademarks, patents and designs $	Internal software costs $	Capitalised development costs $
Carrying amount at 1 July 2020	146,170	189,251	-	-
Additions	-	43,605	-	-
Additions through business combinations	543,781	-	-	-
Amortisation expense	-	(1,055)	-	-
Carrying amount at 30 June 2021	689,951	231,801	-	-
Additions	-	145,140	264,745	588,258
Additions through business combinations	1,274,409	-	-	-
Amortisation expense	-	(5,643)	(10,997)	-
Carrying amount at 30 June 2022	1,964,360	371,298	253,748	588,258

Trademark, patent and design costs are amortised over a useful life of 20 years from their grant date. Development costs capitalised during the period pertain to the Group's Collarkeeper system.

Internal software costs are amortised over a useful life of 3 - 7 years from implementation.

Development costs are amortised over a useful life of 5 years from commercialisation of the product.

NOTE 14: INTANGIBLE ASSETS CONTINUED

Impairment tests for goodwill and intangible assets with indefinite useful lives	**2022 $**	**2021 $**
Goodwill is allocated to the following cash generating units (CGU):		
- *Modular Training*	146,170	146,170
- *Maglok Australia*	543,781	543,781
- *Cybem Services*	1,274,409	-
	1,964,360	689,951

The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 1 year. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 1.5% (2021: 1.5%) for cash flows in year two to five which is based on the historical average, a terminal value growth rate of 1.5% (2021: 1.5%) and a discount rate of 6% (2021: 5%) to determine value-in-use.

The change in the discount rate applied reflects the change in the cost of debt funding available to the group.

No reasonable change in the key assumptions of the value in use calculations would result in impairment.

NOTE 15: PAYABLES

	2022 $	**2021 $**
CURRENT		
Trade payables	918,864	792,051
Other payables (i)	1,169,308	900,777
Accruals	1,464,474	180,494
Unearned revenue	266,734	178,477
	3,819,380	2,051,799

(i) Other payables namely relate to Superannuation, PAYG and GST obligations owing for the June quarter then ended.

NOTE 16: BORROWINGS	**2022 $**	**2021 $**
CURRENT		
Secured by fixed and floating charge:		
- Asset finance facilities	1,233,682	966,244
- Long-term bank loan	699,996	99,996
sub-total	1,933,678	1,066,240
NON-CURRENT		
Secured by fixed and floating charge:		
- Asset finance facilities	1,544,233	1,472,628
- Long-term bank loan, net of current maturities	2,633,344	333,340
sub-total	4,177,577	1,805,968
TOTAL	6,111,255	2,872,208

Asset finance facilities

The asset finance facilities are namely held with a major bank and secured via a registered GSA over the equipment purchased under their relevant agreements. The Group has also provided a general security agreement to the bank in respect to the Group's existing and future assets. As announced on the 27 April 2022, the Group's asset finance facility includes a limit of up to $7.5 million.

Asset finance facilities bear fixed interest at an average prevailing market rate of ~3.4% per annum and are primarily payable over 1 to 5 year terms.

Long-term bank loan

The Group secured long-term bank loans with a major bank in order to fund its acquisitions of the Maglok Australia business and Cybem Services business. The loan bears a floating interest rate in line with the business lending rate offered by the major bank, plus a margin of 2.15%. For 30 June 2022, this average of this rate was ~5.1% per annum.

The loans are an amortising term debt facility which has a re-draw function. The loan principal is repayable in equal quarterly instalments; Maglok $25,000 per quarter until it's expiry in October 2025, Cybem Services $150,000 per quarter until expiry in September 2027.

As described above, these loans are also secured by a general security agreement over the Group's existing and future assets.

NOTE 17: PROVISIONS	**2022 $**	**2021 $**
CURRENT		
Employee benefits	410,571	275,015

Movements in provisions		
Employee benefits		
Carrying amount at the beginning of the year	275,015	144,266
Additional provisions recognised	135,556	130,749
Carrying amount at the end of the year	410,571	275,015

NOTE 18: SHARE BASED PAYMENTS	**2022 $**	**2021 $**
Share based payments reserve	372,296	-

(a) Share based payment reserve

(i) Nature and purpose of reserve

On the 27 July 2021 options over unissued ordinary Aquirian Limited shares granted, including options granted to Directors and Lead Managers associated with the successful listing of Aquirian Limited on the Australian Securities Exchange (ASX).

Date options granted	Number of unissued ordinary shares under option	Exercise price of shares	Expiry date of the options
27 July 2021	1,250,000	$0.25	27 July 2024
27 July 2021	1,250,000	$0.35	27 July 2025

Date performance rights issued	Number of performance rights granted	Date of performance rights grant	Date of vesting of performance rights
10 February 2022	2,749,891	1 July 2021	30 June 2024

The reserve included the recognition of unvested performance rights for ordinary shares related to the Executive Directors and key management personnel long term incentive (LTI) program.

Vesting of the performance rights are dependent upon the satisfaction of the performance hurdles vesting conditions. The above represents the maximum amount of performance rights attainable.

NOTE 18: SHARE BASED PAYMENTS CONTINUED

(ii) Movements in reserve	2022 $	2021 $
Balance at beginning of year	-	-
Recognition of options over unissued ordinary shares	269,172	-
Recognition of unvested performance rights	103,124	-
Balance at end of year	372,296	-

(b) Options

On the 27 July 2021, the Group issued 550,000 options to Mr Bruce McFadzean (Non-Executive Chairman) and 450,000 options to Ms Alexandra Atkins (Non-Executive Director). The purpose of their issue was to align their respective interests with that of the Group.

The Group also issued 1,500,000 options to the Lead Managers for their services associated with the successful listing of Aquirian Limited on the Australian Securities Exchange (ASX) as a result of its IPO.

All options issued to recipients were undertaken in two equal classes. Further details in relation to the exercise price of each option class is set out below.

2022								
Grant Date	**Expiry Date**	**Exercise Price**	**Balance at 1 July 2021**	**Granted during the year**	**Exercised during the year**	**Expired during the year**	**Balance at 30 June 2022**	**Exercisable at 30 June 2022**
27 July 2021	27 July 2024	$0.25	-	1,250,000	-	-	1,250,000	1,250,000
27 July 2021	27 July 2025	$0.35	-	1,250,000	-	-	1,250,000	-

NOTE 18: SHARE BASED PAYMENTS CONTINUED

The options have been valued using a Black-Scholes Merton option pricing model. The inputs and results of valuations undertaken were as follows:

Lead Manager Options	**$0.25 exercise price options**	**$0.35 exercise price options**
Number of options	750,000	750,000
Grant date	27 July 2021	27 July 2021
Share price at grant date	$0.20	$0.20
Exercise price	$0.25	$0.35
Expected volatility	85%	100%
Implied option life	3 years	4 years
Expected dividend yield	NIL	NIL
Risk free rate	0.11%	0.11%
Valuation per option ($)	$0.0974	$0.1179
Total valuation	**$73,073**	**$88,430**

Non-Executive Chairman Options	**$0.25 exercise price options**	**$0.35 exercise price options**
Number of options	275,000	275,000
Grant date	27 July 2021	27 July 2021
Share price at grant date	$0.20	$0.20
Exercise price	$0.25	$0.35
Expected volatility	85%	100%
Implied option life	3 years	4 years
Expected dividend yield	NIL	NIL
Risk free rate	0.11%	0.11%
Valuation per option ($)	$0.0974	$0.1179
Total valuation	**$26,794**	**$32,424**

Non-Executive Director Options	**$0.25 exercise price options**	**$0.35 exercise price options**
Number of options	225,000	225,000
Grant date	27 July 2021	27 July 2021
Share price at grant date	$0.20	$0.20
Exercise price	$0.25	$0.35
Expected volatility	85%	100%
Implied option life	3 years	4 years
Expected dividend yield	NIL	NIL
Risk free rate	0.11%	0.11%
Valuation per option ($)	$0.0974	$0.1179
Total valuation	**$21,922**	**$26,529**

An expense of $269,172 has been recognised as a share based payment expense in the statement of profit and other comprehensive income, and the share based payments reserve at 30 June 2022 in relation to the above instruments.

(c) Performance rights

As announced on 26 October 2021, the Group put forward an Employee Securities Incentive Plan (the "Plan") for approval by shareholders at the Annual General Meeting ("AGM"). The purpose of the Plan is to motivate and retain key officers, employees and consultants of the Group and provide them with the opportunity to participate in future growth of the Group.

Under the terms of the Plan, up to a maximum of 4,000,000 equity securities can be issued from time.

Executive performance rights
Upon receiving approval for the plan from shareholders at the AGM, 1,212,446 performance rights were offered to executives of the Group.

These instruments were issued subsequent to half year end on the 10 February 2022.

NOTE 18: SHARE BASED PAYMENTS CONTINUED

The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024.

The performance hurdles are:

A. 3-year Compound Annual Growth Rate (CAGR) Earnings per Share (EPS) (weighting 50%); and
B. 3-year CAGR Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (weighting 50%).

The number of performance rights that vest (if any) is dependent on whether either one or both of the performance hurdles is achieved by the Group at the end of the performance period. The performance hurdles will be assessed independently.

Set out below are the relative percentage of total performance rights under each tranche expected to vest depending upon the results of the Groups' operations:

CAGR over the performance period (1 July 2021 – 30 June 2024) ("3 year vesting period")	% of Performance Rights that will vest
Below 15%	NIL
15%	50% (Target)
Between 15% and 25%	Straight line pro-rata vesting between 50% and 100%
At or greater than 25%	100%

The maximum value of executives performance rights is $272,800, determined with reference to the agreed percentage of each individuals Fixed Annual Remuneration ("FAR"), being 40%. The number of instruments issued has been determined by dividing the volume weighted average price ("VWAP") of ordinary Aquarian Limited shares over the 7 trading days preceding the date upon which both the Group and recipients had agreed a mutual understanding to the terms and conditions of their entitlement under the Plan (VWAP of $0.22499).

In accordance with Australian Accounting Standards, this amount will be expensed proportionally over the 3 year vesting period, in line with the Group's best estimate of the number of performance rights that will eventually vest.

At 30 June 2022, the Group believe it is more probable than not that at least 50% of both tranches of performance rights vest at the end of the 3 year vesting period.

A total of $45,470 has been recognised as a share based payment expense in the statement of profit or loss and other comprehensive income, and the share based payments reserve at 30 June 2022 in relation to the above instruments issued to executives of the Group.

Director Performance Rights

As approved by shareholders at the Group's AGM held on 25 November 2021, Mr David Kelly (Managing Director) and Mr Gregory Patching (Executive Director) were offered 862,849 and 674,596 performance rights respectively as incentives to motivate and provide them with opportunity to participate in the growth of the Group.

These performance rights were issued on 10 February 2022.

Consistent with the performance rights offered to executives and outlined above, these instruments were issued in two equal tranches requiring at least a 15% CAGR in either EPS or EBITDA during the 3 year vesting period.

NOTE 18: SHARE BASED PAYMENTS CONTINUED

The maximum value of the performance rights offered to Mr David Kelly was $194,141, representing 60% of his FAR. The maximum value of the performance rights offered to Mr Gregory Patching was $151,784, representing 50% of his FAR. The number of instruments issued has been determined by dividing the volume weighted average price (“VWAP”) of ordinary Aquarian Limited shares over the 7 trading days preceding the date upon which both the Group and recipients had agreed a mutual understanding to the terms and conditions of their entitlement under the Plan (VWAP of $0.22499).

In accordance with Australian Accounting Standards, this amount will be expensed proportionally over the 3 year vesting period, in line with the Group’s best estimate of the number of performance rights that will eventually vest.

At 30 June 2022, the Group believe it is more probable than not that at least 50% of both tranches of performance rights vest at the end of the 3 year vesting period.

A total of $57,654 has been recognised as a share based payment expense in the statement of profit or loss and other comprehensive income, and the share based payments reserve at 30 June 2022 in relation to the above instruments issued to Directors of the Group.

NOTE 19: SHARE CAPITAL	**2022**		**2021**	
	No of Shares	**$**	**No of Shares**	**$**
(a) Issued and paid up capital				
Ordinary shares fully paid	80,000,000	7,708,571	40,000,000	100

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in shares on issue	**No of Shares**	**$**
Balance as at 30 June 2021	40,000,000	100
Issued during the year		
- 27 July 2021 - Initial Public Offering	40,000,000	8,000,000
- 27 July 2021 - Initial Public Offering costs (net of tax)		(291,529)
Balance as at 30 June 2022	80,000,000	7,708,571

(c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

(d) Capital Management

The Group’s objective in managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

The Group would look to raise capital to accelerate growth initiatives or acquire value accretive M&A providing it was seen as value-adding relative to the Group’s current share price at the time of the investment.

There have been no events of default on the financing arrangements during the financial year.

Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to these risks and in the market.

NOTE 20: RETAINED EARNINGS	**2022**	**2021**
	$	**$**
Balance at beginning of year	2,415,527	1,792,169
Net profit attributable to members of *Aquirian Ltd*	558,148	623,358
Balance at end of year	2,973,675	2,415,527

NOTE 21: INTERESTS IN SUBSIDIARIES

Subsidiaries of the group	**Country of incorporation**	**Ownership interest held by the group**	
		2022	**2021**
		%	**%**
TBS Mining Solutions Pty Ltd	Australia	100	100
TBS Workforce Pty Ltd	Australia	100	100
Modular Training Pty Ltd	Australia	100	100
SwiftEquip Solutions Pty Ltd	Australia	100	100
Cybem Services Pty Ltd	Australia	100	-
Aquirian Technology Pty Ltd	Australia	100	-

Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed above, are parties to the Deed of Cross Guarantee and are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of Financial Reports and Director Reports.

All of the subsidiaries of the Group are party to the Deed of Cross Guarantee. Accordingly, the statement of profit or loss and other comprehensive income and the statement of financial position for the entities party to the Deed of Cross Guarantee is the same as the primary statements that form this financial report.

NOTE 22: CASH FLOW INFORMATION

	2022 $	2021 $
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	558,148	623,358
Non-Cash Items		
Amortisation	16,640	1,055
Depreciation	1,714,042	782,800
Net gain on disposal of plant and equipment	(186,844)	(674)
Shared based payments	372,296	-
Allowance for credit losses	43,612	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	(1,428,217)	(926,643)
(Increase)/decrease in other assets	(410,624)	(227,814)
(Increase)/decrease in inventories	(292,359)	(59,123)
(Increase)/decrease in deferred tax assets	716,938	65,886
(Decrease)/increase in trade and other payables	1,767,581	1,130,268
(Decrease)/increase in income tax payable	(920,057)	(239,247)
(Decrease)/increase in employee entitlements	56,020	97,297
Changes in equity		
(Decrease)/increase in share capital	97,143	-
Net cash flow from operating activities	2,104,319	1,247,163

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Closing cash balance	7,993,305	1,673,655

(c) Reconciliation of liabilities arising from financing activities

	Bank Loans $	Lease liabilities $
Carrying amount at 1 July 2020	1,074,713	446,212
Net cash flows during the year	(46,715)	(109,640)
Acquisition of plant and equipment via asset finance paid direct to supplier	1,844,210	-
Carrying amount at 30 June 2021	2,872,208	336,572
Net cash flows during the year	2,889,047	(219,717)
New lease arrangements	-	842,171
Acquisition of plant and equipment via asset finance paid direct to supplier	350,000	-
Carrying amount at 30 June 2022	6,111,255	959,026

NOTE 23: BUSINESS COMBINATIONS

On 1 April 2022, the Group acquired 100% of the business assets of Cybem Mechanical Services Pty Ltd, provider of on-site labour support, field service and mechanical repair services.

The primary reason for the business combination was to vertically integrate and expand the group's service offerings within the mining and resources industry, which it sees as synergistic to it's existing offerings.

Details of the purchase consideration are set out below:

	$
Cash paid	3,000,000
Less working capital adjustments	
Contingent consideration	(85,874)
Total purchase consideration	2,914,126

Assets and liabilities acquired
Assets and liabilities acquired as a result of the business combination were:

	$
Assets and liabilities acquired	
- Inventories	414,253
- Plant and equipment	1,305,000
- Provisions	(79,536)
Net identifiable assets acquired	1,639,717
Add: goodwill	1,274,409
Total purchase consideration	2,914,126

The goodwill on acquisition comprises the operational expertise and industry know-how relating to the Cybem Services business, as well established and reputable provider of on-site labour support, field service and mechanical repair services.

Goodwill is not deductible for tax purposes.

Contribution since acquisition
Since the acquisition date Cybem Services has contributed revenue of $2,141,679 and loss before tax of $42,487 (tax is calculated on a consolidated level), which excludes intercompany transactions and is included within the consolidated profit for the 2022 year. EBITDA contribution since acquisition date was $113,929 which excludes intercompany transactions.

Transaction costs

Transaction costs incurred in relation to the acquisition are included within other expenses in the consolidated statement of profit or loss and other comprehensive income.

NOTE 23: BUSINESS COMBINATIONS CONTINUED

On 2 October 2020, the Group acquired 100% of the business assets of Maglok Australia, a manufacturer and supplier of storage solutions for energetic materials and dangerous goods.

The primary reason for the business combination was to vertically integrate the Group's service offerings within the mining and resources industry, which it sees as synergistic to it's existing offerings and aligned to management's prior experience and expertise.

Details of the purchase consideration are set out below:

	$
Cash paid	700,000
Less working capital adjustments	
Contingent consideration	(10,000)
Total purchase consideration	690,000

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	$
Assets and liabilities acquired	
- Inventories	32,120
- Plant and equipment	147,550
- Provisions	(33,451)
Net identifiable assets acquired	146,219
Add: goodwill	543,781
Total purchase consideration	690,000

The goodwill on acquisition comprises the operational expertise and industry know-how relating to the Maglok Australia business, as a specialised and industry focused provider of innovative storage solutions for energetic materials and dangerous goods.

Goodwill is not deductible for tax purposes.

Contribution since acquisition

Since the acquisition date Maglok has contributed profit before tax of $348,132 (tax is calculated on a consolidated level), which is included within the consolidated profit for the 2021 year.

Transaction costs

Transaction costs incurred in relation to the acquisition are included within other expenses in the consolidated statement of profit or loss and other comprehensive income.

NOTE 24: EARNINGS PER SHARE	**2022** **$**	**2021** **$**
Profit used in calculating basic and diluted earnings per share	558,148	623,358

	2022 **No of Shares**	**2021** **No of Shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	77,150,685	40,000,000
Adjustment: 50% of options considered "in the money"	1,160,959	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	78,311,644	40,000,000
Basic earnings per share for profit attributable to owners of Aquirian limited	0.007	0.016
Diluted earnings per share for profit attributable to owners of Aquirian limited	0.007	0.016

NOTE 25: DIRECTOR AND EXECUTIVE COMPENSATION AND RELATED PARTY TRANSACTIONS

(a) Individual Directors and Executives compensation disclosures

Details of total compensation provided to non-executive Directors, executive Directors and other key management personnel are outlined below:

	2022 **$**	**2021** **$**
Short-term employment benefits	1,225,219	650,563
Post-employment benefits	79,227	63,582
Share-based payments	182,190	-
Total compensation	**1,486,636**	**714,145**

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

During the year ended 30 June 2022, a number of options and performance rights were issued or offered to key management personnel. Refer to Note 18: Share Based Payments for further information including disclosure of the relevant recipients of options and performance rights.

(b) Subsidiaries

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

(c) Other transactions with Directors, key management personnel and other related parties

During the year, there were no material contracts or transactions entered into with Directors, key management personnel or other related parties outside of their agreement compensation for services rendered in their capacity as Directors or employees.

NOTE 26: AUDITOR'S REMUNERATION

	2022 $	2021 $
(a) Amounts paid and payable to Pitcher Partners BA&A Pty Ltd for:		
(i) Audit and other assurance services		
Audit or review of financial report of the parent entity and any other entity in the Group	44,000	26,000
Other assurance services		
- Investigating accountants report	7,005	12,000
Total remuneration for audit and other assurance services	51,005	38,000
(ii) Other non-audit services payable to related entities of Pitcher Partners BA&A Pty Ltd		
- Due diligence services	12,855	27,396
- Taxation services	30,310	47,650
Total remuneration for non-audit services	43,165	75,046
Total remuneration of Pitcher Partners BA&A Pty Ltd and related entities	94,170	113,046

NOTE 27: PARENT ENTITY INFORMATION

Summarised presentation of the parent entity, Aquirian Limited, financial statements:

(a) Summarised statement of financial position

	2022 $	2021 $
Assets		
Current assets	8,335,235	356,659
Non-current assets	466,908	242,478
Total assets	8,802,143	599,137
Liabilities		
Current liabilities	961,959	392,319
Non-current liabilities	615,307	-
Total liabilities	1,577,266	392,319
Net assets	7,224,877	206,818
Equity		
Share capital	7,708,571	100
Share based payments reserve	372,296	-
Retained earnings / (accumulated losses)	(855,990)	206,718
Total equity	7,224,877	206,818

(b) Summarised Statement of Profit or Loss and Other Comprehensive Income

	2022 $	2021 $
Profit /(loss) for the year	(1,062,708)	285,903
Total comprehensive income / (loss) for the year	(1,062,708)	285,903

(c) Parent entity guarantees

Aquirian Limited has provided a general security guarantee to National Australia Bank in relation to the group's borrowings. Refer to Note 21 for further information.

NOTE 28: SEGMENT INFORMATION

(a) Description of segments

The Group's chief operating decision maker has identified the following reportable segments:

Mining Services: providing consumable products, blasting products and lease equipment, equipment repairs, maintenance and reconditioning services, engineering services and onsite field services, as well as manufacturing innovative storage solutions for explosive materials and dangerous goods. The Group identifies one performance obligation in its contractual arrangement with customers for such activities.

People Services Division: Nationwide personnel on permanent, casual or contract basis, and the training of individuals within the drill & blast focussed industry.

These operating segments have been identified based on internal reports reviewed by the Group's chief executive officer in order to allocate resources to the segment and assess its performance.

(b) Segment information

The Group's managing director uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount reported in the internal reports to the chief executive officer.

Amounts of segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. Inter-segment revenue is determined on an arm's length basis.

Segment information is reconciled to financial statements and underlying profit disclosure notes if provided elsewhere where these amounts differ.

2022

	Mining Services $	**People Services $**	**Corporate/ Unallocated $**	**Total $**
Segment revenue				
Total segment revenue	10,966,386	6,675,042	7,666	**17,649,094**
Segment revenue from external source	10,966,386	6,675,042	7,666	**17,649,094**
Segment result				
Total segment result	1,834,099	(62,586)	(1,062,896)	**708,617**
Intersegment eliminations	2,001,511	412,566	(2,564,546)	**(150,469)**
Total profit/(loss) after income tax	3,835,610	349,980	(3,627,442)	**558,148**
Items included within the segment result:				
Interest income	14	-	7,416	**7,430**
Interest expense	117,427	2,826	123	**120,376**
Depreciation and amortisation expense	1,707,257	-	23,425	**1,730,682**
Income tax expense	-	-	344,473	**344,473**

2021	Mining Services $	People Services $	Corporate/ Unallocated $	Total $
Segment revenue				
Total segment revenue	6,002,119	6,590,611	150,000	**12,742,730**
Segment revenue from external source	6,002,119	6,590,611	150,000	**12,742,730**
Segment result				
Total segment result	592,013	(254,558)	285,903	**623,358**
Intersegment eliminations	1,076,289	758,629	(1,834,918)	**-**
Total profit/(loss) after income tax	1,668,302	504,071	(1,549,015)	**623,358**
Items included within the segment result:				
Interest income	71	-	-	**71**
Interest expense	121,861	15,468	2,549	**139,878**
Depreciation and amortisation expense	781,459	-	2,396	**783,855**
Income tax expense	-	-	195,161	**195,161**

2022	Mining Services $	People Services $	Corporate/ Unallocated $	Total $
Segment assets	12,996,101	1,462,643	8,801,937	**23,260,681**
Intersegment eliminations	1,655,085	227,344	(2,173,029)	**(290,600)**
Total Segment assets	14,651,186	1,689,987	6,628,908	**22,970,081**
Segment liabilities	9,393,116	1,057,415	1,577,248	**12,027,779**
Intersegment eliminations	(104,073)	(8,167)	-	**(112,240)**
Total Segment liabilities	9,289,043	1,049,248	1,577,248	**11,915,539**

2021	Mining Services $	People Services $	Corporate/ Unallocated $	Total $
Segment assets	6,376,688	1,497,693	599,139	**8,473,520**
Intersegment eliminations	(41,696)	(10,444)	(197,085)	**(249,225)**
Total Segment assets	6,334,992	1,487,249	402,054	**8,224,295**
Segment liabilities	4,607,802	1,029,881	392,319	**6,030,002**
Intersegment eliminations	(187,266)	(29,668)	(4,400)	**(221,334)**
Total Segment liabilities	4,420,536	1,000,213	387,919	**5,808,668**

NOTE 29: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No matters or circumstances of the Group's operations has formed a contingent liability or contingent asset.

NOTE 30: COMMITTMENTS

At 30 June 2022, the Group has contracted capital expenditure commitments, but not provided for in the financial statements of $75,000.

NOTE 31: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 30 June 2022 that has materially affected, or may materially affect the Group's operations, the results of those operations, or its state of affairs in future financial years.

DIRECTORS DECLARATION

The Directors declare that:

1. 1. In the Directors' opinion, the consolidated financial statements and notes thereto, as set out on pages 23 to 64, are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
   (b) as stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards; and
   (c) giving a true and fair view of the financial position of the Group as at 30 June 2022 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that the Group will be able to pay its debts as and when they become due and payable.

At the date of this declaration, Aquirian Limited and certain wholly-owned subsidiaries (collectively referred to as "the closed group") are parties to a deed of cross guarantee pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. Under the deed of cross guarantee, each entity (in the closed group) guarantees to each creditor (of any entity in the closed group) payment in full of any debt.

In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that Aquirian Limited and the other parties to the deed of cross guarantee (as disclosed in Note 21 to the consolidated financial statements) will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2022.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

David Kelly
Managing Director

Perth
Date 29 AUGUST 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AQUIRIAN LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aquirian Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial 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 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Key Audit Matters

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

Pitcher Partners BA&A Pty Ltd

An independent Western Australian Company ABN 76 601 361 095.
Level 11, 12-14 The Esplanade, Perth WA 6000
Registered Audit Company Number 467435.

PITCHER PARTNERS

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AQUIRIAN LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition *Refer to Note 1(v) and Note 4 of the Financial Report*	
For the year ended 30 June 2022, the Group had revenue of $17,428,041 from contracts with customers relating to its mining and people services divisions. The determination of revenue recognition requires Management judgements in accounting for revenue, in accordance with the Group's identified performance obligations as part of the transaction, as required under *AASB 15 Revenue from contracts with customers* ("AASB 15").	Our procedures included, amongst others: Understanding and evaluating the design and implementation of the relevant controls associated with the recognition of revenue, including, but not limited to, those relating to identification of performance obligations and when they are satisfied. Considering the appropriateness of the Group's revenue recognition accounting policies including those relating to identifying performance obligations, determining the transaction price and allocating the transaction price to the performance obligations in contracts. Testing a sample of invoices and transactions which took place during the year, assessing the revenue recognition and timing of when the Group satisfies performance obligations associated with the transaction in accordance with AASB 15. Considering the adequacy of the disclosures included within the financial report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AQUIRIAN LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of non-current assets *Refer to Note 12 and Note 14 to the financial report.*	
Included in the consolidated statement of financial position as at 30 June 2022 is an amount of $9,773,510 relating to non-current assets. This amount represents 43% of total assets. $1,964,360 of this amount relates to goodwill acquired in business combinations. AASB 136 *Impairment of Assets* ("AASB 136") requires an entity to test non-current assets where there are indicators of impairment and to test goodwill acquired in a business combination for impairment annually. The evaluation of the recoverable amount of the Group's cash generating units ('CGUs) requires significant Management judgement in determining the key assumptions and estimates, including but not limited to: ▪ growth rate assumptions; and ▪ discount factors supporting the expected future cash flows of the business and the utilisation of the relevant assets. Due to the significance to the Group's financial report and the level of Management judgment involved in assessing the recoverable amount of the Group's CGUs, we consider this to be a key audit matter.	Our procedures included, amongst others: Understanding and evaluating the design and implementation of the processes and controls associated with the assessment of the Group's CGUs. Assessing Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment. Evaluating and assessing the Management's assessment for impairment indicators associated with the Group CGU's containing only plant and equipment assets. For CGUs which contained goodwill recognised as a result of business combinations, critically assessing and challenging Management's judgments in respect of the key assumptions and estimates used to determine the recoverable value of the Group's CGUs in accordance with AASB 136. Performing sensitivity analysis on the key assumptions and key estimates with CGUs that contained goodwill acquired as part of a business combination. Testing the mathematical accuracy of these CGU models. Assessing the adequacy of the disclosures included within the financial report.

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Cybem Mechanical assets *Refer to Note 23 to the financial report*	
During the year ended 30 June 2022, the Group acquired 100% of the business assets of Cybem Mechanical for consideration of $3,000,000 before working capital adjustments (the "Transaction"). Accounting for the acquisition under *AASB 3 Business Combinations* ("AASB 3") as a business combination or under alternative Australian Accounting Standards as an asset acquisition requires judgment in determining key assumptions and estimates. These include: • whether or not the acquisition represents the definition of a business under AASB 3; and • determining the fair value of the consideration transferred, including any acquisition-date fair value of contingent consideration. • Determining the fair value of assets acquired and any liabilities assumed under the transaction. Due to the significance to the Group's financial report and the level of Management judgment involved in the accounting for the Transaction, we consider this to be a key audit matter.	Our procedures included, amongst others: Reading the sale and purchase agreement to understand key terms and conditions of the transaction. Understanding and evaluating the design and implementation of the processes and controls associated with the assessment of the accounting required relating to the Transaction. Critically evaluating the Group's determination of the fair value of the assets and liabilities acquired in the Transaction. Checking the mathematical accuracy of the calculations performed in accordance with AASB 3 for consolidation purposes. Assessing the Group's disclosures within the financial report and the appropriateness, including consistency with the key assumptions and judgements made by Management.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AQUIRIAN LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Share based payments *Refer to Note 18 to the financial report*	
Share based payments represent $372,296 of the Group's expenditure. Share based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted. Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions. In calculating the fair value there are a number of judgements management must make, including but not limited to: • Estimating the likelihood that the equity instruments will vest; • Estimating expected future share price volatility; • Expected dividend yield; and • Risk-free rate of interest. Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter.	Our procedures included, amongst others: Obtaining an understanding of the relevant controls and evaluating the design and implementation of the controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation. Critically evaluating and challenging the methodology and assumptions of Management in their preparation of valuation model, including Management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information including but not limited to: • Estimating the likelihood that the equity instruments will vest; • Estimating expected future share price volatility; • Expected dividend yield; and • Risk-free rate of interest. Assessing the Group's accounting policy as set out within Note 1(c) for compliance with the requirements of AASB 2 *Share-based Payment.* Assessing the adequacy of the disclosures included in the financial report.

Other Information

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 2022, but does not include the financial report and our auditor's report thereon.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AQUIRIAN LIMITED**

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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 21 of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Aquirian Limited, for the year ended 30 June 2022, 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.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 29 August 2022